

ANNEX A: TERMS & CONDITIONS OF SALE

1. APPLICATION

These terms and conditions of sale shall apply to the maintenance, repair and/or overhaul services (the "Services") offered by Aerospace Component Engineering Services Pte Ltd (ACE SERVICES).

All purchase/repair orders received by ACE SERVICES shall be deemed as written acceptance by the Buyer of ACE SERVICES' offer to sell the Services and shall be governed by the terms and conditions of sale set out herein ("Contract"), unless the Buyer and ACE SERVICES have concluded a separate agreement in writing. No other terms and conditions shall apply unless specifically accepted by ACE SERVICES in writing. In the event different terms are specifically agreed to in writing, those terms shall be exclusive as to the particular subject covered.

2. QUOTATIONS AND PRICE

Quotations provided are valid for thirty (30) days from the date of issue and prices are quoted Ex-works ACE SERVICES facility. Prices quoted may be subject to change without advance written notice to Buyer.

3. DELIVERY AND RISK OF LOSS

Delivery shall be made to Buyer Ex-works ACE SERVICES facility. Any items and parts shipped or delivered to ACE SERVICES for maintenance, repair, overhaul or any other process shall remain the property of the Buyer and risk of loss for such items and parts shall remain with the Buyer. At all times, it is agreed that ACE SERVICES is not the insurer of any such items or parts. ACE SERVICES' sole obligation is to use ordinary care in receiving and processing such items and parts. All shipments shall be by air freight unless otherwise agreed.

4. PACKING

The purchase price includes packing in accordance with ACE SERVICES' own packing specification. Any additional packing or packing cases required by Buyer shall be chargeable in addition to the purchase price. ACE SERVICES shall pack components for safe transit by air or land and does not provide any warranty or guarantee that the components will be safe from damage during shipment or transit, including but not limited to breakage, rust and/or deterioration.

5. STORAGE FEE

A three percent (3%) storage fee based on the total amount billed will be levied on all repaired and overhauled components if the components remain uncollected by the Buyer after seven (7) days of the Buyer being notified that the components are ready for collection.

6. REPAIR / OVERHAUL / EXCHANGE SERVICES

All repair/overhaul/exchange quotations, budgetary estimates and/or works order acknowledgements given by ACE SERVICES are limited to incident/accident-free components and/or equipment that are operated and maintained in accordance with guidelines specified in the manufacturer's operation/maintenance manuals, bulletins and revisions thereto, unless explicitly stated otherwise by ACE SERVICES. Failure by the requester/Buyer to disclose, where applicable, relevant information to the contrary when submitting a component and/or equipment to ACE SERVICES for works appraisal and/or exchange, will immediately render any corresponding quotation, budgetary estimate and/or works order acknowledgement given by ACE SERVICES null and void.

7. PAYMENT TERMS

Unless otherwise specifically agreed to between the Parties in writing, payment of all invoices shall be due thirty (30) days from the date of invoice. Invoices left unpaid more than thirty (30) days from the date of invoice shall accrue interest daily at the rate of one percent (1%) per month.

Payment can be made to Aerospace Component Engineering Services Pte Ltd either by cheque or by telegraphic transfer ("TT"). For TT payment, corresponding bank charges for cross-border payments are to be borne by the Buyer. Details of beneficiary bank are as follows:

Beneficiary : **Aerospace Component Engineering Services Pte Ltd**
Beneficiary Bank : Overseas Chinese Banking Corporation Limited
Address : 65 Chulia Street, #10-00 OCBC Centre, Singapore(049513)
Swift Code : OCBCSGSG

8. RIGHT TO WITHHOLD SHIPMENT

ACE SERVICES may withhold or suspend deliveries of components if the Buyer has defaulted in the payment of past invoice(s).

9. SET OFF AND TAXES

All payments under this Contract shall be made by the Buyer without any set-off or counterclaim and free and clear of and without deduction for or on account of any present or future applicable deductions, taxes, levies, duties, charges, fees, deductions or withholdings of any nature (collectively called "taxes") imposed, levied, collected, withheld or assessed by any competent tax authority. In addition to the agreed purchase price of the Services, the Buyer shall pay/reimburse ACE SERVICES for all taxes (excluding any income and excess profit taxes) imposed by any taxing authority in connection with the Services.

10. EXCUSABLE DELAY

ACE SERVICES shall not be responsible for nor deemed to be in default under this Contract on account of any delay in the performance of the Services hereunder due to any of the following causes:

- (a) ACE SERVICES is unable to obtain parts due to the manufacturer's failure to deliver unless ACE SERVICES has failed to undertake the required parts provisioning in accordance with procedures and lead times for delivery as are customary in the industry for such parts; and/or
- (b) the discovery of defects which could not have reasonably be expected to have been found in the context of the Services; and/or
- (c) ACE SERVICES failed to perform or for delay in performance due to any cause beyond its reasonable control including but not limited to fire, flood, strike or other labor difficulty, act of God, any legal proceeding, act of any governmental authority, act of the Buyer, war, riot, sabotage, civil disturbance, embargo, fuel or energy shortage, wreck or delay in transportation, major equipment breakdown, or any act, delay or failure to act of ACE SERVICES' suppliers and subcontractors of any tier beyond ACE SERVICES' or such supplier's or subcontractor's reasonable control.

Any delay resulting from any of the foregoing causes is referred to as an "Excusable Delay". In the event of an Excusable Delay, ACE SERVICES and Buyer will mutually agree on the additional performance time required.

11. WARRANTY

(a) **Coverage:** ACE SERVICES warrants that the Services performed hereunder shall be free of defects in workmanship. For the purposes of this Clause 11, any such defect will be hereinafter referred to individually as a "Defect".

(b) **Warranty Period:** The warranty period in relation to repair of components and overhaul of components shall be 12 months and 24 months respectively from the date of delivery of the repaired/overhauled component to the Buyer.

(c) **Correction of Defects:**

(i) If, during the warranty period, a Defect is discovered, ACE SERVICES will correct the Defect by either replacing the relevant damaged part with another part of the same utility and value or repairing, at ACE SERVICES' expense and option and within a reasonable time period, any damaged part serviced under this Contract to the condition it was in immediately before the damage occurred.

(ii) If, during the warranty period, sub-standard workmanship by ACE SERVICES in connection with the Services is discovered, ACE SERVICES will re-perform the relevant task within a reasonable time period, at ACE SERVICES' expense and option, provided that such work done shall achieve the standard of services.

(iii) Buyer or its designee, upon ACE SERVICES' concurrence, may procure an OEM or an approved facility to correct a Defect in a warranted component pursuant to this Contract, provided that the Parties agree that the cost to correct such Defect at the OEM or facility of Buyer's choice is less than the cost of return and repair of the warranted component at the Facility. If the repair has been carried out by the Buyer, an OEM or its designee under such circumstances, ACE SERVICES will reimburse Buyer for total invoice value in connection with the correction of such Defect.

(d) **Determination of Defect:** For the purposes of this Clause, the existence of a Defect shall be determined by the mutual consent of the Parties. Such determination shall be based on ACE SERVICES' CAAS approved procedures and standards.

(e) **Conditions:** ACE SERVICES' warranty obligations hereunder are subject to the following conditions:

(i) the warranted Component shall have been used after redelivery to Buyer or its designee under normal operating conditions as established by the OEM and shall not have been subjected to misuse, neglect, accident or ingestion of foreign material;

(ii) the Component which is the subject of the warranty claim has not been altered or repaired after redelivery to the Buyer or its designee by anyone other than ACE SERVICES (except as provided in Clause 11(c)(iii)) and has been maintained in accordance with the Buyer's maintenance programme and component maintenance manual for the time being in force;

(iii) the Buyer or its designee has, within the warranty period, given notice in writing to ACE SERVICES of any warranty claim hereunder and the basis for such claim;

(iv) SAVE AS PROVIDED IN THIS CLAUSE AND CLAUSE 12, ALL OTHER REMEDIES FOR BREACH OF WARRANTY, AND ALL OTHER REMEDIES FOR BREACH OF EXPRESS OR IMPLIED WARRANTY, INCLUDING BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE ARE HEREBY EXCLUDED.

(f) This Clause 11 shall survive any termination of this Contract.

12. LIABILITY

(a) Save for those expressly provided herein, the Buyer hereby waives and releases ACE SERVICES from any and all other warranties, contracts, guarantees, conditions, duties, obligations, remedies or liabilities, whether expressed or implied or

arising by law or otherwise including, without limiting the generality of the foregoing, any warranty of merchantability or fitness for intended use or purpose or as to the standard of care and skill and time for performance of service with respect to ACE SERVICES' obligations and performance pursuant to this Contract.

(b) ACE SERVICES shall not be liable in any manner whatsoever (including but not limited to negligence and/or breach of contract) for damage/s or loss (including costs and expenses howsoever incurred) suffered by the Buyer whether directly, indirectly or as a consequence of the provision of Services under this Contract including but not limited to:

(i) any damage to the components or delay in the completion of the Services under this Contract;

(ii) injury or death of any person (including but not limited to, any directors, officers, agents, employees or subcontractors of the Buyer); and/or

(iii) damage to or loss of property owned by, or operated by or on behalf of, the Buyer arising from any act or omission of ACE SERVICES in the performance of this Contract, unless done with intent to cause damage, death, delay, injury or loss or done recklessly with knowledge that damage, death, delay, injury or loss would probably result.

(c) Notwithstanding Clauses 12(a) and 12(b):

(i) in no event shall ACE SERVICES be liable for any consequential or incidental damages, loss of profits or loss of revenue arising out of or resulting from the contractual, tortious (including without limitation negligence) and/or other causes of action or obligations of the Parties to this Contract; and

(ii) ACE SERVICES' liability to the Buyer under this Contract shall not in any event exceed the cost of repair or replacement (whichever is higher) of the defective component.

(d) All references to ACE SERVICES in this Clause 12 shall include its directors, officers, agents, employees and subcontractors.

13. INDEMNITY

(a) The Buyer hereby indemnifies and holds harmless ACE SERVICES, its directors, officers, agents, subcontractors and employees from and against any and all claims, proceedings, costs, expenses whatsoever (including costs and expenses incidental to any such claim or proceeding) which may be made at any time by any person, arising out of or in connection with or related to an act or omission of ACE SERVICES, its directors, officers, agents subcontractors and employees in the performance of this Contract, except to the extent such act or omission of ACE SERVICES was done with intent to cause damage, death, delay, injury or loss or done recklessly and knowledge that damage, death, delay, injury or loss would probably result.

(b) The Buyer shall notify ACE SERVICES of any claims or suits without undue delay and the Buyer shall make no admission of liability without the express written consent of ACE SERVICES, such written consent being entirely within the discretion of ACE SERVICES. Buyer shall furnish such assistance as ACE SERVICES may reasonably require.

(c) ACE SERVICES retains the discretion to deal with all claims, proceedings or suits arising hereunder.

14. INSURANCE

(a) The Buyer will maintain adequate insurances in full force and effect at no expense to ACE SERVICES during the term of this Contract, through brokers and with insurers reasonably satisfactory to ACE SERVICES covering but not limited to the following risks:

(i) Hull "All Risks" (herein refers to Allied Perils, Aviation Hull All Risks and Aviation Hull War Risks) Insurance and All Risks Property Insurance as applicable, the Aircraft including components, engines and spare parts installed on the Aircraft;

(ii) Comprehensive Airline Liability including Aircraft Third Party, Passenger, Baggage, Cargo and Mail Legal Liability and Aircraft General Third Party (including products) and AVN 52E cover (combined commercial insurance and any indemnity/guarantee provided by the government) together with Products Liability insurance covering the Aircraft for a combined single limit in the sum of not less than US\$ 1,000,000,000 for any one occurrence or in the aggregate in respect of Product Liability.

(b) The insurance referred to in Clause 14(a) shall include coverage whilst the components are in the possession of ACE SERVICES in connection with this Contract.

(c) In respect of the Services provided under this Contract only and excluding any matters arising from acts or omissions on the part of the ACE SERVICES, its directors, officers, employees, subcontractors and agents done with intent to cause damage, death, delay, injury or loss or done recklessly with knowledge that damage, death, delay, injury or loss would probably result, the insurance shall be endorsed:

(i) in the case of the insurance required under Clause 14(a)(i) above, to provide that the insurers shall hold harmless and waive all rights of subrogation against ACE SERVICES, its directors, officers, employees, subcontractors and agents;

(ii) in the case of the insurance required under Clause 14(a)(ii) above, to name ACE SERVICES, its directors, officers, employees, subcontractors and agents as additional insured for their respective rights and interests, and to provide that the policy shall operate in all respects as if a separate policy had been issued to each Party thereby insured;

(iii) to include a breach of warranty clause in favour of the additional insureds; and (iv) to provide for world-wide coverage (except war zones).

(d) All insurances referred to under this Clause 14 shall be ACE SERVICES' primary insurances for this Contract without the right of contribution from ACE SERVICES' insurances.

(e) Insurance arranged by either Party shall provide that the other Party will be given thirty (30) days' prior written notice or such lesser period as normally provided by insurers in respect of war risks notice, before any adversely material alteration or cancellation of such insurance is effected.

(f) The Buyer shall, prior to the commencement of the Services and subsequently, whenever such insurance is renewed, furnish to ACE SERVICES certificate(s) of insurance in confirmation of having effected the required insurance. Notwithstanding the foregoing, any failure by ACE SERVICES to request for or inspect such certificates shall not amount to a waiver of ACE SERVICES' rights under this Contract.

(g) The Buyer shall do everything necessary to keep all required insurances in force. In particular, the Buyer shall pay premiums as they fall due.

15. GOVERNING LAW & DISPUTE RESOLUTION FORUM

(a) This Contract (which shall include the purchase and/or repair orders issued to ACE SERVICES) shall be governed by and construed in accordance with the laws of Singapore.

(b) The Parties agree to submit all disputes, controversies or differences arising out of or in connection with this Contract to the exclusive jurisdiction of the courts in Singapore.

16. COMPLIANCE WITH ANTI-BRIBERY LAWS

(a) The Buyer represents and warrants that it is in compliance with all laws of those countries in which it operates, including all anti-corruption and anti-bribery laws, and will remain in compliance with all such laws during the term of this Agreement. Buyer further represents and warrants that it has not made, authorised or offered to make payments, gifts or other transfers of value, directly or indirectly, to any government official or private person in order to (1) improperly influence any act, decision or failure to act by that official or person, (2) improperly induce that official or person to use his or her influence with a government or business entity to affect any act or decision by such government or entity or (3) secure any improper advantage.

(b) The Buyer agrees that should it learn or have reason to know of any payment, gift or other transfer of value, directly or indirectly, to any government official or private person that would violate any anti-corruption or anti-bribery law, it shall immediately disclose such activity to ACE SERVICES. If, after consultation by all Parties to the Contract, any concern cannot be resolved in the good faith and reasonable judgment of ACE SERVICES, then ACE SERVICES, on written notice to Buyer, may withdraw from or terminate this Agreement.

(c) ACE SERVICES shall have the right to terminate the Contract if the Buyer breaches the provisions of this Clause 16.

17. TERMINATION

ACE SERVICES may by notice in writing to the Buyer and without any costs or liability (i) terminate the Contract by giving the Buyer at any time without providing any reason and without incurring any liability whatsoever; (ii) terminate any purchase/repair orders forthwith if the Buyer becomes insolvent or bankrupt, files for reorganization under the bankruptcy laws, or makes an assignment for the benefit of its creditors; or (iii) terminate any purchase/repair orders forthwith if the Buyer fails to remedy a material breach within 14 days from the date of written notification by ACE SERVICES.

18. MISCELLANEOUS

(a) **Third Party Rights.** A party who is not a Party to the Contract shall have no right under the Contracts (Rights of Third Parties) Act (Cap. 53B) to enforce any purchase/repair order or any clause of the terms and conditions set out herein.

(b) **Severance.** If any clause of the terms and conditions herein is found by any court or other authority of competent jurisdiction to be invalid, illegal or unenforceable, that clause shall, to the extent required, be deemed not to form part of the agreement between the Parties, and the validity and enforceability of the other clauses shall not be affected.

(c) **Amendments and Modifications.** No amendments or modifications to this Contract shall be binding unless made in writing and signed by the duly authorized representatives of each Party.

(d) **Waiver.** No failure on the part of ACE SERVICES to exercise, and no delay in exercising, any right hereunder or under the Contract shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

(e) **Survival.** Notwithstanding anything to the contrary in these terms and conditions, the expiration or termination of the purchase/repair orders shall not affect or prejudice any provisions of these terms and conditions which are expressly or by implication intended to continue in effect after such expiration or termination.