

TERMS AND CONDITIONS OF SALE

1. APPLICATION

These terms and conditions of sale apply to the maintenance, repair and overhaul services offered by Aerospace Component Engineering Services Pte Ltd (ACE SERVICES). Any purchase/repair order received by ACE SERVICES shall be deemed as a written acceptance of ACE SERVICES' offer to sell and it shall be fulfilled in accordance with the terms and conditions of sales set herein. 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 are subject to change without advance written notice.

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 processes shall remain the property of the Buyer and risk of loss for such items and parts shall remain in 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. ACE SERVICES shall pack components for safe transit by air or land and does not warrant against damages incurred by the components during shipment, including but not limited to breakage, rust or deterioration.

5. STORAGE FEE

A 3% storage fee based on the total amount billed will be levied on all repaired and overhauled components if delivery is not taken after seven (7) days of notification.

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 info 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

Payment terms unless otherwise specifically agreed to in writing are net 30 days from date of invoice. Invoices unpaid more than 30 days from date of invoice shall accrue interest daily at the rate of 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:

USD

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

8. RIGHTS TO WITHHOLD SHIPMENT

ACE SERVICES may withhold or suspend deliveries of components if the Buyer has defaulted in the payment of past invoices.

9. SET OFF AND TAXES

All payments under this contract shall be made by 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 price of the Services, Buyer shall pay/reimburse ACE SERVICES for all taxes (excluding any income and excess profit taxes) imposed by any taxing authority in any way connected to 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 hereunder due to any of the following causes:

- 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
 - the discovery of defects which could not have reasonably be expected to have been found in the context of the Services; and/or
 - 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

- Coverage: ACE SERVICES warrants that the Services performed hereunder shall be free of defects of workmanship. For the purposes of this Clause 11, any such defect will be hereinafter referred to individually as a "Defect".
- Warranty Period: The warranty period in relation to Component repair and Component overhaul shall be 12 months and 24 months respectively from the date of delivery of the repaired/overhauled Component to Buyer.
- Correction of Defects:
 - 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.
 - 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.
 - 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 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
 - Determination of Defect: For the purposes of this Clause, the existence of a Defect shall be determined by the mutual contract of the Parties. Such determination shall be based on ACE SERVICES' CAAS approved procedures and standards.
- Conditions: ACE SERVICES' warranty obligations hereunder are subject to the following conditions:
 - the warranted Component shall have been used after redelivery to Buyer or its designee under normal operating conditions as established by the OEM and is not subject to misuse, neglect, accident or ingestion of foreign material;
 - the Component which is the subject of the warranty claim has not been altered or repaired after redelivery to 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 Buyer's maintenance programme and Component maintenance manual for the time being in force;
 - 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;
- 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.
- This Clause 11 shall survive any termination of this Contract.

12. LIABILITY

- Save for those expressly provided herein, 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.
- 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 Buyer whether directly, indirectly or as a consequence of the provision of Services under this Contract including but not limited to:
 - any damage to the Components or delay in the completion of the Services under this Contract;
 - injury or death of any person (including but not limited to, any directors, officers, agents, employees or subcontractors of the Buyer); and/or
 - damage to or loss of property owned by, or operated by, or on behalf of, 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 and with knowledge that damage, death, delay, injury would probably result.
- Notwithstanding Clauses 12(a) and 12(b):
 - 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
 - ACE SERVICES liability to Buyer under this Contract shall not in any event exceed the cost of repair or replace (whichever is higher) of the Defective Component.
- All references to ACE SERVICES in this Clause 12 shall include its directors, officers, agents, employees and subcontractors.

13. INDEMNITY

- 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 at any time be made by any person arising out of or in any way connected 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 caused by an act or omission of ACE SERVICES done with intent to cause damage, death, delay, injury or loss or done recklessly and with the knowledge that damage, death, delay, injury or loss would probably result.
- Buyer shall notify ACE SERVICES of any claims or suits without undue delay and Buyer shall make no admission of liability without the express written consent of ACE SERVICES. Buyer shall furnish such assistance as ACE SERVICES may reasonably require.
- All claims or suits arising hereunder shall be dealt with by ACE SERVICES.

14. INSURANCE

- 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:
 - 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;
 - 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.
- 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.
- In respect of the Services provided under this Contract only and excluding any matters arising from actions 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 and with the knowledge that damage, death, delay, injury or loss would probably result, the insurance shall be endorsed:
 - 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;
 - 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;
 - to include a breach of warranty clause in favour of the additional insureds; and (iv) to provide for world-wide coverage (except war zones).
- 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.
- 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.
- 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.
- Buyer shall do everything necessary to keep all required insurances in force. In particular, Buyer shall pay premiums as they fall due.

15. GOVERNING LAW

The contract shall be governed by the laws of Singapore.