SKYTRAC SYSTEMS LTD. SUPPLIER TERMS AND CONDITIONS

A. Entire Agreement

Entire Agreement: Subject to the terms of any master services or other similar agreement (MSA) in effect between Supplier and SKYTRAC Systems Ltd. (SKYTRAC) from time to time, these Terms and Conditions, together with the applicable Purchase Order (PO), constitutes the entire agreement of Supplier and SKYTRAC associated with the transaction contemplated by the PO. There are no other agreements, express or implied.

Conflict: If there is any conflict between these Terms and Conditions, the PO and any MSA, the terms of the MSA shall govern and prevail. If there is a conflict between these Terms and Conditions and any specific terms and conditions set forth in the PO, the terms and conditions set forth in the PO shall govern and prevail.

B. General

1) These Terms and Conditions also apply to all suppliers and subcontractors of Supplier, and Supplier is responsible to direct its suppliers and subcontractors to comply with all applicable Terms and Conditions herein and SKYTRAC customer requirements specified on the PO, including SKYTRAC requirements for record retention and notification of nonconforming products and product/process changes.

2) In addition to these Terms and Conditions, the PO may specify additional terms and conditions applicable to Supplier, including requirements for qualification of personnel and for approval of products, procedures, methods, processes and equipment.

3) The PO (along with these Terms and Conditions) becomes a binding contract when accepted by the Supplier in writing, including via email or through an order acknowledgement or similar form or communication, or by Supplier commencing any work under the PO.

C. Quality Management System

Supplier compliance and/or certification to ISO 9001, AS9100 or an equivalent standard is preferred, but not mandatory. Supplier shall maintain a quality program that insures adequate control of quality throughout the performance of the PO and which ensures all PO requirements and product specifications can be satisfied. A copy of any Management System Certificate of conformance to AS9100, ISO 9001 or other equivalent standard must be made available to SKYTRAC upon request.

Where Supplier holds ISO 9001, AS9100 or equivalent certification, the certificate shall be issued by a certification body accredited by an IAF Multilateral Recognition Arrangement (MLA) signatory. AS9100-series certifications shall be listed in the IAQG OASIS database (International Aerospace Quality Group Online Aerospace Supplier Information System).

Supplier shall maintain a Foreign Object Debris/Damage (FOD) prevention program to prevent FOD and contamination during manufacturing, assembly, test, inspection, packaging and shipping of products under the PO. Personnel performing this work shall receive FOD awareness training, and training records shall be retained. AS9146 may be used as guidance.

Suppliers handling electrostatic discharge sensitive (ESDS) items shall maintain an ESD control program in accordance with ANSI/ESD S20.20, IEC 61340-5-1 or equivalent, including ESD-protective packaging for shipment to SKYTRAC.

Supplier performance is monitored for quality and on-time delivery (OTD) and may also include responsiveness and Supplier Corrective Action Requests (SCARs). SKYTRAC's targets are 98% quality (goods and services accepted without nonconformance), 95% OTD and zero SCARs, unless other targets are agreed in writing.

Additional customer flow-down requirements will be added to the PO (as required).

D. Records and Retention

Supplier shall maintain all records relating to the manufacturing, inspection, testing, acceptance, rejection and certification of all products and services subject to the PO for a period of at least twelve years after completion of the PO. These records shall be made available for review upon request by SKYTRAC, its customers and/or governmental or regulatory authorities at any reasonable time during Supplier's normal business hours throughout the retention period. SKYTRAC, at its option, may elect to maintain these records on behalf of the Supplier.

E. Identification and Revision Status

The identification and revision status of specifications, drawings, process requirements, inspection/verification instructions and other required technical information shall be maintained relevant to the PO. All custom parts must list the SKYTRAC part number and revision on the packing slip.

F. Warranty, Counterfeit Parts

Supplier warrants that it has the ability to convey title in all products to SKYTRAC and that all products shall conform to the quality standards and specifications required by, and the warranty specified in, the PO.

Supplier shall prevent and mitigate the use of counterfeit parts. It is preferable that supplier complies with the requirements of AS5553 for electronic components and AS6174 for non-electronic products.

G. Nonconformances, Material Disposition Authority and Corrective Action

Material disposition, including repair and use-as-is, authority is retained by SKYTRAC. Any request to ship discrepant material must be in writing with written approval from SKYTRAC prior to any disposition action. Supplier will notify SKYTRAC at the earliest possible time when discrepancies in the Supplier's process or product are discovered or suspected that have or may affect material or parts or assemblies delivered or to be delivered to SKYTRAC. Any item rejected by SKYTRAC that is being resubmitted by the Supplier after correction shall have an indication of those items on the Supplier's shipping document such as a RMA number. Corrective action may be required, stating the actions taken to correct discrepancies or for not meeting expectations. A corrective action plan is to be submitted to SKYTRAC within 15 days for corrective action requests issued to suppliers. Responses must include the underlying cause and corrective actions that include dates for action implementation.

Supplier shall render scrapped SKYTRAC products and materials unusable (e.g., mutilated) to prevent re-entry into the supply chain.

H. Rights of Access

SKYTRAC, its customers and/or governmental or regulatory authorities may be required to visit the facilities of Supplier and its sub-tier suppliers for the purpose of verifying PO compliance, product conformity and records retention related to the PO. Arrangements for such visits will be coordinated with the Supplier.

I. Changes in Process, Design, etc.

Supplier agrees not to make any change in materials, process or design details which would affect the products, any component part thereof, or rework/repair procedures without prior approval of SKYTRAC, and without revision of the part numbers and the originals of all applicable drawings or data. Supplier will ensure all of its applicable suppliers and subcontractors comply with this provision.

Supplier shall notify SKYTRAC in writing of any change to its ownership, location of manufacture, or sub-tier suppliers for products under the PO.

Supplier shall notify SKYTRAC in writing at least six (6) months before discontinuing any product supplied to SKYTRAC (end-of-life), to allow for last-time-buy or alternate sourcing.

J. Inspection, Testing and Verification

Supplier is responsible for performing all of the PO requirements, including supplying the products or services required by the PO and inspections and tests necessary to substantiate conformance of products. This may involve the use of statistical techniques for product acceptance, related instructions for acceptance by SKYTRAC and, as applicable, critical items including key characteristics identified on the PO.

If applicable, requirements for test specimens (*e.g.*, production method, number, storage conditions, etc.) for design approval, inspection/verification, investigation or auditing may be included in this responsibility.

When specified on the PO, Supplier shall perform a First Article Inspection (FAI) in accordance with AS9102 for the first production run of a new part, after any change affecting form, fit or function (including changes to design, process, location of manufacture or sub-tier sources), and after a production lapse of two years. The FAI report shall accompany the shipment.

Records demonstrating compliance with this clause must be created and retained in accordance with the "Records and Retention" section above.

Contract Manufacturing Services Suppliers shall have a process for annual verification of visual acuity and colour vision for individuals performing product inspection, by examination performed by a medically qualified person.

K. Shelf Life Materials

Supplier will provide SKYTRAC with the manufacturing date, shelf life and expiration date for all limited shelf life items under the PO. All products will have at least 75% of their shelf life remaining at the time of shipment to SKYTRAC. All items will be packaged, labeled and transported in accordance with applicable regulatory requirements.

L. Certifications

Each shipment shall include a Certificate of Conformance (CofC) certifying conformance to the PO, to the specification revision stated on the PO. Distributors shall also provide the manufacturer's CofC or other traceability to the manufacturer. Payment for product received will not be made until all required certifications have been accepted.

Where special processes are used (e.g., heat treatment, plating, anodizing, painting, welding, soldering, chemical processing or non-destructive testing), Supplier shall provide a CofC from the special process source identifying the process specification and revision, and the quantity or lot processed.

Material Certificates are required for all materials and coatings/finishes used in metalwork assemblies.

M. Providers of Calibration Services

As applicable, Supplier will perform calibration services in accordance with nationally accepted methods and procedures (*e.g.* accredited or compliant to ISO 17025 or ISO 10012 or equivalent) and will provide SKYTRAC with calibration certificates containing the appropriate information. Supplier will provide SKYTRAC with prompt notification of any out-of-tolerance conditions.

Supplier will use standards that conform to the applicable standards of The National Institute of Standards and Technology or an equivalent regulatory body, with acceptance tolerances in accordance with manufacturer's recommendations unless specified otherwise in the PO.

N. Designated Sources

For BOM purchases, Supplier shall use a manufacturer listed on the SKYTRAC BOM or a source on SKYTRAC's F405-2 Approved Supplier List.

O. Cancellation

SKYTRAC reserves the right to cancel all or any part of the undelivered portion of the product or services subject to the PO if (a) Supplier does not make deliveries or perform services as specified in the PO or (b) Supplier breaches any terms of the PO or these Terms and Conditions. If SKYTRAC exercises its cancellation right, it will have no further liability to Supplier whatsoever under the PO, other than for products previously delivered and services previously provided to SKYTRAC. Cancellation will not impact SKYTRAC's remedies against Supplier for any damages suffered by SKYTRAC prior to such cancellation.

P. Supplier Code of Conduct

Supplier shall ensure its personnel are aware of their contribution to product or service conformity, their contribution to product safety, and the importance of ethical behaviour.

Supplier shall conduct its business ethically and in compliance with all applicable laws, including:

a) Business integrity: anti-bribery and anti-corruption laws, including Canada's Corruption of Foreign Public Officials Act and the U.S. Foreign Corrupt Practices Act;

b) Forced and child labour: Supplier represents and warrants to SKYTRAC that no forced labour or child labour is used by it or within its supply chain in respect to any products or services provided to SKYTRAC, and that Supplier complies with all applicable laws on forced and child labour, including Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act;

c) Health and safety: occupational health and safety laws, providing a safe and healthy workplace; and

d) Environment and climate: environmental laws applicable to its operations, and taking reasonable steps to reduce waste, energy use and other environmental impacts.

Q. Information Security

Supplier shall protect all SKYTRAC information received under the PO (including drawings, specifications, software, technical data and customer information) using appropriate administrative, technical and physical safeguards, and limit access to personnel who need it to perform the PO. Supplier shall not disclose SKYTRAC information to any third party, including by entering it into publicly available or third-party artificial intelligence tools, without SKYTRAC's prior written consent.

Supplier shall notify SKYTRAC without undue delay of any actual or suspected security incident affecting SKYTRAC information or products supplied to SKYTRAC. On completion of the PO or upon request, Supplier shall return or securely destroy SKYTRAC information, except records retained under the "Records and Retention" section above. Additional information security requirements for suppliers of ICT products or services (e.g., software, cloud or IT services) will be specified on the PO.

R. Export Control

Supplier shall comply with all applicable export control and sanctions laws, including Canada's Export and Import Permits Act and Controlled Goods Program, and the U.S. International Traffic in Arms Regulations (ITAR) and Export Administration Regulations (EAR). Upon request, Supplier shall provide the export classification of products supplied.

S. Restricted Substances and Conflict Minerals

Supplier shall comply with applicable restricted substance regulations, including EU REACH and RoHS and applicable PFAS restrictions, and shall notify SKYTRAC if products supplied contain substances restricted or declarable under such regulations. Upon request, Supplier shall provide material declarations and conflict minerals reporting (e.g., Conflict Minerals Reporting Template).

T. General Provisions

Subcontracting: Work performed against the PO shall not be subcontracted without the prior written consent from SKYTRAC

Amendments/Waiver: To be effective, all amendments to or waivers of these Terms and Conditions must be in writing and signed by each of Supplier and SKYTRAC.

Governing Law: The agreement resulting from acceptance of the PO will be construed, interpreted and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein, and each of Supplier and SKYTRAC submits to the exclusive jurisdiction of any British Columbia courts in any action, application, reference or other proceeding arising out of or relating to such agreement.