



PAL SUPPLIER ENGAGEMENT EVENTS 2018

AIM OF SUPPLIER ENGAGEMENT EVENTS

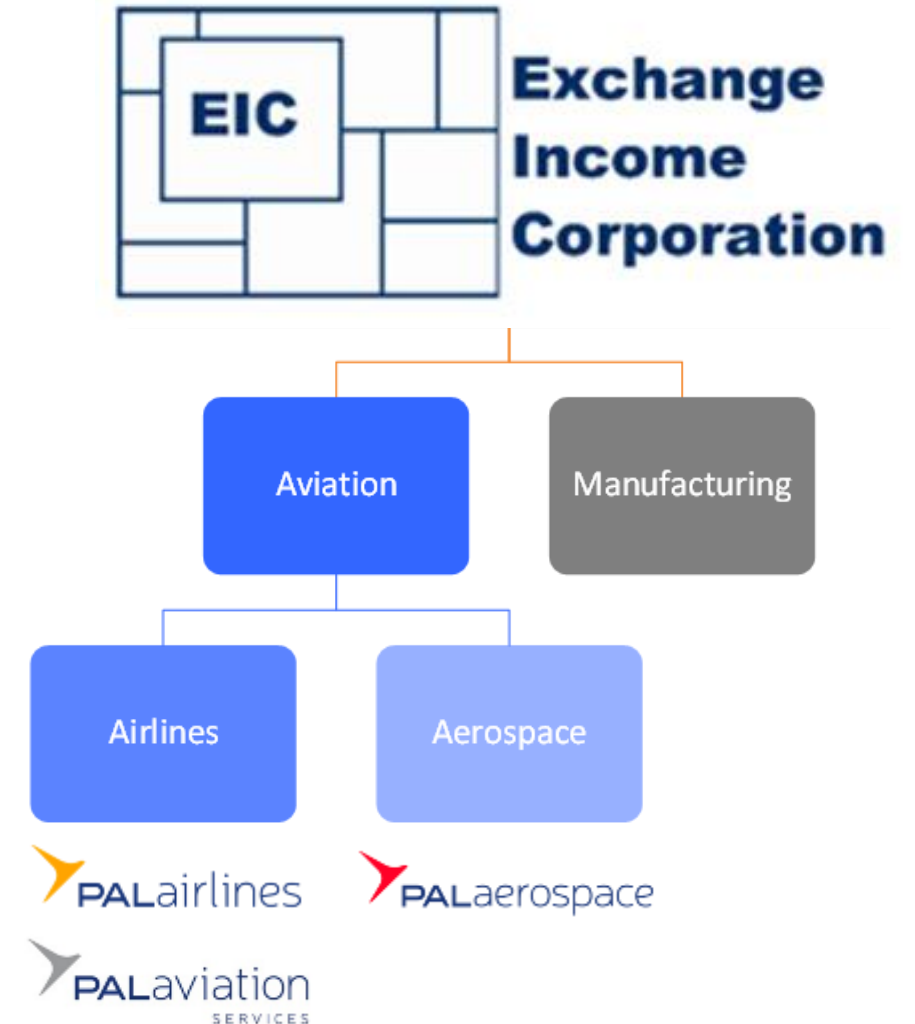


- Inform the community about PAL's business interests
 - PAL Airlines
 - PAL Aviation Services
 - PAL Aerospace
 - DECA Aviation
 - FWSAR
 - MRO and Modification Services
 - Force Multiplier
- Identify potential product and service providers to meet contractual obligations and general supply chain requirements
 - B2B Meetings

EXCHANGE INCOME CORPORATION

PAL, originally incorporated in August, 1972.

After 43 years, the PAL group was acquired by Exchange Income Corporation (EIC) in January 2015. The Canadian company is diversified and focused on two niche markets: aviation and manufacturing.



THE EIC FAMILY OF COMPANIES



- PAL
- Custom Helicopters
- Keewatin Air
- Perimeter Aviation
- Regional One
- Ben Machine Products
- Calm Air
- Alberta Operations
- Stainless Fabrication
- Overlanders Manufacturing
- Westower Communications



BUSINESS OVERVIEW





PAL AIRLINES OVERVIEW

Public Information of Security
Services provided by PAL

Public Information of Security
Services provided by PAL

Consultation des tarifs
Consultation des tarifs

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- PAL Airlines is a major independent airline operating throughout Eastern Canada
- Core competencies include schedule flights, air cargo and charter services
- We are committed to the highest standards of customer service, safety and reliability

- Reliability
- Extensive route network
- Charters
- Cargo
- Air Borealis
- Fleet
- Facilities

FLEET



CITATION X

1

Crew: 2
Flight Attendants: 1
Seating: 8
Lavatory: Yes
In Flight Service: Yes



TWIN OTTER

9

Crew: 2
Flight Attendants: No
Seating: 19
Lavatory: No
In Flight Service: Yes



KING AIR 350

2

Crew: 2
Flight Attendants: 0
Seating: 8
Lavatory: Yes
In Flight Service: Yes



DASH 8-100

4

Crew: 2
Flight Attendants: 1
Seating: 37/29/21
Lavatory: Yes
In Flight Service: Yes



DASH 8-300

5

Crew: 2
Flight Attendants: 2
Seating: 50
Lavatory: Yes
In Flight Service: Yes



BEECHCRAFT 1900D

2

Crew: 2
Flight Attendants: 2
Seating: 50
Lavatory: Yes
In Flight Service: Yes

CARGO

- Three shipping service options:
 - General: 4 business days
 - Express: 2 business days
 - Priority: same day shipping
- Offer reliable air services within our network
- Five year contract with Canada Post in Newfoundland and Labrador





Operated by PAL Airlines

- Remote charters (floats, skis, wheels) for mining exploration, fishing and hunting
- Aircraft service provider for many significant resource exploration, development, and production programs in Labrador
- Historic agreement between the Innu and Inuit of Labrador, together with PAL Airlines
- Services the North and South coasts of Labrador with scheduled flight services
- Ease of travel to a world of new destinations for the people of Labrador and Quebec Lower North Shore





PAL AVIATION SERVICES



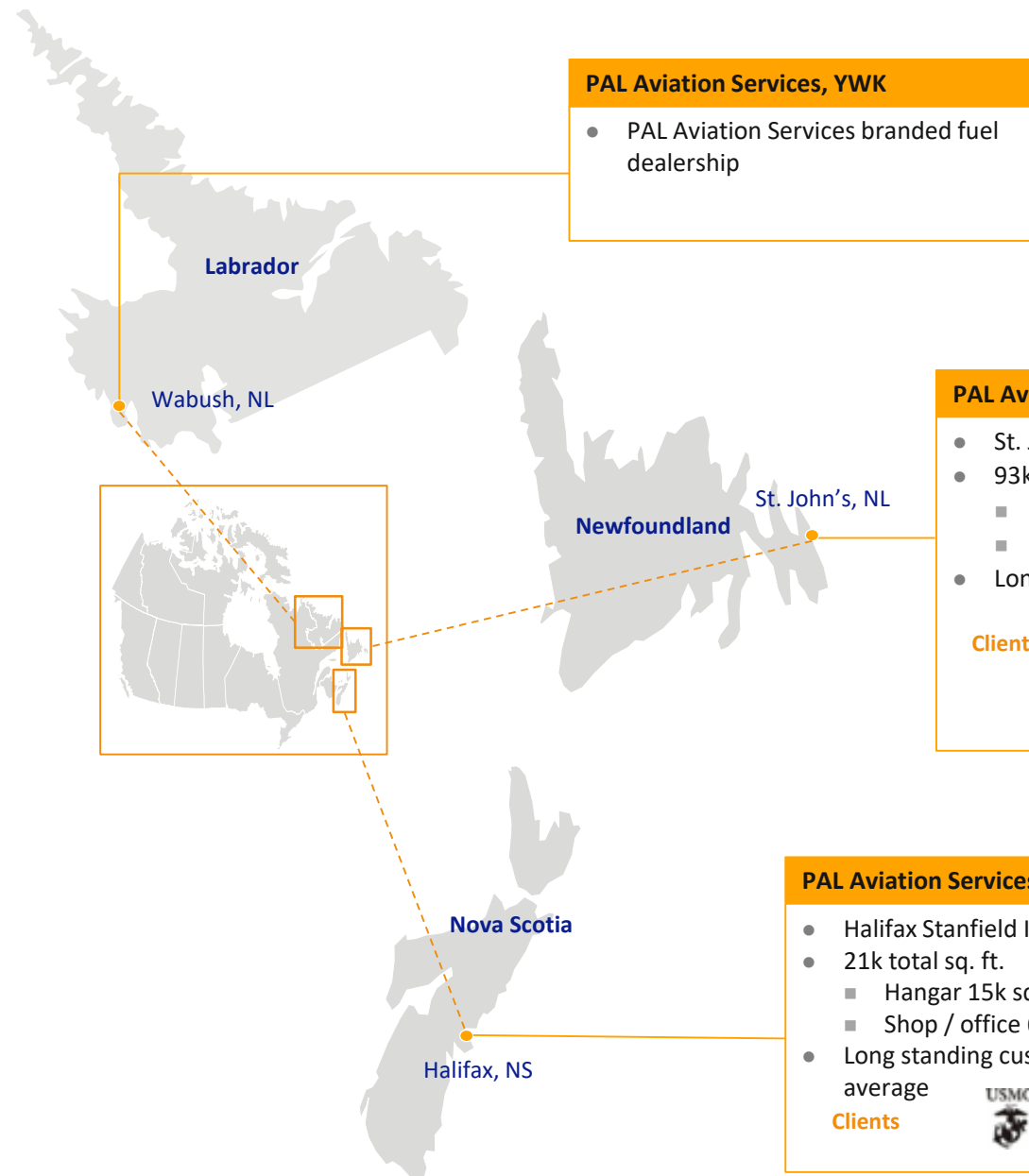
PAL Aviation Services provide a full spectrum of options for a broad range of aviation clients.

Our services include, but are not limited to:

- De-icing
- Refueling
- Cargo handling
- Hangarage
- Aircraft maintenance
- Executive lounges
- Ramp services



PAL Aviation Services is a fixed based operation that is a **one-stop shop** for our customers aviation needs



PAL Aviation Services is the largest fixed-base operator in YHZ and YYT, offering extensive services to commercial, corporate, military, and private aircraft through Atlantic Sky Services in Halifax, NS and Torbay Aeroservices in St. John's, NL.

VOTED TOP 2 FBO'S

WE'VE GOT YOU COVERED IN ATLANTIC CANADA!

PAL AVIATION SERVICES – ST. JOHN'S FBO (YYT)



Voted **BEST**
in Atlantic Canada
WINGS
CANADIAN
FBO SURVEY 2017

PAL AVIATION SERVICES – HALIFAX FBO (YHZ)



Notable Mention
WINGS
CANADIAN
FBO SURVEY 2017



PAL AEROSPACE OVERVIEW



PAL Aerospace offers a single point of accountability for special missions backed by over four decades of experience



- Design and Modification
- Mission Systems Integration
- In-Service Support and Training
- Special Mission Operations

PAL AEROSPACE BY THE NUMBERS



250,000+
FLIGHT HOURS FOR
SPECIAL MISSIONS



**30 AIRCRAFT
IN OUR FLEET**



**10 MARITIME PATROL
AIRCRAFT**



300,000 sq/ft
OF DOMESTIC HANGAR SPACE



**22,000
MISSIONS
FREE OF
INCIDENTS
+ ACCIDENTS**



**16
YEARS**
training
experience



1000+
dedicated
employees

**30⁺
YEARS**
of surveillance experience

GLOBAL REACH OF OPERATIONS



OIL & GAS

- Environmental Missions out of St. John's, NL
- Operates on Beechcraft King Air 200
- Customer since 1983

GOVERNMENT OF CANADA

- Intelligence, Surveillance and Reconnaissance Missions out of Comox, BC, Halifax, NS and St. John's, NL
- Operates four Beechcraft King Air 200s
- Customer since 1986

TRINIDAD & TOBAGO AIR GUARD

- Training, procurement services, obsolescence and maintainability management out of Port of Spain, Trinidad & Tobago
- Maintains two Fairchild C-26s
- Customer since 2000

ROYAL DUTCH NAVY

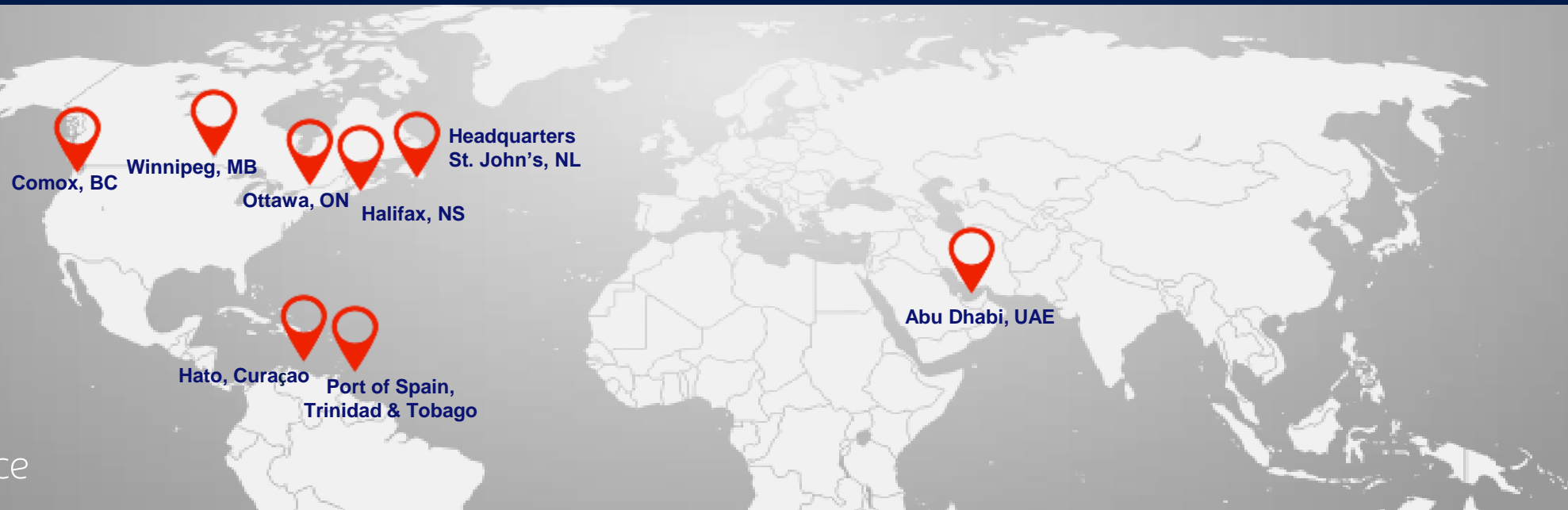
- Intelligence, Surveillance and Reconnaissance Missions using two Bombardier Dash-8 Q100s out of Air Station Hato, Curaçao
- Customer since 2006

AMMROC (UAE)

- Maintain two Dash-8 Q300s
- Provide training, procurement services, obsolescence and maintenance management out of Abu Dhabi, UAE
- Customer since 2012

UAE ARMED FORCES

- Installing satellite system in Abu Dhabi, UAE
- Customer since 2008





FIXED WING SEARCH AND RESCUE



RCAF FIXED-WING SAR

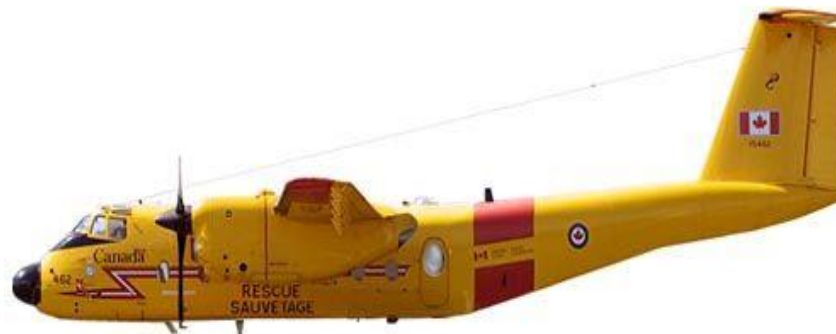
- Proud partners with Airbus Defence and Space to provide 20+ years of ISS for Canada
 - Program management services
 - In-service support integrator to RCAF's CC295 SAR aircraft
 - Maintenance and logistics support at four Main Operating Bases (MOBs)
 - Heavy Maintenance (MRO) and Mobile Repair Party (MRP) capabilities
 - Centralized Supply Chain Management



RCAF FIXED-WING SAR



6x CC115
+50 years old

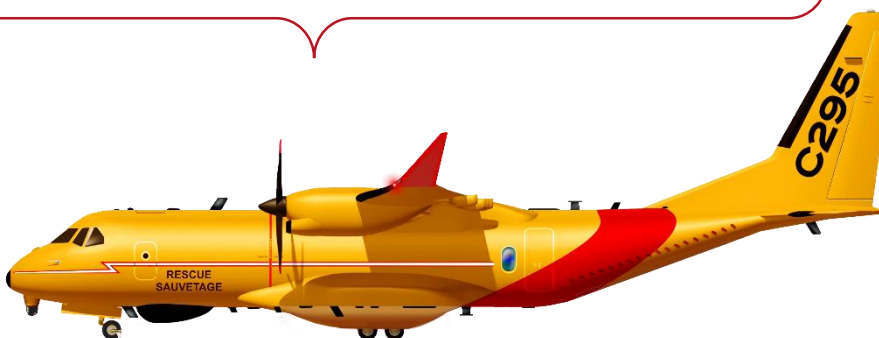


12x CC130H
21-44 years old

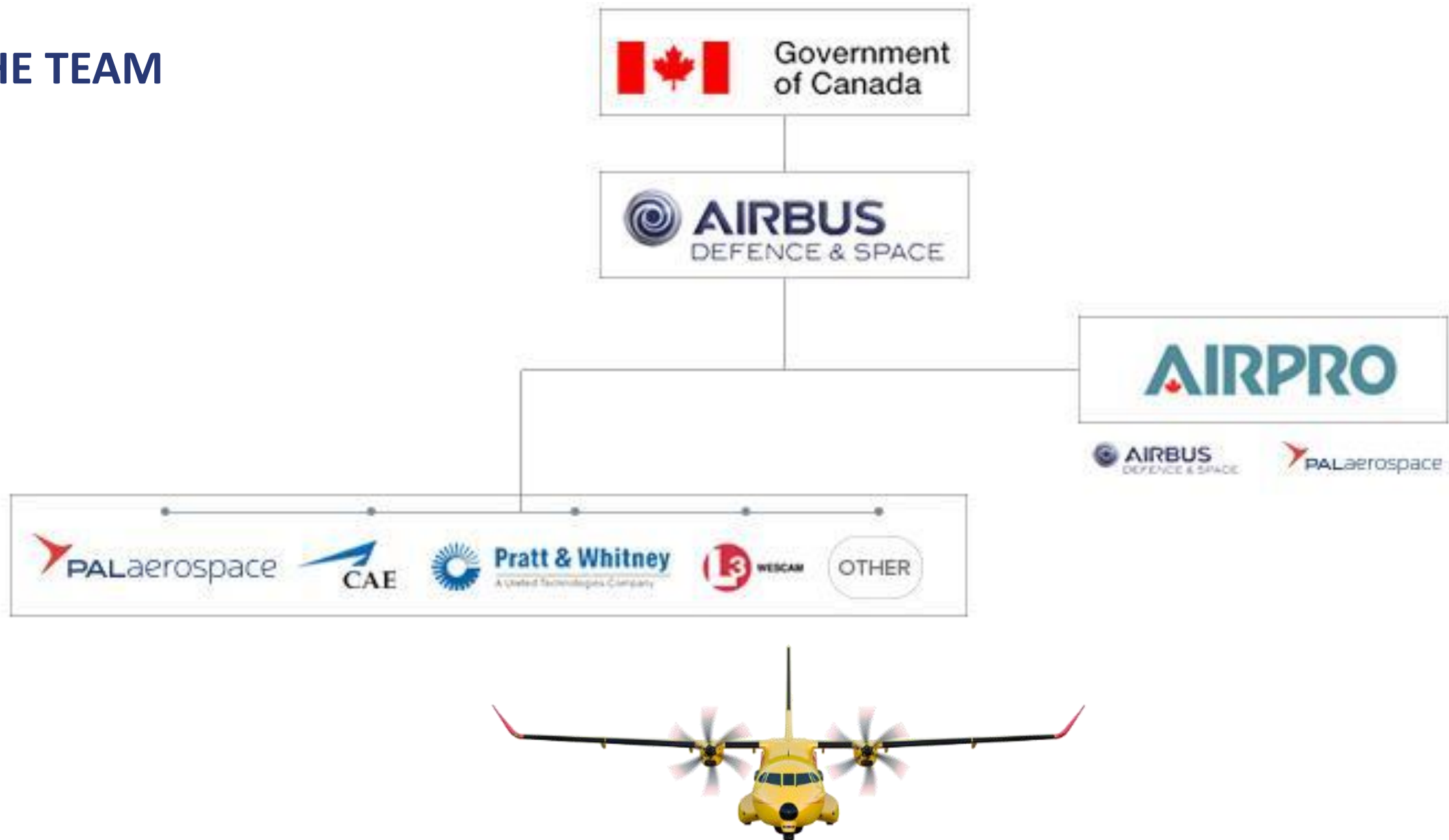


REPLACED BY

16x CC295
New FWSAR



THE TEAM



PAL FWSAR - SCOPE OF WORK



Main Operating Bases (MOB)

- Support DND Base Maintenance at 4 SAR MOBs:
 - Integrated AME team
 - Warehouse
 - Tool Crib
 - Tech Library
 - CFO Leads
- 11 Staff each (12 @ Comox)

MRO & Central Warehouse

- Heavy Inspections, Aircraft Paint
- Central Warehouse operations
- Mobile Repair Party
- CC295 SMM
- 28 Staff

Materiel

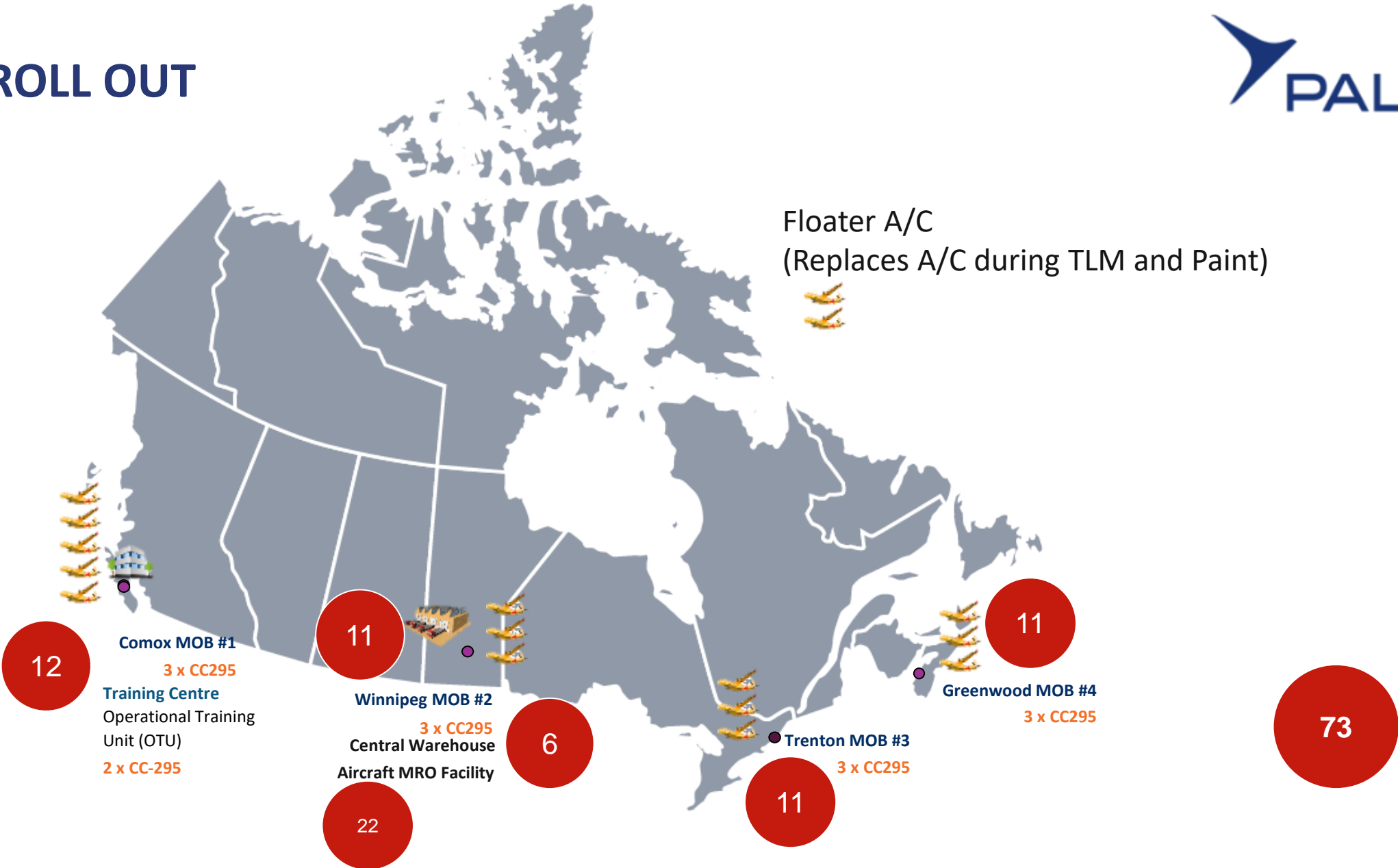
- GSE
- A/C Consumables
- PPE
- Shipping & Handling
- Covers 4 MOBs, MRO and Central Warehouse

PROJECT ROLL OUT

- MOBs: 4
- Total Aircraft: 16
 - 3 per base
 - 2 trainers
 - 2 floaters
- 1 Training Centre (CAE)
- 1 Central Warehouse
- 1 MRO Facility



PROJECT ROLL OUT



INDUSTRIAL AND TECHNOLOGICAL BENEFITS (ITB)



- Under the ITB Policy, companies awarded defence procurement contracts are required to undertake business activities in Canada, equal to the value of the contract.
- Brings economic benefit to Canada from defence procurement by:
 - supporting the long-term sustainability and growth of Canada's defence sector;
 - supporting the growth of prime contractors as well as suppliers in Canada, including small and medium-sized enterprises (SMEs) in all regions of the country;
 - enhancing innovation through research and technological development (R&D) in Canada; and
 - increasing the export potential of Canadian-based firms.

INDUSTRIAL AND TECHNOLOGICAL BENEFITS (ITB)



FWSAR - www.ic.gc.ca/eic/site/086.nsf/eng/00070.html

Breakdown of current obligations by project

	Project	Contractor	Obligation	Completed to date	In progress	To be identified	Estimated End Date
5	Fixed-Wing Search and Rescue Aircraft - Acquisition	Airbus Defence and Space	\$1,925,195,879	\$0	\$1,616,693,888	\$308,501,991	Dec 01, 2026
4 5	Fixed-Wing Search and Rescue Aircraft - In-Service Support	Airbus Defence and Space	\$578,793,661	\$0	\$578,793,661	\$0	Dec 01, 2031

Airbus' Obligation - www.ic.gc.ca/eic/site/086.nsf/eng/00001.html

Breakdown of current obligations by contractor

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INDUSTRIAL AND TECHNOLOGICAL BENEFITS



Value Proposition (VP)

- Direct labour hours associated with predetermined Value Proposition tasks

Ref #	Weapon System Management Support
VP-ISS-018	Management of HUMS, including the HUMS ground station
VP-ISS-028	1st Line Maintenance Augmentation
VP-ISS-029	2nd Line Aircraft Maintenance
VP-ISS-030	3rd Line Aircraft Maintenance
VP-ISS-031	Mobile Repair Party
VP-ISS-033	Modification Embodiment
VP-ISS-036	Supply Chain Material Management: LCMM together
VP-ISS-037	Management of R&O
VP-ISS-038	Management of Mobility Kits
VP-ISS-039	Hazardous Material (HAZMAT) Management
VP-ISS-040	Management and Maintenance of Special Tools, Support and Test Equipment
VP-ISS-041	Supply Management – Warehousing and Depot
VP-ISS-062	Supply Chain Material Management Spares Supply

INDUSTRIAL AND TECHNOLOGICAL BENEFITS



ITB/CCV

- 100% of contract value, measured in Canadian Content Value (CCV)
- **Direct**
 - labour to support specific VP transactions
 - procurement of products and services
- **Indirect**
 - Not related to the contract but related to our product or business lines
 - Procurement of goods and services, R&D investment (academia, incubators, etc.), technology transfer and skills development, supplier development, etc.
- **SMB** obligation – 1.4%



MRO & MODIFICATION SERVICES

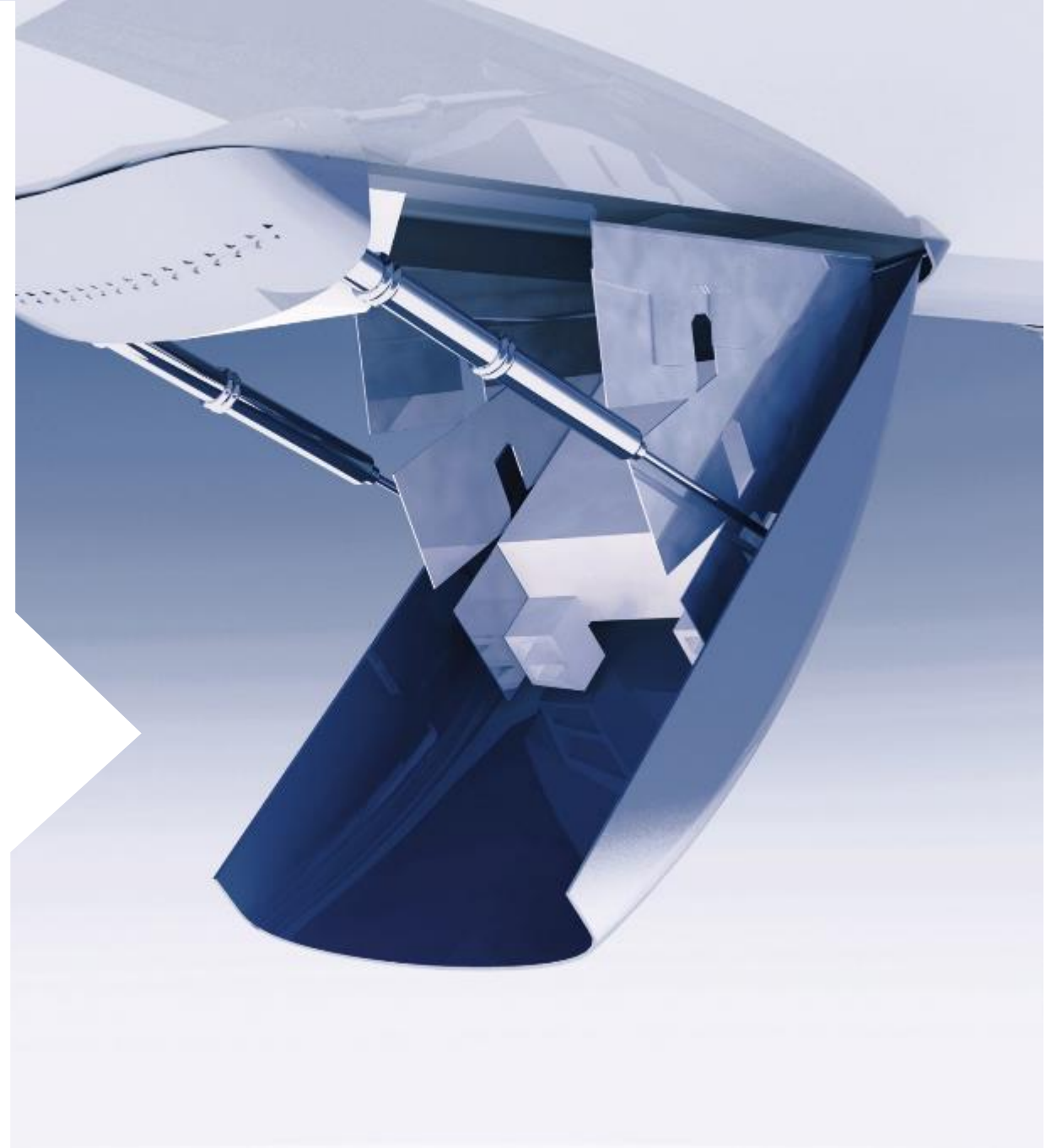
EXPERIENCE

Operations

- 80+ Heavy Maintenance Checks performed
- Over 200,000 person hours of modification and heavy maintenance work annually
- 24/7 AOG field teams to support out clients' unscheduled maintenance needs
- 40+ aircraft modifications
- One-stop MRO and Modification Centre

Aircraft in Operation

- 4 Dash 8-100 & 300 series
- 9 Beechcraft King Airs
- 1 Cessna Citation X
- 1 Cessna Citation II
- 2 Fairchild Metroliner



CAPABILITIES



Services Offered

- Modifications
- Heavy & Line Checks
- Line Maintenance
- In-Service Support
- Composites
- Welding
- Non-Destructive Testing
- Upholstery
- Refinishing
- Engineering
- Machining

Approved Ratings

- Aircraft
- Avionics
- Instruments
- Structures

RATINGS

- Transport Canada Approved AMO 2-13 under CAR 573
- EASA Part-145 Approved EASA 145.7277
- 9001: 2008 certified
- AS9100/9110 (pending)

APPROVED AIRCRAFT TYPE RATINGS

- | | | |
|-----------------------|-----------------------|----------------------|
| • ATR 42 | • Beech Twin Piston | • De Havilland DHC-6 |
| • ATR 72 | • Canadair CL415 | • De Havilland DHC-8 |
| • Beech 1900 | • Cessna Citation 500 | • Dormier 328 |
| • Beech King Air | • Cessna Citation 700 | • Fairchild SA227 |
| • Beech Single Piston | • De Havilland DHC-6 | |

FACILITIES

Hangars

- 5 Hangars
- 122,000 sqft of hangar space
- Full complement of tooling and equipment for a variety of modifications and heavy checks

Shops

- Avionics
- Structures
- Composites
- Upholstery
- Refinishing



FMX

The Force Multiplier

A domestic and international power by the hour solution for Intelligence, Surveillance and Reconnaissance Missions



WHAT IS THE FORCE MULTIPLIER?

- A Bombardier Dash-8 Q300 contract ISR platform
- A domestic and international special mission solution (blue water/littoral)
- A platform modified, owned, operated, and maintained by PAL Aerospace
- An ISR capability equipped with a full mission system suite accommodating diverse ISR applications
- A mechanism for data analytics and way of obtaining actionable intelligence
- An effective and efficient solution that meets interim and immediate surveillance objectives under a power by the hour contracting model

Read more about Force Multiplier in [Skies Magazine](#)

THE FORCE MULTIPLIER ISR MODIFICATIONS

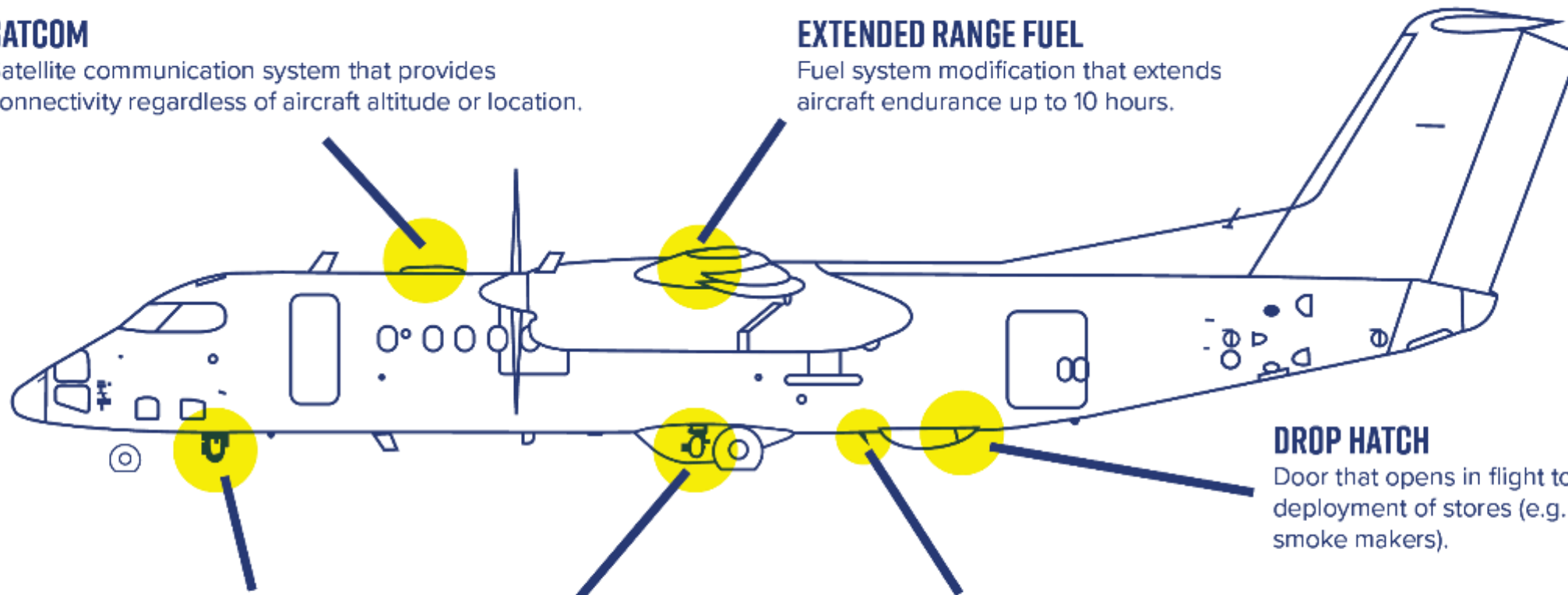


SATCOM

Satellite communication system that provides connectivity regardless of aircraft altitude or location.

EXTENDED RANGE FUEL

Fuel system modification that extends aircraft endurance up to 10 hours.



ELECTRO-OPTIC/INFRARED (EO/IR)

Long range day/night visual camera.

THALES SEARCHMASTER® RADAR

Identifies and classifies targets out to 200NM.

AUTOMATIC IDENTIFICATION SYSTEM

Picks up ship transponder information providing critical vessel information.

DROP HATCH

Door that opens in flight to allow the deployment of stores (e.g. life rafts, smoke makers).

SUPPLIER ENGAGEMENT B2B MEETINGS



Identify potential product and service providers to meet contractual obligations and general supply chain requirements

Join our **Interested Suppliers List** through OMX



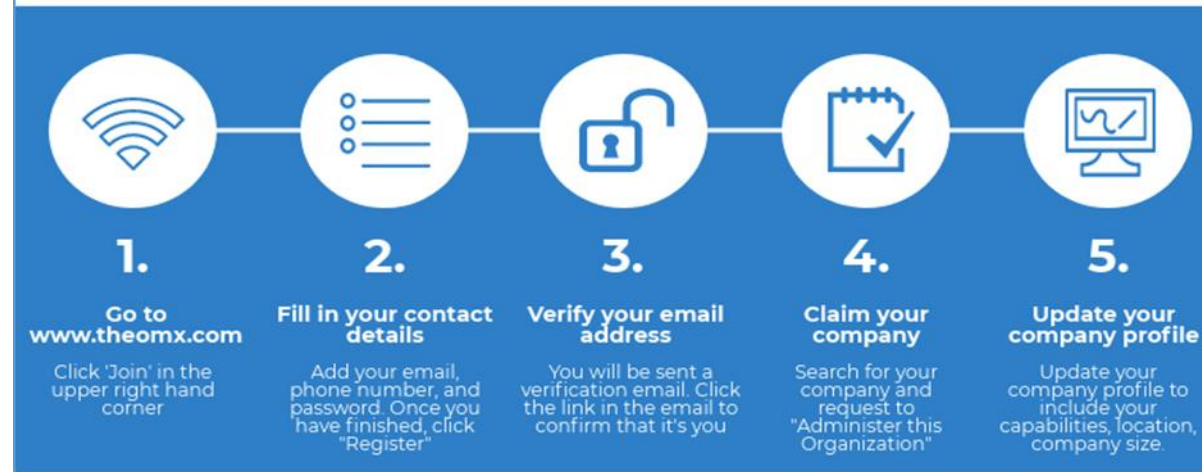
OMX is a portal for defence contractors, offset recipients, and other suppliers as well as for consultants, regional development agencies, associations, and other third parties.

OMX is the world's largest and most advanced platform for connecting businesses in the international defence, aerospace, and security industries.

Register today at www.theomx.com

OMX

How to Register on OMX



Join our supplier list on OMX



RESOURCES



Exchange Income Corporation - www.exchangeincomecorp.ca

PAL Airlines – www.palairlines.ca

PAL Aviation Services – www.palaviationservices.com

PAL Aerospace – www.palaerospace.com

DECA – www.deca-aviation.com

AIAC Pacific – www.aiacpacific.ca

AIAC Pacific works to promote and develop aerospace businesses in British Columbia by acting as an advocate for its members with industry and government. In addition, AIAC Pacific facilitates the participation of its members in national and international programs, which are designed to enhance business development, investment and global competitiveness.

Innovation, Science and Economic Development Canada

www.ic.gc.ca/eic/site/icgc.nsf/eng/home

ITB Policy Value Proposition Guide

www.ic.gc.ca/eic/site/086.nsf/eng/00006.html

ITB Model Terms and Conditions, including Canadian Content Value (CCV)

www.ic.gc.ca/eic/site/086.nsf/eng/h_00011.html

QUESTIONS?