
PURCHASING TERMS AND CONDITIONS

AÉROSPATIALE HEMMINGFORD INC .TERMS AND CONDITIONS

1. **OBJECT.** The Supplier undertakes to sell and/or provide to AÉROSPATIALE HEMMINGFORD INC. (« AHI ») the goods and/or services described above, subject to the following terms and conditions.
2. **ACCEPTANCE.** The Supplier shall accept the purchase order within seven (7) days of receipt thereof or propose any changes to the prices, lead time, and/or quantities within the same period, it being understood that no changes may be made to the terms and conditions attached to the purchase order. If the Supplier proposes changes to the prices, lead time, and/or quantities, AHI may, at its sole discretion, revise or reject the proposed changes. Each purchase order will be deemed accepted by the Supplier if no changes to the prices, lead time, and/or quantities specified in the purchase order are requested within the aforementioned seven (7) days. Once accepted or deemed accepted, the Supplier is bound by the purchase order, which, upon acceptance, constitutes a bilateral agreement between the parties, including its terms and conditions (the “Purchase Order”), it being understood that the Supplier may not reject or modify the purchase order, including its terms and conditions.
3. **AMENDMENTS.** AHI may, in its sole discretion, without charge or penalty, amend the order covered by the Purchase Order at any time. Any changes in prices or lead times resulting from changes in the order must be approved in advance in writing by AHI and the Purchase Order must be revised accordingly.
4. **ORDER OF PRIORITY.** In the event of any conflict between the terms and conditions of the Purchase Order and any other document binding on the parties, the following order of precedence shall prevail:
 - A) The confidentiality undertaking signed by the Supplier
 - B) The Purchase Order;
 - C) The commercial contract in force between the Parties;
 - D) Specifications;
 - E) Tender documents.
5. **PRICE.** Customer shall pay Supplier the price stated in this Purchase Order. It is understood that the price includes all costs and expenses incurred by Supplier in delivering the goods and/or providing the services.
6. **INVOICING.** Subject to the terms hereof and conditional upon Supplier's compliance with all of its obligations, including those hereunder, AHI agrees to pay Supplier's invoices no later than ninety (90) days following receipt of the invoice related to the Purchase Order, it being understood that the Purchase Order shall have been fully executed at the time the invoice is issued by Supplier. The Supplier undertakes to send invoices to the following e-mail address: facturations@aeroheimm.com

Invoices shall detail, if applicable, the non-recursive and recursive prices per item as well as the Purchase Order number, the number of each item and the description of the goods, the unit price and quantity, as well as the total value expressed in the appropriate currency as well as any applicable taxes. In the event of any error or omission in the invoice, or lack of supporting documentation, AHI may withhold payment until such errors or omissions are corrected or the required supporting documentation is provided.
7. **RAW MATERIAL.** The Supplier agrees to notify AHI, without delay, of any inventory shortage or shortage of raw material. Supplier agrees to use its best efforts to maintain a security inventory for a manufacturing or supply period of three (3) months, it being understood that this period may be modified at any time by AHI at its sole discretion. At any time and upon request by AHI, Supplier agrees to provide any information concerning, among other things, the quantity of current inventory, any raw material used in the manufacture of the Products and its lot number.
8. **DELIVERY**
 - 8.1. **PACKAGING.** Unless specifically instructed by AHI regarding the packaging of products, Supplier agrees to deliver products using adequate packaging to prevent damage during shipment. If AHI receives a damaged product, it may refuse it or return it to the Supplier at the latter's expense. Prior to the use of any type of packaging by Supplier, Supplier acknowledges that AHI may perform tests by itself or through a certified laboratory of its choice, at Supplier's expense.

- 8.2. SCHEDULE.** The Purchase Order shall be executed in accordance with the schedule provided by AHI, which may be modified at any time by AHI at its sole discretion, without charge or penalty, as long as AHI complies with the lead time set forth in the Purchase Order.
- 8.3. DEFINITION OF DELIVERY DATES.** The "Promised Date" is the date provided by the Supplier to enable AHI to track the delivery date of the product and shall in no way be construed as an acceptance by AHI of such delivery date. The "Due Date" shall be determined by AHI and shall remain the delivery date to which Supplier is bound under the Purchase Order.
- 8.4. SHIPPING.** The Supplier assumes the risks, expenses and costs associated with the transportation and delivery of the products by appropriate methods and through a recognized carrier, if applicable. All required documents, certificates and results must be attached to the delivery documents for each shipment. The Supplier must also indicate on delivery notes the Purchase Order number and the line numbers corresponding to the order. If the Supplier fails to include these documents, it has an additional twenty-four (24) hours to provide them to AHI, failing which the products may be refused by AHI. With respect to shipments and partial deliveries, unless AHI expressly agrees in writing to receive a partial delivery, Supplier shall deliver all products covered by the Purchase Order in a single shipment. Additional shipping, packaging and other costs resulting from partial shipments shall be borne by Supplier, unless otherwise agreed with AHI.
- 8.5. INCOTERMS.** Supplier agrees to comply with the Incoterm® 2020 listed on the PO it receives.
- 8.6. LATE DELIVERY.** Without limiting the generality of the foregoing, Supplier agrees to promptly notify AHI of any delay in delivery. If Supplier fails to deliver a product or provide a service hereunder by the Due Date, Supplier agrees to pay in favor of AHI, as liquidated damages computable from the fifth (5th) day following such failure, an amount representing two percent (2%) of the value of the overdue order for each day of delay up to a maximum of twenty percent (20%), it being understood that such liquidated damages shall in no event constitute an exclusive remedy to compensate for the prejudice suffered by AHI resulting from the Supplier's default, and therefore, AHI shall retain all its other remedies against the Supplier. Under all circumstances, the Supplier must make every effort to meet the Due Date. An order will be considered late if delivered the day after the Due Date, or early if delivered more than 10 business days before it. Such deviations may negatively impact the Supplier's on-time delivery performance indicator and could result in the return of the goods to the Supplier at the Supplier's expense.

9. QUALITY

- 9.1. QUALITY STANDARDS.** Supplier agrees to manufacture, sell, and deliver to AHI the products and/or provide the services required by AHI, as the case may be, in accordance with the highest quality standards in the industry, in addition to the technical and quality requirements to be provided by AHI from time to time as the Purchase Order is executed. Supplier agrees to perform the Purchase Order with due care and diligence.
- 9.2. DECLINATION OF SPECIFICATIONS.** The Supplier shall declare all applicable specifications, including customer requirements, to subcontractors and suppliers at each intermediary. Where required, the Supplier shall have a quality and calibration system, in accordance with the applicable requirements: AS9100D, ISO9001:2015. The Supplier shall ensure that persons under its control are made aware of their impact on service or product quality, product safety and the importance of behaving ethically. This alert will be promoted throughout the supplier organization and extended to any external suppliers.
- 9.3. COUNTERFEIT.** AHI shall only receive delivery of original materials and/or parts. No counterfeit or forged parts may be contained in products delivered to AHI. Parts will be purchased directly from the CMO/EMO or through the CMO/EMO's franchised distributors. Documentation must be available with full traceability applicable to CMO/MEOs. If a part delivered to AHI is suspected of being counterfeit, through AHI's order, to the extent that the suspected or counterfeit part(s) are delivered to AHI, the part(s) will be rejected by AHI. Supplier shall replace the part(s) immediately with other parts accepted by AHI and Supplier shall be responsible for all costs in connection with the replacement and/or manufacture of such part(s). AHI reserves the right to address its claim with the impacts generated by the suspicion of counterfeit parts to its supplier.
- 9.4. QUALITY CONTROL AND INSPECTION.** AHI, as well as any independent third party designated by AHI, may, at any time, upon ten (10) days notice, conduct quality control tests and/or inspections of all facilities in which products are manufactured or services are rendered. AHI's inspection and approval of products and/or services shall not prevent AHI from rejecting products and/or services for defects discovered upon subsequent inspection. Any products and/or services rejected by AHI shall be promptly repaired and/or replaced at Supplier's expense or, at AHI's sole discretion, be subject to a credit note. All costs incurred by AHI in connection with the return of rejected products or their replacement or repair due to defects shall be borne solely by Supplier.

9.5. SAMPLES. Supplier acknowledges that AHI may, at its sole discretion, require samples for approval prior to commencement of mass production. Supplier also acknowledges that AHI may have products randomly selected from production for inspection by a certified third party. In such a case, Supplier will hold such products in its warehouse at no cost to AHI until positive test results are received. If the tests are negative and reveal that the products have been altered in any way and do not conform to the Purchase Order, the affected products will be promptly repaired and/or replaced at the Supplier's cost and expense. The Supplier shall bear and assume the costs incurred by AHI for the return of rejected products and the repair of any defects.

FIRST PIECE PRODUCED: When required, a complete inspection report (AS9102) must be completed, or equivalent, meeting the requirements of AS9102 and any required customer requirements. This report must be supplied with the First Part Produced as proof of full 100% inspection of each part included in the first shipment.

9.6. CERTIFICATE OF COMPLIANCE. At AHI's request, Supplier agrees to provide AHI with a certificate of compliance with the required specifications or a certified inspection or analysis report, as the case may be.

9.7. PRODUCT WARRANTY. The Supplier warrants, for a period of twelve (12) months from delivery of the products to AHI, the quality of the products. For greater certainty, but without limiting the generality of the foregoing, Supplier warrants that the Products are (i) free from defects in raw materials and workmanship, including manufacturing techniques and processes; and (ii) in full compliance with the terms and conditions set forth in the Purchase Order or otherwise by AHI. This warranty is for the benefit of AHI, its successors, assigns, customers and users of its products.

This warranty shall be in effect for the normal life of the products and/or services. If the goods fail to meet the warranty set forth in this purchase order, Supplier shall promptly and adequately repair, modify, or replace said goods so that they meet the warranty requirements. Supplier shall be responsible for all related removal, transportation, shipping, insurance and installation costs. This warranty is for the benefit of AHI, its successors, assigns, customers and users of its products.

9.8. NON-CONFORMING PRODUCT. Supplier shall notify AHI of any non-conforming product and obtain AHI's approval for disposition of the non-conforming product. Inspection and/or disposal of supplier's products shall be performed by qualified or certified persons in accordance with the standards and specifications required by AHI.

10. CHANGES

10.1. CHANGES. The supplier of products or services as part of a service or work transfer project confirms its agreement to submit to AHI, for approval, any change in its organization or production facilities prior to the commencement of the work or service. Supplier is not permitted to subcontract all or part of the work required in the Purchase Order to another supplier. After approval of the 1st Part Produced by AHI, or a written waiver, the supplier agrees not to modify in any way its manufacturing process without prior written approval of AHI. Supplier shall not make any decision to stop the flow of material from its existing sources without the approval of AHI. Supplier shall notify AHI of any change in its organization (i.e. management, production location, process change, or product change) and when required, obtain written approval from AHI.

10.2. SUBSTITUTIONS / REPLACEMENTS. No substitution of materials shall be made without the prior written approval of AHI.

10.3. AMENDMENTS. AHI may, at its sole discretion, without charge or penalty, amend the purchase order covered by the Purchase Order and its plans and specifications at any time within the time limits set forth in the Purchase Order. Any changes in prices or lead times resulting from amendments to the Purchase Order must be explicitly approved by AHI in advance and provided for in the Purchase Order, including in any revised version thereof.

10.4. ASSIGNMENT AND SUBCONTRACTING. Supplier shall not have the right to assign or subcontract the work contemplated in this Purchase Order, except to the extent that subcontracting is necessary to obtain parts, processes or raw materials for which Supplier is not equipped, which cannot be manufactured by Supplier and which are normally subcontracted by Supplier in the performance of similar contracts.

11. ACCESS RIGHTS. The supplier authorizes AHI, its customer and the regulatory authorities to have access to its production sites and to access the information relating to the records of these orders with the collaboration of one or more resource persons. The supplier agrees not to destroy the records relating to the order, for a minimum of 10 years, before obtaining the prior consent of AHI. The supplier authorizes AHI, its customer and the regulatory authorities to verify on its premises that the subcontracted product complies with the specified requirements and/or that the operating system is implemented in accordance with international standards ISO 9001, AS9100 and Nadcap.

- 12. RECORD RETENTION.** The Supplier undertakes not to destroy any registrations regarding the order for a minimal period of 10 years without the prior consent of AHI. The Supplier authorizes AHI, its client and regulatory authorities to verify, on the Supplier's site, that any sub-contracted products comply with the designated specifications and/or that the system is implemented in compliance with the ISO 9001, AS9100 and Nadcap international standards.
- 13. REPRESENTATIONS AND WARRANTIES**
- 13.1. APPLICABLE LAWS AND REGULATIONS.** In connection with the performance of the Purchase Order, Supplier represents and warrants that it complies and will comply at all times with all applicable laws, regulations, codes of ethics, and policies, including but not limited to those relating to privacy, occupational health and safety, labor relations, immigration and the environment. The Supplier also agrees to comply with any security measures that may be imposed by AHI in connection with the performance of the Purchase Order. The Supplier hereby acknowledges having read AHI's Code of Ethics, which can be accessed at the following link: http://www.melocheinc.com/images/documents/code-etique_meloche.pdf
- 13.2. RESTRICTED SUBSTANCES AND MINERALS FROM CONFLICT ZONES.** Unless otherwise approved in advance in writing by AHI, Supplier represents and warrants that all Products delivered to AHI are free of any component considered a restricted substance or restricted product under the provisions of Annex XVII of the European Union REACH Regulation, Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (USA), and/or any other substance, product or mineral from conflict zones restricted under other similar laws or regulations, including sanctioned iron or steel ore products of Russian origin. At AHI's request, Supplier agrees to forward to AHI, within five (5) business days, any certification attesting that the Products are free of restricted substances, products or minerals from conflict zones. The Supplier undertakes to include a commitment similar to this clause in all subcontracts it enters into with its suppliers of components covered by the Purchase Order.
- 13.3. RESTRICTED SUBSTANCES AND MINERALS FROM CONFLICT ZONES.** For Products delivered to AHI under the Purchase Order, Supplier agrees to cooperate fully and provide AHI, at no additional cost, with sufficient assistance and documentation to enable AHI to comply with its obligations under the provisions of Annex XVII of the European Union REACH Regulation, Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (USA), and under other similar laws or regulations relating to conflict zone products, substances and minerals, including sanctioned iron ore or steel products of Russian origin. By way of example, such assistance may consist of (i) completing questionnaires relating to the origin of products, parts, components, materials or any restricted substances, products or conflict zone ores contained in the products within the timeframes requested by AHI; (ii) responding promptly to AHI's request for additional information with respect to investigations ; and (iii) to the extent that the Products contain restricted substances, products or ores from conflict zones, to act diligently to ensure the traceability of such substances, products or ores to the smelter level, including doing whatever is necessary to identify the origin of the restricted substances, products or ores from conflict zones. Supplier agrees to retain all documentation and data relating to its obligations hereunder, including any traceability data, for a period of five (5) years and agrees to provide AHI with a copy of such documentation or data upon request. This obligation shall survive the termination or expiration of the Purchase Order.
- 13.4. ENVIRONMENT.** Insofar as the Supplier must travel to any of AHI's places of business to render services and/or manufacture and/or sell products, the Supplier agrees not to leave any debris, waste, hazardous materials, residual or otherwise, at any of these places of business, in compliance with any code, policy, law or regulation in effect.
- 13.5. EMPLOYEES, SUBCONTRACTORS AND AGENTS.** The Supplier certifies and warrants that its employees, subcontractors and agents, as the case may be, comply with the obligations stipulated in the Purchase Order, the laws, regulations, codes of ethics and policies, including but not limited to those relating to the protection of personal information, occupational health and safety, labour relations, immigration and the environment, and holds itself responsible for their actions. The Supplier guarantees the competence and ability to act of its employees, subcontractors and/or agents, as the case may be.
- 13.6. RIGHTS OF THIRD PARTIES.** The Supplier represents and warrants that the performance of the Purchase Order does not infringe the rights of third parties.
- 13.7. RIGHTS, TITLE AND INTEREST.** Supplier represents and warrants that it owns all rights, title and interest transferred, assigned and/or licensed to AHI hereunder, if any, and that there are no legal, judicial or contractual constraints preventing Supplier from performing the Purchase Order, and therefore, from transferring, assigning, licensing such rights, title or interest hereunder. Supplier represents and warrants that the products delivered hereunder are free and clear of any encumbrances, liens or other encumbrances.
- 13.8. LICENSES AND INSURANCE.** The Supplier undertakes to hold and maintain valid, for the duration of the performance of the Purchase Order, all permits, licenses, insurance and any other authorizations required, as the case may be, for the performance

thereof. In this regard, the Supplier undertakes to take out, in particular but without limitation, a civil liability insurance policy, a damage insurance policy and any other insurance usually taken out by companies operating in the same or a similar field of business, in the amount required to fully protect AHI against any risk related to the performance of the Purchase Order. Upon request, the Supplier undertakes to provide any supporting documentation demonstrating that it holds the authorizations and insurance required under this Article.

13.9. SUBCONTRACTORS. Supplier may not assign or otherwise transfer the Purchase Order, or any part thereof, without the prior written consent of AHI. For greater certainty, but without limiting the generality of the foregoing, Supplier acknowledges that it may not retain the services of any subcontractor, in whole or in part, for the performance of the Purchase Order, without the prior written consent of AHI.

14. CONFIDENTIALITY

14.1. DEFINITION. For the purposes of this section, "Confidential Information" whether in oral, written or digital form, includes all information obtained by Supplier from AHI in the course of providing the Products and performing the Services that may reasonably be considered confidential, such as trade secrets, including but not limited to technical data, know-how, software, developments, inventions, processes, formulas, technologies, drawings, engineering, information relating to equipment and materials, research, product plans, current services or services under development as well as the existence of the agreement between the parties, the terms thereof, tools and concepts developed in connection with the provision of products or services by the Supplier, whether or not in connection with a strategic plan, research or management, business development or training, sales tactics, conceptual model, etc.

14.2. EXCEPTION. The parties acknowledge that this Section shall not apply to Confidential Information that (1) is known to Supplier prior to its disclosure by AHI, without breach of confidentiality, (b) becomes part of the public domain, without breach of confidentiality, or (c) is the subject of a court order requiring its disclosure, provided that Supplier has promptly notified AHI and allowed AHI to contest the proceeding or order, as the case may be.

14.3. NON-DISCLOSURE. The Supplier undertakes, for the duration of the Agreement and an additional period of five (5) years following the termination thereof, to protect the Confidential Information disclosed or to be disclosed or acquired in any manner whatsoever. In particular, the Supplier undertakes, for this period, not to disclose the Confidential Information, unless it has obtained AHI's prior written consent. The foregoing time limit shall not apply in any way to any trade secret, it being understood that Supplier's obligation under this Section shall have no time limit.

14.4. NO RIGHT, TITLE OR INTEREST. Supplier acknowledges that it has no right, title or interest, intellectual property or otherwise, title or interest whatsoever in or to the Confidential Information disclosed by AHI, or any information or documents disclosed in connection with the provision of the Products or Services by Supplier.

14.5. PROHIBITION ON COPYING. The Supplier formally undertakes not to mechanically or manually copy or otherwise reproduce the Confidential Information, for any reason whatsoever, or allow it to be used by a third party for any purpose whatsoever.

14.6. RETURN. Supplier agrees, following termination of the Purchase Order, to return to AHI all documents and materials made available to it or containing, reflecting or incorporating Confidential Information (including any copies thereof) or based thereon. The Supplier undertakes to permanently erase all copies it may hold of the aforementioned documents and material to be returned to AHI.

15. INTELLECTUAL PROPERTY

15.1. DEFINITION. Under the terms of the Purchase Order, "Intellectual Property" means all rights, titles or interests that are or may be granted, conferred or recognized under Canadian or foreign laws, including but not limited to, any copyright, neighbouring right, moral right, trademark or other intellectual property right of any type or nature whatsoever, registered or unregistered, related to the products manufactured or services rendered by the Supplier under the terms of the Purchase Order, including, but not limited to, with respect to any deliverable product, work, representation, invention, contribution, drawing, distinctive sign, realization, conception, as well as their modification, adaptation or improvement, conceived, produced or developed by the Supplier or with its collaboration within the framework of the manufacture of the products or the provision of the services covered by the Purchase Order, including by its employees, subcontractors and agents or with their collaboration.

15.2. ASSIGNMENT. As and when the products are manufactured and the services related to the Purchase Order are provided, the Supplier irrevocably and without restriction assigns and transfers the Intellectual Property to AHI, it being understood that the Intellectual Property shall be the sole and entire property of AHI. Supplier hereby expressly waives the exercise of any rights it may have with respect to the Intellectual Property, including moral rights.

15.3. RETURN. Upon termination of the Purchase Order, Supplier agrees to provide AHI with all materials, documents or information related to the Intellectual Property, including but not limited to any drawings, work procedure documents or manufacturing, assembly and testing instructions.

16. INDEMNIFICATION. Supplier agrees to indemnify and hold harmless AHI, its parents, affiliates and related entities, and their respective directors, shareholders, members, partners, officers, employees, representatives and agents (collectively, "Indemnitees"), from and against any and all damages, claims, losses, demands, costs, expenses (including legal fees and attorneys' fees), obligations, liens, liabilities, actions and causes of action, threatened or actual from any third party, that AHI and/or any of its Indemnitees may suffer or incur, arising out of a breach of the Supplier's obligations, including the Purchase Order, of any law or arising out of any act or omission by the Supplier or its employees, representatives or subcontractors in the performance of the Purchase Order, including death or injury to any person whatsoever, or loss of or damage to any property of any person, entity or corporation, when arising out of or resulting from the acts or omissions of the Supplier in connection with the performance of the Purchase Order.

17. SET-OFF. Supplier acknowledges that AHI may, at any time and at its sole discretion, set off amounts owed by AHI to Supplier against amounts owed by Supplier to AHI.

18. TERMINATION

18.1. AHI'S RIGHT TO TERMINATE WITHOUT CAUSE. AHI may unilaterally, without cause and without penalty, terminate the Purchase Order, in whole or in part, even if production and/or supply of the Products and/or Services is already in progress, provided that AHI shall only be obligated to pay Supplier the actual costs and expenses incurred by Supplier in connection with the Products supplied and/or Services rendered as of the date of termination.

18.2. TRANSITION PLAN. In the event of termination and at AHI's request, Supplier shall develop a transition plan for the orderly transfer of the manufacture and supply of the Products to another supplier, if any, or to AHI.

19. GENERAL PROVISIONS

19.1. NON-WAIVER. No party's silence, negligence or delay in exercising any right or remedy granted to it under the Purchase Order shall ever be construed against such party as a waiver of its rights and remedies.

19.2. TIME LIMITS. All time periods set forth in the Purchase Order shall be of the essence.

19.3. SURVIVAL. All provisions of the Purchase Order and all rights and obligations of the parties which by their nature should survive shall survive the expiration or termination of the Purchase Order, such as, but not limited to, those relating to Supplier's representations and warranties, Intellectual Property and the protection of Confidential Information.

19.4. SUCCESSORS AND ASSIGNS. The Purchase Order, once accepted or deemed accepted, shall be binding not only upon the parties hereto but also upon their assignees, successors and assigns.

19.5. INDEPENDENT CONTRACTORS. The Parties expressly understand and agree that each Party is an independent contractor and solely responsible for all of its employees and agents and its labor costs and expenses. Neither Party nor its agents or employees are the representatives of the other Party for any purpose and neither Party has the power or authority as agent, employee or in any other capacity to represent, act, bind or otherwise create or assume any obligation on behalf of the other Party for any purpose.

19.6. SOLIDARITY. The Parties expressly agree that if two or more persons or entities are referred to as the "Supplier", there is a joint and several liability between them such that they are jointly and severally liable for all obligations under the Purchase Order.

19.7. SEVERABILITY. If, for any reason whatsoever, any provision of the Purchase Order is held to be invalid, such invalidity shall not affect or impair, in whole or in part, the validity of the remaining provisions thereof.

19.8. ELECTION OF DOMICILE. The Parties agree that in the event of any dispute arising between them for any reason whatsoever with respect to the Purchase Order, including its interpretation or application, the judicial district of Montreal, Province of Quebec, Canada, shall be the proper place for the hearing of any action, claim, arbitration, if any, or lawsuit to the exclusion of any other judicial district which may have jurisdiction over such dispute as prescribed by law.

19.9. APPLICABLE LAWS. The Purchase Order, including its interpretation, execution, application, validity and effects, is subject to the applicable laws in force in the Province of Quebec and in Canada.

19.10 EXCLUSION. The parties expressly waive the application of the provisions of the United Nations Convention on Contracts for the International Sale of Goods to the terms of the Purchase Order.