

## **Standard Terms and Conditions for Purchase Orders ("Standard Terms")**

### **1. General**

Unless agreed otherwise in writing, all Orders shall be subject to the terms and conditions stated herein. Supplier acknowledges and agrees that by processing any Order it will be deemed to have accepted these terms and conditions and that these terms and conditions will supersede any other terms and conditions of the Supplier or any previous representations, understandings, arrangements and agreements between the parties made prior to this Agreement, unless specific reference is made to any other signed agreement between the parties at the time of placing the Order.

### **2. Definitions**

"Business Day" means a day that banks are open for business in England.

"Parts" means any aircraft part to be provided under this Order, including rotatable components, piece part and consumables.

"Warranty Period" means a period of 12 months after the Part has been received by SKA or the Services have been performed under this Order or any other period specified on the front cover of the Order.

"Order" means SKA's purchase order or SKA's repair order in respect of any Parts or Services or any part of them.

"Services" means any repair services to be purchased pursuant to this Order.

"SKA" means SkyHigh Aerospares of 26-28 Hammersmith Grove, London W6 7BA, United Kingdom.

"Supplier" means the supplier of Goods and Services to SKA, as set out on the Order.

### **3. Authorisation and Cancellation**

(i) SKA will not be liable for payment for any Parts or Services provided hereunder, unless the Parts or Services have been ordered by a duly authorised representative of SKA and, in respect of Services, Supplier has received confirmation in writing from Supplier that Supplier's quote for the Services has been accepted.

(ii) SKA may cancel any Order without charge if it notifies Supplier of the cancellation, in writing: (a) for the purchase of a Part, prior to the shipping of the Part or; (b) for a repair, prior to Supplier's receipt of the Part.

### **4. Warranty**

(i) If within the Warranty Period SKA or any other third party discovers any defect in the Parts or Services which are attributable to faulty design, materials or workmanship, Supplier shall, at its own expense, remedy the defect either by replacement or repair of the Parts and/or re-provision of the Services. Supplier agrees to pay all direct costs incurred by SKA arising from the warranty claim, including but not limited to, any shipping charges.

(ii) Supplier will provide SKA with a detailed findings report on the reason for failure and the corrective action undertaken. If applicable, Supplier will provide SKA with a free of charge exchange part during the period that the warranted part is under repair. No warranty claim shall be rejected by Supplier on the basis that SKA failed to claim for the rectification of the defected goods or services within the Warranty Period.

(iii) This Clause 4(Warranty) will apply to both Parts which have been repaired or replaced pursuant to a warranty claim and to Services which have been re-provisioned by the Supplier. The Warranty Period on the rectified Parts and Services will commence on the date that such rectification is completed.

### **5. Receiving Inspection**

Supplier shall ensure that all Parts and Services supplied pursuant to an Order meet the requirements set out in the Order and these Standard Terms and that such Parts are accompanied by all applicable records and certificates. All Parts will undergo a receiving inspection upon arrival at SKA and SKA shall have a right to reject any Parts which do not conform to the specified requirements. Any non-conforming Part(s) will be returned to the Supplier, by SKA, at the Supplier's expense and the Supplier shall either repair or replace the non-conforming Part, or if this is not possible, refund any amount paid for the Part by SKA, along with any transportation costs incurred.

### **6. Packaging**

Supplier will package the Parts at no extra cost to SKA and shall do so in such a way that is suitable for transit and storage. All Parts purchased hereunder shall be packaged in accordance with ATA 300 specifications and any other manufacturer's guidelines.

### **7. Delivery**

All Parts shall be delivered to SKA Delivery Duty Paid (Incoterms 2010) SKA's facility. Unless agreed otherwise or unless the shipment arises from a warranty claim, Supplier shall be responsible for all transportation costs.

## **8. Pricing and Payment**

- (i) Supplier's invoice shall include the price in United States Dollars.
- (ii) Where applicable, Seller shall be responsible for charging, collecting and administering payment of applicable goods and services tax (GST), Québec Sales Tax, VAT or any other similar tax ("Taxes") on supplies rendered to SKA. Supplier shall quote the price with any Taxes clearly indicated in the quotation submitted to SKA. In the event that the Taxes are not clearly indicated to SKA at the time of submitting the quotation, SKA shall be entitled to pay the Supplier the price quoted inclusive of any Taxes, and Supplier shall be liable for payment of the corresponding Taxes.
- (iii) Seller shall ensure that its invoices to SKA meet all requirements imposed by tax laws to permit SKA to recover or claim a credit for any applicable Taxes. If applicable, Seller shall reference its GST, QST and VAT registration number on all invoices.
- (iv) SKA shall pay all undisputed invoices within 45 days from the date of receipt of the Supplier's invoice by SKA.

## **9. Passing of Title and Risk.**

- (i) Title to and ownership of any Parts sold by Supplier to SKA shall pass to SKA upon delivery of the Part at the agreed delivery location.
- (ii) Supplier acknowledges and agrees that title to and ownership of Parts being repaired pursuant to a repair Order shall remain with and be vested in SKA throughout the repair order process. Supplier shall not be permitted to create any liens, charges or encumbrances over Parts supplied for repair or overhaul by SKA.
- (iii) Risk of loss in respect of any Parts ordered shall pass to SKA on delivery. If parts are then returned to Supplier pursuant to a warranty claim, Seller shall be liable for risk of loss from collection of the Part until redelivery of the rectified Parts to SKA.

## **10. Insurance**

Supplier shall at its own cost at all times for the duration of this Agreement, maintain and carry (and provide evidence of the same to SKA on request) insurance with reputable and recognised aviation insurance entities appropriate to its operations and in accordance with best aviation industry practice, in form and substance satisfactory to SKA, including (i) all-risks property and spares, including in-transit coverage; and (ii) aviation liability Insurance in respect of any Services or Parts delivered.

## **11. Representations and Warranties**

The Supplier warrants that:

- (i) it has authority to accept the terms of this Order, including all licences and permits that may be required in connection with delivering the Services or the Parts;
- (ii) it is the owner of any Parts sold to SKA and shall pass full legal and beneficial title to SKA on delivery of the Parts;
- (iii) any Services it delivers shall be delivered in a timely and professional manner with due care and skill, free from defects in workmanship, and in accordance with best industry practices;
- (iv) the Parts delivered will be of satisfactory quality, free from defects and match the specification in the in the Order and be fit for the purpose for which they are intended to be used;
- (v) any documentation accompanying the Part that is supplied by the Supplier shall be complete, accurate and not misleading; and
- (vi) it has complied with all applicable laws and regulations in connection with performing its obligations in respect of the Order, including without limitation, all aviation regulations and all applicable laws on corruption, bribery, prohibited business practices and extortion.

## **12. Technical Requirements.**

Supplier shall supply the following documents with each Part supplied:

- 1) The applicable Authorised Release Certificate with any aircraft part supplied, being either:
  - a. a TCCA/ EASA Form 1 or FAA 8130-3 certificate for any rotatable, serviceable or repaired Part; or
  - b. a Certificate of Conformity confirming the part conforms to the recognised industry standard, for any standard and commercial parts;
- 2) An ATA spec 106 material certificate issued by a Part 121/129/135 carrier or a FAA/EASA 145 approved maintenance facility with a statement that demonstrating that the Part:
  - (a) was not procured from any US Government or military source;
  - (b) was produced by the Original Equipment Manufacturer;
  - (c) is non-incident related and has not been subjected to severe stress or heat or immersed in salt water; and
  - (d) is fully traceable to one of the following approved sources:
    - i. FAA Part 121, 129 or 135 certified carrier;
    - ii. An OEM;
    - iii. A FAA/EASA 145 approved maintenance facility; or

- iv. Foreign Air Carrier, approved by the relevant National Aviation Airworthiness Authority; and
- 3) For any time/ cycle life limited parts, full "back to birth" records and traceability documents.

**13. Confidentiality and Data Processing**

- (i) Each party undertakes that it shall not disclose to any person any confidential information concerning the business, affairs, customers, clients or suppliers of the other party or the subject matter of this Agreement, except as permitted below.
- (ii) Each party may disclose the other party's confidential information:
  - (a) To its affiliate companies, employees, officers, representatives or advisers who need to know such information for the purposes of carrying out the party's obligations under this Agreement provided that the disclosing party procures that such employees, officers, representatives or advisers comply with this clause; or
  - (b) As may be required by law, court order or any governmental or regulatory authority.
- (i) No party shall use any other party's confidential information for any purpose other than to perform its obligations under this Agreement.
- (ii) The Supplier acknowledges and agrees that details of the Supplier's name, address and payment record may be submitted to a credit reference agency for credit reference checks, and that personal data may be processed by and on behalf of SKA in connection with delivery of the Services.

**14. Force Majeure**

Neither party shall be in breach of this Agreement nor liable for delay in performing, or failure to perform, any of its obligations under this Agreement if such delay or failure is a direct result of events, circumstances or causes beyond its reasonable control, and in such circumstances the affected party shall be entitled to a reasonable extension of time for performing such obligations, provided that if the period of delay or non-performance continues for six (6) weeks the party not affected may terminate the Order by giving fourteen (14) days' written notice to the other party.

**15. Assignment and Sub-contracting**

Supplier shall not assign or sub-contract delivery of the Order to any third party without the prior written consent of SKA.

**16. Liability and Indemnities**

- (i) SKA's total liability in contract (including for any statutory interest payable), tort (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of the Order shall be limited to the Order value.
- (ii) Supplier will indemnify SKA on demand against any and all liabilities, loss, damages, claims, costs or expenses suffered by SKA (including any direct costs and all interest, penalties and reasonable legal costs and expenses associated with any legal action ("Losses")) as a result of:
  - (a) Any infringement or alleged infringement of any patent, trademark, registered design or copyright or other proprietary rights whether in the United Kingdom or elsewhere resulting from the design, manufacture, use or supply of the Parts and/or the provision of Services pursuant to an Order;
  - (b) Suppliers' breach of this Agreement (excluding warranty claims), negligence or wilful misconduct or failure to comply with any federal or provincial laws; and
  - (c) Any infringement by Supplier of any export laws and regulations, including any breach of Clause 14 (Import and Export Laws and Regulatory Requirements).

**17. Import and Export Laws and Regulatory Requirements**

- (i) To the extent the Supplier is the importer or exporter of the Parts, the Supplier will be responsible for obtaining any import license, export license, exchange permit or other required governmental authorisation relating to the Part and shall be responsible for complying with all Canadian and US government licensing and reporting requirement (including the Export and Import Permits Act and US export regulations) in connection with these Standard Terms. If required by SKA, the Supplier shall make any such licences and authorisations available to SKA prior to the relevant Order shipment.
- (ii) Subject to giving Supplier reasonable notice in advance, SKA reserves the right to audit Supplier's premises from time to time to ensure Supplier's compliance with the terms of this Agreement.

**18. Bankruptcy or Liquidation**

SKA may give notice in writing to the Supplier terminating an Order with immediate effect if an order is made or resolution is passed for the winding up of the Supplier or an order is made for the appointment of an administrator, or an administrative receiver (or equivalent) is appointed, or documents are filed in court for the appointment of a receiver or administrator (or equivalent) or a notice of intention to appoint an administrator (or equivalent) is given by Supplier or by a qualifying charge holder or circumstances arise which entitle a court or a creditor to appoint a receiver or which entitle the Court to make a winding up order or the Supplier takes or suffers any similar or analogous action in consequence of non-payment of a debt.

**19. Waiver**

No failure or delay by SKA to exercise any right or remedy in these Standard Terms or by law shall constitute a waiver of that or any other right or remedy, nor shall it preclude or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall preclude or restrict the further exercise of that or any other right or remedy.

**20. Amendments**

Any amendment, variation or modification of an Order shall be ineffective unless made in writing and signed by an authorised representative of SKA.

**21. Law and Jurisdiction.**

(i) The parties agree that any dispute arising out of or in connection with these Standard Terms shall, in the first instance, be referred for negotiation between the CEO of SKA and the CEO of the Supplier.

(ii) If within thirty (30) days of the date of a written notice from either party of the existence of a dispute the dispute has not been settled by negotiation, the dispute may be finally referred for settlement by court proceedings.

(iii) These Standard Terms shall be interpreted in accordance with the Laws of England and the parties agree to be bound by the exclusive jurisdiction of the Courts of England.

(iv) The parties agree that nothing in this Agreement shall preclude a party enforcing its rights in the country of incorporation of the Supplier.