



SMS and Delta Engineering Enter into a Memorandum of Understanding

SMS and Delta Engineering, a Panasonic Company, have entered into an MOU to define the commercial relationship between SMS and DE in relation to the installation and approval of CVM™ sensors for large radome installations for "WiFi systems" on commercial aircraft. Delta Engineering is not affiliated with Delta Air Lines. Delta Engineering holds the Supplemental Type Certificates ("STC") controlling the installation and inspection protocols for many of the current WiFi systems, primarily the 2K and 2KU systems. Delta Engineering and SMS will seek approval from the FAA for a new STC which will explicitly designate CVM™ as an alternative method of inspection for the WiFi radome on aircraft. SMS is targeting the first installations on aircraft as early as Q3/Q4 of this year.

Delta Air Lines has led the industry by adopting the new generation 2KU radome system across a major part of the Delta Air Lines fleet. With assistance from Delta Engineering, SMS has designed a CVM™ Kit for B737NG 900 series aircraft. SMS and Delta Engineering will use this initial design, as well as previously completed POADTE-SHM data packages, to seek FAA approval for the new STC. Overall, the incumbent inspection protocols place a very large burden on operators given the frequency of the mandated inspection, the complexity of the maintenance tasks required and the distinct possibility that the aircraft is held out of service for an additional day due to a myriad of unforeseen delays in the inspection. SMS is highly encouraged that multiple operators are now focused on these applications given the sheer number of aircraft affected and the ability of CVM™ to materially reduce inspection duration and aircraft downtime. We look forward to working with Delta Engineering Organization Designation Authorization (ODA) to obtain FAA approval of the STC, and then proceeding quickly toward global industry adoption of CVM™ as a sole mandated, commercial solution.

See web site for information about Delta Engineering capabilities and services:

<http://www.delta-engineering.com>

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ASX ANNOUNCEMENT

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