

MHD - ROCKLAND INC.
("MHD-ROCKLAND")
TERMS AND CONDITIONS OF REPAIR ORDERS

1. Complete Agreement

All repair orders issued by MHD-ROCKLAND (a "Repair Order") to another party (the "Repairer") shall include all provisions incorporated herein and the whole shall constitute the full and final Agreement between MHD-ROCKLAND and the Repairer with respect to the given repairs and no other agreements, representations or understandings purporting to add or modify the terms and conditions hereof shall be binding upon MHD-ROCKLAND.

A Repair Order constitutes MHD-ROCKLAND's offer to have the Repairer perform repairs and/or overhauls of the goods as described therein pursuant to the terms and conditions stated therein and in this Agreement. It shall become a binding Agreement when accepted by the Repairer either by the earlier of signing or returning an acknowledgment copy to MHD-ROCKLAND or the shipment of the repaired or overhauled goods to MHD-ROCKLAND. The Repairer's acceptance shall be limited to these terms and conditions. The terms and conditions herein prevail and supersede all previous communications, representations or agreements, whether oral or written, between the parties with respect to the subject matter hereof.

2. Variance

Any variance or amendment to any of these terms and conditions (including any supplements, specifications or other documents incorporated herein by reference) issued by the Repairer is hereby objected to and not accepted by MHD-ROCKLAND unless MHD-ROCKLAND expressly states otherwise in writing. MHD-ROCKLAND shall not be deemed to have waived any provisions of this Agreement and its Repair Order by failing to object to provisions which may appear on, be incorporated by reference in or be attached to any document issued by the Repairer in connection with any order. MHD-ROCKLAND shall not be deemed to have accepted any offer of the Repairer and shall not be responsible for goods shipped to MHD-ROCKLAND thereunder except in accordance with the terms and conditions herein. **The failure of the Repairer to deliver written notification of express objection to these terms and conditions of repair at least 10 days prior to the commencement of overhaul or repair work contemplated by the Repair Order shall be deemed to constitute a confirmation hereof and the terms and conditions provided for in the Repair Order.**

3. Revised or Follow-up Orders

Any revised or follow-up orders shall be subject to the terms and conditions herein and the provisions of the Repair Order, where applicable.

4. Delivery

The Repairer shall deliver the goods as per the delivery terms which are stipulated in a given Repair Order. For greater certainty, failure to deliver goods on a delivery date shall constitute a default on the part of the Repairer to respect its obligations.

5. Cancellation

MHD-ROCKLAND may cancel any Repair Order at its sole discretion, in whole or in part, upon the issuance of a 5 (five)-day written notice prior to the agreed upon or scheduled delivery date and, in such an event, MHD-ROCKLAND shall be entitled to refuse delivery. Said notice shall be effective when communicated to the Repairer. With respect to any Repair Order cancelled by MHD-ROCKLAND, any claim of the Repairer shall be limited to the reasonable costs, excluding profits and general administration costs, the Repairer has incurred to fulfill said Repair Order at the time of receipt of MHD-ROCKLAND's cancellation notice. In such an eventuality, the Repairer shall forward to MHD-ROCKLAND all invoices and supporting documentation in support of its claim.

6. Acceptance of Goods

In the event the goods do not comply with the terms, conditions and specifications of overhaul or repair, MHD-ROCKLAND shall notify the Repairer. In such an event, MHD-ROCKLAND shall be entitled, at its sole option, to request that the Repairer repair or replace any or all non-conforming goods within a specified delay in which case the Repairer shall proceed accordingly, or MHD-ROCKLAND may cancel the order. In the event of non-conforming goods, all transportation costs to ship the goods back and forth for inspections and eventual delivery following rectification shall be borne solely by the Repairer.

7. Invoices

The Repairer shall issue an invoice at the time of shipping, indicating the Repair Order number, the part number(s) and description(s) of the goods, and delivery location. The method of shipment shall be stated in the Repair Order and confirmed in the Repairer's invoice. The calculation of the payment term shall begin no sooner than the date of receipt of an acceptable invoice from the Repairer and of the delivery of conforming goods. On collect shipments, the Repairer shall attach a copy of the bill of lading or transportation receipt to the invoice and retain the original copy of such documents in its records.

8. Timely Performance

The Repairer's timely performance is an essential element of the Agreement. Notwithstanding the Repairer being delayed or hindered in or prevented, whether temporarily or permanently, from the performance of any term, obligation or act required hereunder by reason of superior force, strikes, lockouts, labour troubles, riots, accidents, inability to procure materials, restrictive governmental rules, regulations or orders, bankruptcy of contractors, or any other event whether of the foregoing nature or not which is beyond the reasonable control of the Repairer, the performance of such term or obligation shall nevertheless not be excused and the Repairer shall be held to the terms, including time limits, agreed to between the parties, with the consequence being that should the Repairer not perform as agreed, then it shall be liable in damages to MHD-ROCKLAND.

9. Import-Export

Unless otherwise agreed in writing, the Repairer shall be responsible for compliance with the import-export control laws and regulations applicable and when required by such laws and regulations, shall obtain validated import-export or re-export licenses required for goods transferred pursuant to this Repair Order. MHD-ROCKLAND shall not be liable to the Repairer for any failure to deliver goods as a result of any following government actions:

- Refusal to grant any import, export or re-export license;
- Cancellation of any import, export or re-export license;
- Any subsequent interpretation of a law or regulations after the date of this Agreement that adversely impacts or affects MHD-ROCKLAND's costs or ability to perform its obligations.

10. Warranties

The Repairer expressly warrants that the repairs and/or overhauls done conform to the parties' agreed upon specifications and are free from defects in material and workmanship for a period of at least 12 months from the date of shipment. The repairs and/or overhauls done are to be fit and sufficient for the purpose intended and shall be of merchantable quality.

The Repairer warrants that the goods have not been subject to extreme stress and/or heat, such as, but not limited to fire, failure or otherwise damaged. The Repairer also warrants that any services performed or products delivered in connection with any Repair Order do not infringe or otherwise violate the intellectual property rights of any third party.

11. Independent Contractor

The parties agree and declare that they are independent contractors and neither Party is the agent or representative of the other.

12. Confidentiality and Proprietary Information

The Repairer hereby acknowledges and recognizes that any information disclosed by MHD-ROCKLAND and relating to MHD-ROCKLAND's know-how, technical information, drawings, current and future product features and development plans, customers identification and customer lists, contracts, current and planned business relationships, pricing, price lists, costing information, operating procedures, business plans, financial information, production technologies, marketing and sales plans and methods, research data, documents, formulas, designs, specifications, protocols and process information shall constitute MHD-ROCKLAND's confidential and proprietary information and shall not be disclosed to any third party without first obtaining MHD-ROCKLAND's prior written authorization.

If the Repairer becomes aware of any disclosure to any third party of information contemplated herein, the Repairer shall immediately notify MHD-ROCKLAND in writing and take all appropriate and necessary actions to investigate the disclosure and contain any further disclosure. The Repairer shall provide reasonable cooperation to MHD-ROCKLAND in any investigation it deems necessary regarding disclosure of confidential and proprietary information.

The provisions set forth in this section are in addition to and do not alter, change or supersede any obligations contained in any confidentiality agreements or provisions agreed to between the parties. Notwithstanding any other provision of this Agreement, this section, and all other provisions necessary to its interpretation or enforcement, will survive this Agreement indefinitely and will remain in full force and effect and be binding upon the parties

13. Non-circumvention

In connection with each Repair Order and for a period of two years following each Repair Order, the Repairer agrees not to, directly or indirectly, contact, speak to, negotiate with, attempt to do business with, do business with, deal with, transact, or otherwise be involved with any the end-clients that may be disclosed with MHD-ROCKLAND in connection with a Repair Order without the knowledge and consent of MHD-ROCKLAND. The Repairer also agrees that, in the above-mentioned time period, it will not otherwise circumvent, avoid or bypass the relationship between MHD-ROCKLAND and its end-clients.

14. Ethical Behavior

The Repairer hereby acknowledges and recognizes that MHD-ROCKLAND has a zero-tolerance approach to unethical behavior, including, but not limited to, conflicts of interest, bribery, corruption, misrepresentation of products and/or services, fraud, etc. The Repairer further agrees that it will conduct its own activities to the highest ethical standards and report any unethical activities/issues as they may arise to the attention of MHD-ROCKLAND. Depending upon the nature and/or severity

of the violation, MHD-ROCKLAND may cancel any and all Repair Orders and/or cease any and all business dealings, without any compensation to the Repairer whatsoever.

The Repairer warrants that it is not identified on the United-States' Office of Foreign Assets Control's (OFAC) Special Designated Nationals List (SDN). The Repairer agrees and warrants that it is not involved in business arrangements or otherwise engaged in transactions with or involving sanctioned countries or SDNs in violation of the regulations maintained by OFAC. The Repairer agrees that it will notify MHD-ROCKLAND promptly upon the occurrence of any event that may render this representation and warranty incorrect.

Moreover, the Repairer shall not offer its services or engage in any other transaction in, to, or with (i) any country that is subject to sanctions imposed by the United-States Government, or (ii) any individual or entity that is listed in the following: (a) List of Specially Designated Nationals & Blocked Persons, Office of Foreign Assets Control, U.S. Treasury Department; (b) List of Debarred Parties, Directorate of Defense Trade Controls, U.S. State Department; (c) Denied Persons List, Bureau of Industry and Security, U.S. Department of Commerce; (d) Entity List, Bureau of Industry and Security, U.S. Department of Commerce; (e) Unverified List, Bureau of Industry and Security, U.S. Department of Commerce; or (f) the Palestinian Legislative Counsel (PLC) List, Office of Foreign Assets Control, U.S. Treasury Department.

15. Quality Program

- a) The Repairer shall maintain an effective quality program based upon product and service complexity and contractual requirements.
- b) Responsibility for control of quality shall be clearly designated within the Repairer's organizational structure. The program shall provide for placement and training of inspection and other personnel who have an effect upon or are responsible for determining product and service quality. Formal certification of personnel for processes, materials, or other operations requiring special skills or training shall be maintained.
- c) The Repairer shall establish controls to prevent the use of non-certified materials when certified materials are required. The Repairer shall provide and obtain for MHD-ROCKLAND, MHD-ROCKLAND's customers, and appropriate regulatory agencies access to any and all facilities, including those facilities of the Repairer's subcontractors, where work on items is being performed or is scheduled to be performed under any Repair Order. MHD-ROCKLAND shall have the right to perform in-process inspection, audits, and system surveillance at the Repairer and the Repairer's subcontractors' facilities as part of verification of conformance to the requirements of any Repair Order at no cost to MHD-ROCKLAND.
- d) The Repairer shall maintain complete records of all repair and overhaul works, manufacturing, inspecting and testing in connection with each good subject to a repair order. At MHD-ROCKLAND's election, such records shall be made available to MHD-ROCKLAND, MHD-ROCKLAND's customers and/or appropriate regulatory agencies during the performance of any Repair Order and for at least seven (7) years after completion of a given Repair Order or for such longer periods, if any, as may be specified elsewhere in such Repair Order. Upon MHD-ROCKLAND's request, the Repairer shall forward such records to MHD-ROCKLAND at no cost to MHD-ROCKLAND. The Repairer shall require control of quality at all points necessary to assure conformance to any Repair Order's requirements, whether performed by the Repairer or by the Repairer's sub-contractors.
- e) The Repairer's documented quality system shall provide for the review of all Repair Orders to ensure that quality requirements are incorporated into repair and overhaul planning, and inspection and test instructions, as applicable, to assure compliance with all Repair Orders. Unless otherwise agreed to by MHD-ROCKLAND in writing, upon request by MHD-ROCKLAND, the Repairer shall provide all the Repairer records, reports, specifications, drawings, inspection and test results and other documentation.
- f) MHD-ROCKLAND shall communicate to the Repairer its requirements for, and the Repairer is responsible for:
 - i) ensuring that persons are aware of:
 1. their contribution to product or service conformity;
 2. their contribution to product safety;
 3. the importance of ethical behavior;
 - ii) specific authority and customer requirements (as specified on the Repair Order);
 - iii) format and content of the external provider's delivery documentation package (as specified on a Repair Order);
 - iv) conditions under which product malfunctions, defects, and unairworthy conditions have to be reported to the concerned stakeholders.
- g) The Repairer shall maintain counterfeit risk mitigation processes in accordance with industry recognized standards and with any other specific requirements identified with this Repair Order.

16. Control and Processing Nonconforming Material and Corrective Action

- a) The Repairer shall implement and maintain a system, which provides for identification, documentation, segregation and disposition of nonconforming material and shall ensure effective, positive corrective action is taken to prevent, minimize or eliminate non-conformance. The Repairer's system shall ensure that non-conforming material is not used for production purposes.
- b) The Repairer shall maintain records of all non-conforming material, dispositions, assignable causes, corrective actions, and effectiveness of corrective actions for the period specified in a Repair Order.
- c) The Repairer shall evaluate each non-conformance for its potential to exist in previously produced or delivered items. If a nonconformance exists, the Repairer shall notify MHD-ROCKLAND, in writing, within 24 hours.
- d) MHD-ROCKLAND may forward requests for corrective action through the SCAR (*Supplier Corrective Action Report*) form, if required, to the Repairer when unsatisfactory performance by the Repairer and/or any of its subcontractors is detected. The Repairer shall respond to all requests for corrective action. When requested by MHD-ROCKLAND, the Repairer shall provide, on the Repairer's Company letterhead, a response showing action taken within their process to correct this non-conformance and action taken to preclude reoccurrences.

If the Repairer does not respond to MHD-ROCKLAND's SCAR request for corrective action within 30 days of receipt of the nonconforming item(s), the Repairer shall be deemed to have accepted responsibility for the identified nonconformance. Payment is subject to be held until the SCAR is answered and approved by MHD-ROCKLAND.

The Repairer represents and warrants that it has the required skill, expertise and manpower to effect the repairs requested by MHD-ROCKLAND and hereby undertakes to indemnify and hold harmless MHD-ROCKLAND in connection with any and all claims in connection with any goods and/or products improperly repaired.

17. Assignment

Any Repair Order and the rights and obligations thereunder shall enure to the sole benefit of and shall be binding upon each of the parties hereto and their respective successors and assigns, but may not be assigned in whole or in part by the Repairer without the prior written consent of MHD-ROCKLAND, which may be withheld at its sole discretion.;

18. Headings and Sections

The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the interpretation of this Agreement. Unless otherwise indicated, any reference in this Agreement to a section refers to the specified section of this Agreement

19. Severability

Should any article, sentence, section or other part of this Agreement be determined to be null and void by any competent court, regardless of the reason therefor, such a decision shall not alter or nullify the rest of the Agreement.

20. No Waiver

Any failure or delay of any of the parties to this Agreement to exercise a right, remedy or privilege hereunder shall not constitute a waiver of such right, remedy or privilege. Likewise, the fact that either party failed to exercise a right, remedy or privilege shall not prevent them from exercising all or part of such right, remedy or privilege in future

21. Notice

Notices sent in connection with this Agreement shall be deemed to have been duly sent, notified and/or served if delivered in person to director of the corporation for which it was intended, if delivered at or sent by registered or certified mail to the last business address known to the party giving notice or if delivered by email to the last known email address used by a representative of the party to whom the notice is sent.

22. Disputes

This Agreement shall be governed by the Laws of the Province of Quebec, Canada, and the parties hereby irrevocably submit to the exclusive jurisdiction of the courts of the district of Montreal, with respect to any claims which may arise from the terms of this Agreement or the business relationship between the parties.