



Terms and Conditions of Sale

All transactions between AFK Aviation Equipment Inc (“Seller”) and Buyer are governed by Seller’s Terms and Conditions of Sale.

Any quotation, proposal, or purchase order submitted to Seller that includes different or additional terms that vary from Seller’s Terms and Conditions of Sale are hereby rejected by Seller unless such terms have been expressly agreed to in writing by Seller’s authorized representative.

1. **Know Your Customer.** Buyer understands that Seller has certain responsibilities against international terrorism under various laws and regulations and that, from time to time, Seller may request customer information in order to comply with such laws and internal requirements (including “know your customer” or “KYC” requirements).

As a condition of sale, Buyer shall, upon Seller’s request, promptly provide Seller with the requested information so that Seller may carry out its obligations. Seller may, in its sole discretion, cancel any sale if Buyer has not provided the necessary information or if Seller is not satisfied with the outcome of the communications. In both cases, Seller shall have no further obligations to Buyer and Seller will not incur any liability for canceling the sale.

2. **Inspection Period.** Buyer shall inspect the parts/supplies promptly upon receipt for non-conformity (e.g. non-conformity for quantity or quality).

Failure by Buyer to provide Seller with written notice of a claim within 15 business days from the date of delivery shall constitute a waiver by Buyer of all claims with respect to such goods. For clarity, the expiry of the inspection period is not intended to waive Buyer’s ability to make a warranty claim, if applicable.

3. **Delivery, Duty Taxes and Other Charges.** Buyer shall pay the costs of delivery of the parts/supplies. Buyer shall pay all sales, use, excise or similar taxes, or other charges, which Seller is required to pay, or to collect and remit, to any government (federal, provincial or local) and which are imposed on or measured by the sale of the goods.
4. **Transfer of Property.** Seller retains the right and title to the goods sold to Buyer until Seller is paid in full for the goods. Buyer shall obtain the right and title to the goods upon payment to Seller of the purchase price and any taxes, or other charges.
5. **Risk of Loss.** The risk of loss, including, but not limited to the risk of loss, theft, damage or destruction of the goods, transfers to Buyer once the goods are made available for shipment at Seller’s facility.

6. **Warranty.** If Seller offers a warranty in connection with the goods, such warranty will be expressly set out in Seller's written documentation relating to the sale of the goods.

Seller makes no other warranties or representations to Buyer or any other person of any kind, whether express or implied, with respect to the goods, and Seller specifically disclaims all implied warranties including, without limitation, the implied warranties of merchantability, fitness for a particular purpose and non-infringement.

Goods sold hereunder are sold only to the specifications specifically set forth by the Seller in writing. Buyer assumes all risk whatsoever as to the result of the use of goods purchased, whether used alone or in combination with other goods or substances.

7. **End User Restrictions.** Prior to shipment, Seller may require an authorized certification (using Seller's standard End User Statement) attesting to the intended use of the goods being purchased hereunder and, if applicable, to identify the end-user(s) of the goods and cause such end-users to complete an end-use certification. Buyer is responsible for ensuring that the goods shall only be used hereafter for civil aviation purposes. All end user statements form part of the agreement with respect to the sale of goods hereunder.
8. **Export and Import Controls.** Buyer will adhere to all applicable import and export laws and regulations with respect to the goods purchased hereunder, including those of Canada and the United States. Buyer will obtain, at its sole cost and expense, all necessary export and import authorizations and any subsequent export or re-export license or other approval required for all goods purchased or received from Seller. Buyer will retain documentation evidencing compliance with those laws and regulations.
9. **Sanctions.** Buyer will comply with all economic, trade, and financial sanctions or embargoes imposed from time to time by Canada, the United Kingdom (UK), the European Union (EU) and the United States (US).

If Buyer becomes aware of a breach of this section, it must promptly notify Seller in writing. Buyer bears sole responsibility for any violation of such laws and regulations by itself or its affiliates and it will indemnify, defend (at Seller's request), and hold Seller harmless for the consequences of any such violation.

10. **Seller's Rights.** If Buyer should fail in any manner to fulfill the terms and conditions hereof, Seller may cancel or defer further shipments until such default is fixed.

Remedies provided herein shall be in addition to, and not in lieu of, other remedies that may be available to Seller.

11. **Limitation of Liability.** Under no circumstances shall Seller or any of their officers, directors, employees, shareholders, agents or representatives be liable for any damages or losses, whether direct, indirect, incidental, statutory, special, exemplary, punitive, or consequential (including but not limited to lost revenues, lost profits, loss of use, loss of time, inconvenience, lost business opportunities, damage to good will or reputation), arising from or in connection with the sale, delivery, servicing, use or loss of the goods provided by Seller, regardless of whether such liability is based on breach of contract, tort, strict liability or otherwise, and even if advised of the possibility of such damages or such damages could have been reasonably foreseen.

In all circumstances Seller's maximum liability is limited to the purchase price of the goods and/or services sold. Seller will not, under any circumstances, be liable upon a claim or action in contract, tort, indemnity, contribution or otherwise which exceeds this liability limit. Any claim against Seller arising out or related to the goods and/or services must be made within twelve (12) months after the goods and/or services were sold.

12. **Governing Law.** The purchase and sale of goods or services hereunder shall be governed by the laws of the jurisdiction of the Province of Quebec and the federal laws of Canada applicable therein. The parties irrevocably attorn to the jurisdiction of the courts of the Province of Quebec, Canada in Montreal, which will have exclusive jurisdiction over any matter arising out of the purchase and sale of goods and/or services.

13. **Severability.** If any section or portion hereof shall be held by a court of competent jurisdiction to be illegal, invalid, or unenforceable, the remaining sections or portions shall remain in full force and effect.