

## General Terms and Conditions (GTC) for Repair Services

### Clause 1 - Scope

- (1) These Repair Service Terms and Conditions apply exclusively to the legal relationship between Telair International GmbH (hereinafter: Telair) and the Customer in relation to any Services provided by Telair with respect to any Components. Such services shall be performed pursuant to Customer issued Repair Orders and any other reasonable instructions provided by Customer.
- (2) These Repair Service Terms complement the Telair International General Terms and Conditions.
- (3) All Repair Orders for Services shall be governed by these Terms and Conditions whether or not expressly noted on such Repair Orders. Any arrangements or collateral agreements that deviate from these Terms and Conditions shall be valid only if they have been confirmed in writing by Telair. All other terms, whether printed, stamped, typed, written or otherwise attached to Customer's purchase or repair orders will not apply.

### Clause 2 - Term

- (1) These Repair Service Terms and Conditions shall be effective indefinitely unless terminated by Telair.

### Clause 3 - Pricing

- (1) Only prices for the Repair Service confirmed by Telair in writing are valid. Such prices are ex works, plus the legally applicable rate of value-added tax, postage, packaging, freight, insurance, etc.
- (2) Prices for Repair Services shall consist of following three items: labor cost, materials and, if applicable, surcharges.
- (3) Labor cost shall be the labor hours times the fixed hourly rate as quoted by Telair.
- (4) Material cost shall be the prices for the materials used during the repair, as quoted by Telair and valid at time of invoicing. A surcharge to the material cost may be applicable as individually quoted by Telair.
- (5) Material cost will include the cost for consumables and shall be covered by a fixed price for consumable materials as individually quoted by Telair.
- (6) Surcharges may apply for additional material and services such as, but not limited to, packaging, low order quantity, expedite fees, storage fees, prices for use of tooling, special tools, test stands and other support equipment to facilitate the Repair Service or any other surcharge that may become applicable to an individual order.
- (7) In case of missing information and responses by Customer required to process/continue and/or ship a repair order, TELAIR may charge a Storage Fee, as necessary. This fee may be applied in case no response is received from Customer for a period of more than 14 calendar days after at least one reminder, which will then also point out the start date of the fee.

The fee is 30 USD or one half of a percent (0.5%) of the repair order value (whichever is higher) per day for the period without a response or substantial information from Customer.

The fee may be applied in case of (but not limited to)

- Missing Customer paperwork
- Missing cost approval
- Missing shipping instructions (ship-to address) for completed repair orders
- Missing responses on TELAIR questions regarding Customer Order processing

### **Clause 4 - Services**

- (1) Telair will perform inspection, cleaning, test, maintenance, repair, modification and, if applicable, replacement of Components for Units as defined in the repair capability list of the individual repair site, valid at the time of repair. The Units upon which Services are performed are also referred to as Line Replaceable Units (LRU's).
- (2) Customer will initiate the purchase of Services hereunder by issuing its written Repair Order to Telair, listing the type of Service and Units to be serviced.
- (3) The Customer shall provide to Telair removal information in writing, being part of the paperwork included with the shipping of the Units, detailing at least:
  - i. Component Manufacturer Part Number,
  - ii. Component Manufacturer Serial Number, if applicable,
  - iii. Component description,
  - iv. Aircraft Registration number,
  - v. Date of Component removal from aircraft,
  - vi. Reason for removal,
  - vii. Trouble shooting steps taken, if any

In case of missing paperwork, Telair will not start the repair process and contact Customer for further details

- (4) Telair will perform Modification Services to the Units resulting from either additional requirements revealed during performance of the Repair Services or from additional requirements of Customer, upon Customer's written request and Telair's concurrence. Telair will contact Customer for its approval to perform Services which exceed the work scope in the repair order received from Customer.
- (5) The Customer may request the delivery of a standard exchange or loan unit in respect of the Units. Should Telair provide said service, it shall be compliant with the conditions as pointed out hereafter:
  - a. Standard exchange fee: seven and one half of a percent (7.5%) of the then current List Price for the relevant Unit. In addition, the Customer shall pay the relevant repair cost of the Unit delivered by the Customer.
  - b. Loan fee: one percent (1.0%) of the then current List Price per day for the duration of the loan (i.e. from day of delivery of the Unit to the Customer to the day of delivery back to Telair). In

addition the Customer shall pay the relevant repair cost of the Unit loaned by the Customer upon its return to Telair.

- c. A separate loan or exchange agreement may be implemented, if such Service is requested. This Agreement may grant other conditions.
- (6) Telair, in accordance with its standard procedures, will furnish or make available to Customer, as applicable, records necessary to substantiate invoice charges relating to labor and material applicable to the Services performed. These records will be made available as part of the invoice submittal.
- (7) Telair will use best efforts to service all Units within an average Mean Shop Processing Time of 28 days. Mean Shop Processing Time is measured from date of receipt of a repair order to date of its shipment, excluding any delay time caused by Customer (e.g. missing paperwork, cost approval etc.).
- (8) In case Customer has a critical or AOG situation, Telair will use best efforts to repair and return the Unit by a customer specified date. However, Expedite Fees will apply.
- (9) If during the Repair Services, it is observed that during previous repairs non-approved parts, PMA replacement parts, or suspect or counterfeit parts have been used, Telair shall replace these affected parts to enable return to service in accordance with the approved manufacturers manuals and procedures. Additional charges for time and material will be charged by Telair.
- (10) Telair shall indicate the failure on the support document or investigation report for each Unit and document the specific items repaired or replaced.
- (11) Telair must certify, by furnishing a properly completed release certificate to Customer, that the Service was properly performed and that the Unit is approved for return to service.
- (12) Telair represents and warrants to Customer that:
  - a. Its Service Centers hold proper repair station certificates and maintain such certification during the Term.
  - b. Services performed under these Terms and Conditions shall meet international and/or local requirements. The applicable Service Center Certificate numbers for all of Telair's Service Centers are listed in Appendix A – Repair Station.
- (13) A Unit which is determined by Telair and approved by Customer to be a No Fault Found (NFF) unit will be re-certified and a fee covering the testing and administrative efforts will apply. A Unit will be classified as NFF if, after appropriate testing and inspection, it meets the OEM's specifications, except for minor adjustments whose purpose it is to optimize its performance or to make other minor adjustments (i.e. adjustment/tightening of a screw or replacement of a sticker, decal, or data tag, etc.).
- (14) Telair must immediately notify Customer in writing (including e-mail) prior to performing any Services on a Unit if Telair believes that the Unit is Beyond Economic Repair (BER). This is normally the case, if the total repair cost of the Unit exceeds 65% of the then current Unit spares price. If Customer agrees that the Unit is BER, the Unit will be deemed BER. For any Unit that is deemed BER, Customer will make the determination if the Unit will be returned to Customer or will remain

with Telair to be properly disposed of. Customer retains all property interests in Customers Units, including BER Units, until expressly waived in writing. A fee covering the investigation, testing, administrative and scrapping efforts (if applicable) for Units deemed BER, being scrapped or returned to customer in "as is" condition will be applied.

- (15) For a period of at least ten (10) years following the date of Service, Telair shall at all times maintain a Full Records Package in connection with the performance of the Services, either in form of hard or soft copies. All of which records shall be open to audit by Customer or any authorized representative of Customer or the Authorities upon one business day prior notice and during normal business hours. Notwithstanding the foregoing, Telair shall comply with any regulations applicable to record-retention to which Customer or Telair is subject.

### **Clause 5 – Shipping and Packaging**

- (1) Shipments of Units to Telair, including Telair Exchange Units, shall be performed in accordance with Incoterms (2010) DDU Telair location.
- (2) Shipments of Units to Customer from Telair's dock, including Exchange Components, shall be performed in accordance with Incoterms (2010) EXW Telair location. Customer may advise the preferred freight forwarder and shipping mode.
- (3) Charges for the shipment of Units under warranty may be claimed with Telair, if the warranty for the repair was accepted by Telair.
- (4) All Units returned to Customer must be shipped and packed in the proper manner for the type of Unit being packed according to ATA 300. Shipment of Units to Telair shall preferably be made with use of re-usable shipping containers. Telair shall preferably use the original shipping container for return shipment unless the original shipping container has been received in a damaged state or the packaging has been found no longer usable or improper for the type of Unit. In this case Telair will supply an appropriate replacement container, which may be subject to an additional charge. In this case, Telair will inform the Customer accordingly.
- (5) Shipments will be accompanied and/or supplemented by following documents:
  - a. Invoice
  - b. Delivery Slip
  - c. Investigation Report / Shop Finding Report
  - d. Release Certificate
  - e. Scrap Certificate, if applicable
- (6) Any unserviceable Unit returned to Customer, upon Customer's request, must be accompanied by all pertinent paperwork (e.g., tear down report, bench check analysis, diagnostics, etc.) indicating reason for return. The Customer contact noted on the Repair Order must be notified and approve all Units for return to Customer in "as-is" condition.

## **Clause 6 – Invoicing and Terms of Payment**

- (1) Invoices for the Repair Service provided, shall be created for each individual Unit, or in case of batch quantities of Repairable Items, be based on the exact quantity as listed on Customers Repair Order.
- (2) Invoices related to Repair Services performed by Telair shall include following information:
  - a. Component Manufacturer Part Number,
  - b. Component Manufacturer Serial Number, if applicable,
  - c. Component Description,
  - d. Customer Repair Order number
  - e. Telair service order number,
  - f. Total labor and material charges as well as surcharges, if any
  - g. Delivery address of Shipment,
  - h. Payment terms
- (3) The standard credit period (Terms of Payment) for the charges invoiced by Telair is 30 days net. Calculation of the due date starts on the date mentioned on the invoice (Invoice Date). In no case the time will begin to run prior to return of the subject Unit to the Customer. This clause does not apply to customers with payment terms "cash in advance".
- (4) In the event of a disputed invoice, in whole or in part, the Parties shall work in good faith to resolve and come to agreement on an undisputed amount, during which time the amounts due under this disputed invoice shall be tolled. Once an undisputed amount is agreed to by both Parties, Telair will issue a credit memo for the full amount of the disputed invoice and re-bill an invoice detailing the newly undisputed amount where Customer agrees to make payment to Telair of the amounts due under such invoice. During the dispute and resolution of an invoice, Customer shall continue to pay all other undisputed invoices, which are due and payable in accordance with these Terms and Conditions.
- (5) If there is a delay in payment on the part of the Customer, Telair reserves the right to charge interest at the rate of 8% of the invoice value per month for the period of the delay. This shall not restrict its right to assert further claims for compensation.
- (6) Customer will pay, and agrees to indemnify to hold Telair harmless from any taxes imposed by any taxing authority together with any penalties, fines or interest thereon required to be paid by Telair as a result of performance of the Repair Services. Customer shall not be responsible for taxes based on net income or capital or any franchise taxes, excess profit taxes or other taxes levied on Telair's business

## **Clause 7 - Warranties**

- (1) For all Repair Services, Telair warrants that material and workmanship involved in said repair are free from defects for a period of 12 months after a delivery of a repaired Unit to Customer. A Repair Service is deemed free from defect if the installation meets the manufacturer or CMM specifications.
- (2) Telair's liability shall be limited to the net price of the performed repair that is the subject of the complaint. Telair may repair or replace defective material as it sees fit.
- (3) Telair agrees that, during the warranty period for a Unit, it will correct, without charge, any defect in the material or workmanship related to the Services performed.
- (4) The Repair Service warranty does not extend to:
  - a. Any damage that result from incorrect operation of the component, or from the influence of forces beyond the design specification for the component.
  - b. Damage resulting from incorrect installation or disassembly of the component.
  - c. Damage that results from the use of third-party replacement parts (including wear parts), or from replacement parts whose use has not been expressly approved by Telair.
  - d. Damage resulting from operation of defective equipment. The warranty for the material and the operating performance becomes null and void if a defective component continues to be operated.
  - e. Components where the brand name, rating plate, part or serial number, or any other identification feature, has been damaged or removed.
  - f. Components that arrive at the repair station in a disassembled state, or with parts missing.
  - g. Any repair measure that does not comply with requirements in accordance with the manufacturer specifications or with the specifications stipulated by Telair.
  - h. Damage resulting from normal wear and tear.

## **Clause 8 - Termination**

- (1) Telair may terminate Repair Services to any or all unperformed Repair Orders by giving written notice to the Customer if the Customer materially breaches any terms of these Terms and Conditions and fails to remedy the breach within thirty (30) Days after receipt of written notice that specifies the ground for the material breach.
- (2) Telair may immediately terminate any Repair Services to Units at any time upon written notice if the Customer becomes insolvent or performs or permits any act of bankruptcy, liquidation, re-organization or if a receiver, trustee or custodian is appointed to administer control of the whole or a substantial part of Customers property.
- (3) Customer shall continue to pay all undisputed outstanding invoices, which are due, and payable for Services provided under this Terms and Conditions until the account is settled. Upon payment of all undisputed invoices incurred under this Terms and Conditions, Telair shall pay the balance of any remaining credits owed to the Customer within 30 Days.

- (4) Customer may terminate any Repair Order, without cause and for their sole convenience, by giving written notice to Telair at least five (5) working days prior to the effective date of such termination.

### **Clause 9 – Force Majeure**

- (1) Neither Party shall be deemed in breach of these Terms and Conditions to the extent that the cause of any improper performance or nonperformance is the direct result of fire, flood, act of God, action by governmental authority, or any other event, whether similar or dissimilar to the foregoing, which is beyond the reasonable control of (and not caused by the negligence, willful misconduct, or other fault of) such Party. This provision shall not, however, relieve either Party from using its reasonable efforts to avoid, remove or mitigate such causes and to continue performance with reasonable dispatch whenever such causes are removed.
- (2) In the event such delays are experienced or anticipated, Telair shall give notice to Customer detailing the cause of such delay and the expected resolution of the difficulty as soon as practicable, but not later than ten (10) Days following occurrence of such delay

### **Clause 10 - Indemnity**

- (1) Telair agrees to defend, hold harmless and indemnify Customer, its affiliated companies, their directors, officers, employees, and agents from and against any and all present and future liabilities, damages, losses, demands, fines, penalties and claims of any kind whatsoever, including all costs, expenses and reasonable attorney's fees incidental thereto, which are or may be suffered by, accrue against, be charged to, or recoverable by reason of any loss or damage to property or injuries or death of any person arising from failure of the Components or Services provided or performed pursuant to these Terms and Conditions to the extent caused by Telair or Telair's agent's negligence or willful misconduct.

### **Clause 11 - Insurance**

- (1) Telair agrees to maintain, for up to two (2) years beyond the termination or expiration date of these Terms and Conditions , Aviation Product Liability Insurance coverage with limits of at least \$10,000,000 covering bodily injury (including passengers) and property damage, and endorsed to include coverage for Aviation Products and Completed Operations Liability. Such insurance shall further:
- a. Provide that Customer, its affiliates, and its or their directors are endorsed as an additional insured,
  - b. Contain a standard cross liability/severability of interest clause,
  - c. Provide that said insurance shall be primary,
  - d. Provide Contractual Liability coverage for the liability, indemnity and hold harmless obligations assumed under the terms of the Repair Services,
  - e. Provide a waiver of subrogation right in favor of Customer,
  - f. Provide thirty (30) Days prior written notice to Customer by registered mail of cancellation or material reduction in coverage or limits of liability.

## Clause 12 – Proprietary Data

- (1) The Parties undertake to treat confidential all oral or written information and materials that is designated confidential or that would normally be considered confidential, that they may become aware of, either directly, indirectly, or in any other way, in connection with the provided Repair Services and use the information solely in the context of the provided services and not pass such information on to third parties or make it accessible to third parties in another form without the consent of the other party. The parties shall take all appropriate measures to rule out and prevent access to the information. In particular, the Customer shall treat as confidential any information relating to Telair's methods and technical processes.
- (2) Exception from the obligation of confidentiality are:
  - a. Information already public knowledge at the time they become known, i.e. that could be readily accessed by any third party,
  - b. Information subject to mandatory disclosure on request to an authority or to another authorized third party,
  - c. Information that need to be disclosed to the legal advisers or tax consultants of the party concerned for the purposes of consulting.
- (3) The parties undertake to impose an obligation of confidentiality on all employees or third parties which they use to perform the services covered under these terms and conditions.
- (4) Telair undertakes not to contravene any data protection regulations as part of its contractual services. Telair shall oblige its employees to comply with data protection regulations and shall impose an obligation of confidentiality on such persons. Telair shall coordinate privacy-sensitive activities with the Customer's data protection officer.

## Clause 13 – Export Control

- (1) Telair hereby agrees to comply with all export laws and regulations of the EC/EU directive or U.S. Department of Commerce and all other U.S. agencies and authorities, including without limitation the Export Administration Regulations of the U.S. Department of Commerce Bureau of Export Administration (as contained in 15 C.F.R. Parts 730-772), and not to export, or allow the export or re-export of any products, materials or any Confidential Information in violation of such laws and or regulations, or without all required licenses and authorizations.
- (2) The Customer undertakes to refrain at all times from engaging in the following types of business transactions:
  - a. Transactions with persons, organizations or institutions that are included on a sanctioned parties list pursuant to EC/EU directives or US export regulations.
  - b. Prohibited business transactions with persons, organizations or institutions in embargo countries.
  - c. Business transactions for which the necessary permit has not been obtained.
- (3) All performance of the Repair Services by Telair is always subject to the reservation that there are no obstacles to performance arising from applicable national or international regulations under foreign trade legislation, embargos and/or other sanctions.



## Clause 14 - Miscellaneous

- (1) Any provision of these Terms and Conditions may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment by a Duly Authorized Representative of both Parties hereto or, in the case of a waiver, by a Duly Authorized Representative of the Party against whom the waiver is to be effective.
- (2) Should individual provisions under these Terms and Conditions prove invalid, this shall not affect the validity of the remaining provisions. In place of any invalid provision, a valid provision shall be agreed upon that most closely approximates the economic intent of the original.
- (3) These Terms and Conditions, and all of the rights and duties of the Parties arising from or relating in any way to the subject matter or the transactions contemplated hereby, shall be governed by, construed and enforced in accordance with laws of the Federal Republic of Germany without reference to conflict of laws principles.

## Appendix A – Repair Stations

Following Telair approved Repair Stations can be used under these Terms and Conditions:

### **TELAIR INTERNATIONAL GmbH**

Bodenschneidstrasse 2  
83714 Miesbach  
Germany

Phone: +49 8025 291 806

Fax: +49 8025 291 898

E-mail: [TelairRepairAdmin@telair.com](mailto:TelairRepairAdmin@telair.com)

Approvals: EASA part 145 (DE.145.0373) FAA 14CFR  
Part 145 (Z3QY192Y)

### **TELAIR INTERNATIONAL SERVICES Singapore Pte Ltd.** 12

Seletar Aerospace Link  
Singapore 797553  
Singapore

Phone: +65 6580 4100

Fax: +65 6580 4125

E-mail: [quote-sg@telair.com.sg](mailto:quote-sg@telair.com.sg)

Approvals: EASA Part 145 (EASA 145.0145) FAA 14CFR  
Part 145 (T2ZY563Y)  
CAAS SAR 145 (AWI/165) CAAC Part  
145 (F06500275) CAAV (VN-  
239NN/CAAV) DCA Malaysia  
(AO/0098/98) DCA Thailand (242/2542)