

**I.M.P GROUP LIMITED
AEROSPACE DIVISION
STANDARD PURCHASE ORDER
TERMS AND CONDITIONS**

1. Acceptance of Terms and Conditions Acceptance of these Terms and Conditions by the person or company providing services or supplies or both (the “Seller”) shall be assumed by I.M.P. Group Limited, Aerospace Division (“IMP”) upon the Seller’s receipt of these Terms and Conditions unless otherwise specified in writing within ten (10) business days of the Seller’s receipt of these Terms and Conditions and signed by both IMP and the Seller. The Seller is required to notify IMP in advance, in writing, describing any changes in materials, fabrication methods, processes or product operation characteristics and obtain IMP’s written approval in advance of the change. No additions, deletions or other modifications of these Terms and Conditions, and no terms or conditions contained in or connected to the Seller’s acceptance or delivery documentation shall be binding upon IMP unless specifically acknowledged and agreed to in writing.
2. Basis of Contracting These Terms and Conditions shall form part of each and every Purchase Order or for services or supplies or both (“Order”) issued by IMP to the Seller, and each and every Order shall be subject to these Terms and Conditions until written notification is provided to the Seller by IMP that these Terms and Conditions have been amended, revoked, cancelled or replaced.
3. Basis of Payment Terms of payment are net sixty (60) days after IMP’s acceptance of the Seller’s compliance with the Order and IMP’s receipt of the Seller’s invoice, with no interest paid on any sum overdue.
4. Basis of Price Any price in the Order is a firm, fixed, complete and inclusive cost to IMP, exclusive of Canadian taxes and duties only.
5. Basis of No Price Any absence of price in the Order requires IMP’s written consent to a price before the Seller initiates work or incurs cost or liability. Where the agreed price is not a firm, fixed complete and inclusive cost to IMP the Seller must maintain for six (6) years following IMP’s acceptance of the work all receipts, vouchers and records for audit by representatives of IMP or its customer.
6. Consequences of Delay Time is of the essence in the Order. The Seller is liable for any and all costs incurred by IMP because of failure by the Seller to comply in any way with the Order, unless IMP agrees that failure to comply is or was beyond the control of the Seller. Should IMP agree that failure to comply with the Order is or was beyond the control of the Seller, IMP reserves the right to purchase the services or supplies that were the subject of the Order from other sources.

7. Airworthiness Certification Unless otherwise specified in writing, all items supplied on this Order must be in airworthiness condition and eligible for installation on aircraft certified in the United States and the United Kingdom. All documentation pertaining to the origin, testing, inspection, etc., of this Order must remain at the Seller's facility for no less than ten (10) years. These documents can be requested at any time by IMP. The material supplied shall conform to the latest issue of the applicable drawing, specification and/or part number that is in effect on the date of the contract.
8. Order Documentation Our Order number MUST be shown on ALL documents and packages: ALL DOCUMENTS MUST BE IN a sealed envelope attached to the OUTSIDE of the shipment package.
9. Other Documentation Parts Unless otherwise specified in writing, all parts supplied must be in factory new or new condition with full traceability to one of the following:
 - a. A Certificate of Conformance from the Original Equipment Manufacturer (OEM) for the aircraft type.
 - b. A Certificate of Conformance from the OEM for the prime part number item being supplied.
 - c. A Certificate of Conformance from an OEM authorized distributor.
 - d. A Certificate of Conformance from an organization that has a licensing agreement, including manufacturing rights from an OEM for the prime part number item being supplied.
 - e. An Airworthiness Release Tag from a manufacturing organization including the prime supplier and any sub-tier supplier approved by the Federal Aviation Administration (FAA), Transport Canada, or the European Aviation Agency e.g. FAA Form 8130-3, Authorized Release Certificate TCCA Form 24-0078 or TCCA Form 1, EASA Form 1, for each aeronautical part supplied.
 - f. A Manufacturer's Certificate of Conformance for Standard Parts including common hardware, raw material, etc. not necessarily designed for aviation use but produced to industry or government specifications without proprietary limitations e.g. Society of Automotive Engineers (SAE), National Aerospace Standard (NAS), Army-Navy Aeronautical Standard (AN), Military Standard (MS). The source and product must be registered on a current approved Qualified Products List (QPL) for paints, adhesives and sealants manufactured to a mil-spec containing a QPL.
 - g. A packing slip for Commercial Parts. The label, packaging or accompanying documentation must identify the manufacturer and the lot or batch number if applicable.
 - h. Other. If none of the above is available please indicate what can be provided in writing.

10. Packaging and Labelling The following Packaging and Labelling requirements are MANDATORY:
- a. Packages containing materials having limited shelf life are to be marked with the Production Lot Number. Failure to comply will result in rejection and return at the Seller's expense.
 - b. Items with a shelf life must have a minimum of 75% shelf life remaining upon receipt at IMP unless otherwise specified in writing. Exception being the procurement of polyurethane paints and primers which must have a minimum of 10 months shelf life upon delivery, and all kits must be of the same batch number (this will apply to Military Specification MIL-PRF-23377: Primer Coatings, High Solids, Type I, Class C; and, Military Specification MIL-PRF-85285: Coating: Polyurethane, Aircraft and Support Equipment).
 - c. Any and all Electrostatic-Sensitive Device (ESD) sensitive devices ordered herein are to be shipped in ESD protective packaging & labelled accordingly. Failure to comply will result in rejection and return at the Seller's expense.
 - d. All parts (fabricated/reworked/treated) must be coated with MIL-PRF-16173, Class I or II, Grade 2 corrosion preventive compound as required, and wrapped in plastic before packaging for shipment.
 - e. Imports to Canada from the United States of products which contain or were manufactured using class 1 or 2 ozone depleting substances must carry a warning label which conspicuously states "This product contains (name of substance), a substance which harms the environment by depleting ozone in the upper atmosphere." The United States Environment Protection Agency can be contacted for additional information.
 - f. Workplace Hazardous Material Information System (WHMIS) labels and Material Safety Data Sheets (MSDS) must be supplied with all hazardous materials.
11. Substitution of items/Part Numbers Substitution of part numbers ordered is prohibited unless IMP provides written approval, including an amended Order for the part number to be supplied.
12. Product/Process Change Seller shall notify IMP prior to shipment of any changes in product and/or process and where required, obtain approval.
13. Order & Contract Requirements Sellers are responsible to flow down all requirements of the Order and any specific contract requirements to sub-tier vendors.
14. Non-Conforming Product Seller shall notify IMP of any non-conformance affecting product or process; and obtain disposal approval for non-conforming product.

15. Counterfeit Work Parts The following stated requirements are applicable to all work consisting of parts delivered to the lowest level of identifiable items:
- a. Sellers/Subcontractors shall ensure counterfeit work/parts are not delivered to IMP;
 - b. Sellers/Subcontractors shall flow these requirements to lower-tier subcontracts;
 - c. Sellers/Subcontractors shall notify IMP immediately upon awareness or suspicion of counterfeit work/parts, with all pertinent facts and details;
 - d. Sellers/Subcontractors are responsible to rectify any counterfeit work/parts delivered under this Order at their expense and ensure replacement work conforms to requirements;
 - e. These requirements are in addition to any quality provisions, specifications, statement of work or other provision included in the contract addressing authenticity of work/parts;
 - f. Sellers and sub-tier vendors who buy and sell parts shall implement a Counterfeit Parts Control Program, defined as a plan or process that mitigates risk, provides for control and disposition of suspect and/or counterfeit parts, In Accordance With (IAW) SAE AS5553.
16. Inspection Supplies and Services in the Order are subject to inspection and acceptance or rejection, in whole or in part, at any time and place, at the discretion of IMP, by representatives of IMP or by representatives of government or commercial customers of IMP.
17. Warranty Unless otherwise agreed in writing or implied by law, the Seller shall replace, at its own expense, any article which at any time within twelve (12) months from acceptance by IMP becomes defective in whole or in part as a result of faulty or inefficient manufacture, materials or workmanship; PROVIDED THAT if the article is for use by a Customer of IMP, the Seller shall extend this warranty to IMP's customer and it is agreed that the warranty period shall continue for twelve (12) months following acceptance by IMP's Customer or twenty-four (24) months following acceptance by IMP, whichever is less; PROVIDED THAT if the quantity of articles ordered by IMP under the Order is greater than IMP's needs, as advised by IMP, due to the minimum order quantity of the Seller, the warranty period shall be increased to twelve (12) months following acceptance by IMP's Customer or forty-eight (48) months following acceptance by IMP, whichever is less.
18. Costs to the Seller for Rejections Failure by the Seller, or by the Seller's supplier(s), to comply with the Order may result in rejection, in whole or in part, at the Seller's expense. IMP's costs arising from rejection, cleaning, treatment or technical approval of goods or services received in conflict with the Order will be debited against the Seller's invoice, or result in late or non-payment by IMP and, in any case, may be subject to a line item administrative cost recovery charge of not less than \$100.00 in Canadian funds. The

- Seller's supplier(s) must be advised of the content of this Article and be required to comply.
19. Costs to the Seller for Returned Goods All costs for return of rejected items will be the sole responsibility of the Seller unless otherwise agreed in writing in advance by IMP. IMP will request written return material authorization (RMA) from the Seller. The Seller shall submit RMA to IMP on request detailing shipment requirements (if any). Upon receipt of the RMA, IMP will enclose with the shipment an advice note referring to the RMA. If replacement is requested by IMP, the Seller will act on a priority basis to ensure that IMP's schedules are successfully maintained. If there is no IMP request for replacement, the Seller will forward credit documentation to IMP.
 20. Assignments The order shall not be assigned or sublet, in whole or in part, without the previous written approval of IMP.
 21. IMP Property Dies, jigs, tools, patterns, gauges, documentation, machine programming, samples or other items (including scrap) produced or acquired by the Seller for the Order and paid for by IMP, or loaned to the Seller by IMP, are not to be copied without IMP's consent in writing and are to be delivered in good condition to IMP on request. Dies, jigs, tools, patterns, gauges or other items produced or acquired for the Order shall be invoiced separately from the articles for which they were required, unless otherwise specified in the Order. The Seller shall be fully responsible to insure such items and store and maintain them in good condition, as they would their own material. All incidents of loss, damage, theft and destruction of property are to be reported to IMP promptly with pertinent facts provided as requested. Seller shall perform physical inventories when requested and provide results to IMP.
 22. Security When the Order specifies the *Security of Information Act*, R.S.C. 1985, c. O-5 the Seller shall institute and maintain adequate measures for the security and return of technical data or samples and ensure access only by persons directly concerned with the work.
 23. Termination IMP may at any time and from time to time terminate or suspend the Order in whole or in part, or adjust specifications, with reasonable price adjustment supported by auditable Seller cost records, but with no liability of IMP for damages or loss of profit or other losses, unless specific termination arrangements have been agreed to in writing by IMP in advance as part of the Order. In no event shall any price adjustment due to termination, in whole or in part, exceed the Order total price. When directed by written notice from IMP, the Seller agrees to immediately stop all work. All work completed to the point of termination shall, at IMP's sole option, be transferred to IMP.
 24. Patents and Royalties The Seller and IMP agree to indemnify each other against all claims respecting patent protection or royalties and other payments based upon the use of any invention provided by each other in respect of the Order.

25. Hazardous Material If the material(s) or product(s) which are the subject of the Order are controlled products as defined by Schedule II to the *Canada Hazardous Products Act*, R.S.C. 1985, c. H-3 IMP's acceptance is strictly conditional upon provision by the Seller of a Material MSDS in the prescribed form. Failure to provide the MSDS or to provide evidence that an exemption had been granted will result in return of the goods at the Seller's expense.
26. Calibration/Repair of Test Equipment Calibrated/repaired test equipment is governed by ISO9000-series or ISO10012-1 series equivalent, and must be equipped on return with a tamper-proof seal and calibration sticker and be accompanied by a calibration certificate.
27. Aviation Fluids Products must meet the inspection requirements of CFTO D-QA-001 – 01 5/SF-001 and SF-002. Release notes must include the manufacturer's batch number.
28. Waste Disposal If the Order covers transport, treatment and final disposal of waste, IMP's liability ends once the Seller's truck is loaded.
29. Clearance of Material Intended for Public Release No news release, including photographs and films, advertisement, public announcement, denial or confirmation of same, or any part of the subject matter of the Order shall be made without prior written approval of IMP.
30. Setoff and Withholding IMP may set off any amount due from the Seller, whether or not under the Order, against any amount due the Seller hereunder. IMP may withhold from payment to the Seller an amount sufficient to reimburse IMP for any loss, damage, expense cost or liability relating to the Seller's alleged or actual failure to comply with any requirements of the Order.
31. Disputes
 - a. The Parties agree to act reasonably and make best efforts to resolve any dispute in good faith. If the Parties do not reach agreement, the Seller shall request a final decision from IMP's Purchasing Manager. Should the Parties be unable to resolve the dispute, the matter may be submitted to arbitration in accordance with the provisions of the *Nova Scotia Arbitration Act*, R.S.N.S. 1989, c. 19.
 - b. The Parties agree that the prevailing party in any arbitration shall be awarded its reasonable legal fees and costs to the extent permissible. The Parties agree that any arbitration award will be kept confidential except to the extent required to enforce the arbitration award. The Parties hereby agree to waive their right to have any dispute between them resolved in a court of law.
 - c. Pending final decision of any dispute hereunder, the Seller shall proceed with performance of the Order. If the dispute arises out of a difference in interpretation

between the parties as to the performance requirements of the Order, then the Seller shall continue performance as directed by IMP.

- d. This section will not prevent either party from seeking injunctive relief (or any other provisional remedy) available under applicable laws for any purpose. The Parties hereby agree to attorn to the jurisdiction of the Courts of Nova Scotia for the purposes of seeking injunctive relief.
32. Limitation of Liability IMP, its directors, officers, employees and agents shall not be liable for any claims, losses, costs or damages of any kind, whether direct or indirect (collectively, "Claims"), arising from or in connection with this agreement and any Order, unless such Claims arise as a direct result of IMP's gross negligence or wilful misconduct. The Basis of Price of any individual Order as referenced in Article 4 will be the maximum liability of IMP.
33. Indemnification The Seller hereby indemnifies and holds harmless IMP, its directors, officers, employees and agents from and against any and all Claims, including reasonable legal fees and court costs, which may arise out of or in connection with performance under this agreement and any Order, including any alleged or actual property damage or personal injury arising out of, as a result of, or in connection with any act or omission of the Seller, or of its employees, agents, subcontracts or lower tier subcontractors.
34. Price-Most Favoured Customer The Seller warrants and represents that the price in the Order does not exceed the contract price for the same or similar items or services to any other customer during the past three (3) months and during the term of the Order. Should the Seller give another customer a lower price, IMP is entitled to a reduction of the Order's price to the lower price.
35. Applicable Law These Terms and Conditions and the Order issued hereunder are to be governed by and construed under the laws of the Province of Nova Scotia, Canada.
36. Partial Invalidity: Waiver If any provisions of these Terms and Conditions or the Order hereunder are or become void or unenforceable, the other provisions shall remain valid and enforceable. Waiver of one provision of these Terms and Conditions by IMP shall in no way act as a waiver of any other provision herein.
37. Order of Precedence In the event of any inconsistency among the provisions of the order hereunder, such inconsistency shall be resolved by giving precedence in the following sequence: (A) Provisions typed on the face of the Order, (B) these Terms and Conditions, and (C) other documents, exhibits and attachments.
38. Right to Inspect Premises IMP, IMP customers and regulatory agencies are to be provided right of access to all Seller's facilities, as well as those of the Seller's subcontractors, and to all applicable records to determine and verify the quality of work, records and material.

39. Mishap Investigation All subcontractors shall cooperate and assist in aviation specific mishap investigation and reporting on an as required basis.
40. Ethics Statement IMP values relationships that are grounded in a shared commitment to performing in accordance with the highest standards of professional business conduct and encourages all suppliers to implement an effective ethics program, including adopting a written code of conduct. In performance of any Contract, both IMP and the Seller must conduct themselves in a manner consistent with the principles expressed in the Defence Industry Initiative Model Supplier Code of Conduct available at: <https://www.dii.org/featured-tools>.
41. Conflict Minerals Seller complies with current Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and its implementing regulations and any other applicable country laws relating to “conflict minerals” (columbite-tantalite (coltan), cassiterite, gold, wolframite or their derivatives including tungsten, tin and tantalum) mined in the Democratic Republic of Congo or adjacent territories; and Seller has established an effective program to ensure that any suppliers it utilizes to provide any goods or services that will be incorporated into products or services supplied under the Order will be in conformance with these requirements.
42. IMP may use all or any part of the value of its Order(s) with Seller for Industrial Technical Benefits (ITB) offset purposes; including but not limited to, (1) fulfilling (IMP or obligor's name) offset or industrial benefit obligations, (2) transferring offset credits granted as a result of such Order(s) to third parties, and (3) retaining credits granted for use in satisfying future offset obligations.
43. Special Instructions
- Special Defence Industry Instructions for suppliers in the United States This may be a rated Order certified for National Defence use and Sellers are required to follow all the provisions of the Defence Priorities and Allocation System Regulations (currently 15 CFR Part 350). Priority Rating DO-D1 applies.
- Priority Rating - Canadian Contractors This Order may concern a Canadian Defence requirement and therefore is eligible to be assigned a US Priority Rating for any materials/services imported from the United States which may be required in the performance of the work. Accordingly, the Contractor shall:
- a. make an application to the Central Allocations and Defence Priorities Section, Public Services and Procurement Canada (PSPC), Gatineau, Quebec, K1A 0S5, in the event that any materials/services are to be imported from the United States for the performance of the work; and
 - b. include this clause in subcontracts with Canadian suppliers, and quote the PSPC number therein.

Failure to take the above actions may jeopardize the Seller's delivery commitments. Therefore, the Seller assumes sole responsibility for any breach of the Order that arises from such a failure.

Special Instructions for Importers to Canada IMP is exempt from duty under Canada Border Services Agency (CBSA) annex codes 9967, 9968 and 9982. If a Seller has imported or is intending to import goods, the Seller is authorized to claim for paid duty from CBSA or avoid duties and these savings are to be reflected in the Seller's quotes and invoices to IMP.

Special Instructions for Exporters to Canada Sellers are required to provide Certifications of Origin to Support reduced or duty-free entry of goods to Canada under the Canada/United States Free Trade Agreement and/or the North American Free Trade Agreement where appropriate. Failure to do so will result in greater cost to IMP and could compromise the Seller's status with IMP.
