



ASIA PACIFIC AIRCRAFT COMPONENT SERVICES SDN BHD IS HEREINAFTER CALLED "APACS". THE PERSON, FIRM OR COMPANY UNDERTAKING THE SUPPLY OF AIRCRAFT PARTS/ GOODS AND SERVICES IS HEREINAFTER CALLED THE "CONTRACTOR".

#### **1. ACCEPTANCE OF ORDER AND CHANGES**

- a. The Contractor shall return the acknowledgement of this order by replying to the email order received.
- b. No change or modification of the order or any of its terms and conditions shall be binding upon APACS unless expressly agreed to in writing by APACS.

#### **2. COST AND DELIVERY**

- a. The Contractor shall confirm cost and delivery details when acknowledging the order. Unless otherwise specified and without prejudice to Clause 8 (indemnity and insurance), costs and delivery shall be EXW the Contractor's facility.
- b. Should there be any change in unit price, unit of measure, part number or quantity supplied, the Contractor shall inform APACS before making delivery.
- c. Where applicable, the Contractor shall indicate Standard Pack, Minimum Order Quantity, Minimum Charge or Price Breaks.
- d. Shipment of partial quantity is also acceptable. The Contractor shall however inform APACS on the delivery details for the balance.

#### **3. PACKING**

- a. All packing shall be at the Contractor's expense.
- b. All aircraft parts/goods must be packed in accordance with ATA Spec 300.
- c. APACS's order number must be shown on all packages and delivery documents.

#### **4. MODIFICATION AND CHANGES IN SPECIFICATION**

The Contractor must inform APACS in the event that any aircraft parts/goods, the subject of this order, are affected by changes in drawings, designs or specifications or by changes impending at the time of receipt by the Contractor of this order. The Contractor should not without the written approval of APACS incorporate such changes in this order.

#### **5. PART ACCEPTANCE**

- a. The aircraft parts/goods, the subject of this order, will be subject to final inspection and acceptance by APACS upon receipt. Any aircraft parts/goods which do not comply with this order, or which contain defective material or workmanship will be



rejected by APACS. All rejected aircraft parts/goods including oversupply and duplicate shipments will be returned to the Contractor at the Contractor's expense.

- b. Freight charges incurred to and from the Contractor's facilities for aircraft parts/goods returned due to discrepancies will be recharged to the Contractor.

## 6. WARRANTY

- a. The Contractor warrants that the Equipment supplied, delivered, installed, tested and commissioned i) fully conforms to all specifications, drawings, description, samples including all APACS's technical specifications ii) have no PMA parts installed iii) is suitable for the use for which it is intended and is free from any defects whatsoever arising out of faulty design, faulty and inferior material, workmanship or any other cause.
- b. In the event of failure of any material supplied by a third party to the Contractor, the full benefit of any warranties thereof provided by the third party supplier and enjoyed by Contractor shall be provided to APACS including (at the option of APACS) assignment of rights of action against the third party supplier or the enforcement of the claim by the Contractor on behalf of APACS in both cases for the interests and benefit of APACS.
- c. In the event that APACS wishes to rectify any defect under the warranty provided in this Clause 6 herein, APACS shall notify the Contractor and they shall rectify the said defect within seven (7) days of such defect being discovered. In the event the Contractor fails to rectify the defect within the stipulated seven (7) days, APACS may arrange for rectification work with all costs and expenses (including labour and material costs) incurred by APACS in rectifying such defects to be reimbursed by the Contractor to APACS.
- d. The Contractor will arrange for transportation of the defective item to and from the location where the repair will be carried out, at its own risk and expense.
- e. Any warranty period shall be extended by the number of days the Equipment is immobilized, not functioning or incapable of performing its full functions due to technical defects, design defects, material or component failure and poor workmanship.
- f. Notwithstanding the expiry of any warranty period provided by a third party to the Contractor if the Equipment fails after the warranty period and such failure is due to a hidden defect, technical flaw, poor engineering design or inferior structural integrity, as solely determined by APACS, the Contractor shall undertake to repair the Equipment or replace any part thereof at its own cost.



## **7. TERMINATION**

- a. APACS may terminate the order or any part(s) thereof with one month's written notice and APACS shall not be liable for any consequences thereof.
- b. However, if the Contractor fails to make delivery of any aircraft parts/goods and services within the specified lead time, APACS reserves the right to terminate the order or any part(s) thereof without notice and APACS shall not be liable for any loss or damage suffered by the Contractor in consequence thereof provided that nothing herein contained shall prejudice any other rights APACS may have against the Contractor for any loss or damage due to failure of delivery.

## **8. INDEMNITY AND INSURANCE**

- a. The Contractor shall be liable for and shall indemnify APACS, its servants and agents against any damage, expense, liability, loss, claim or proceedings whatsoever in respect of personal injury to or the death of any person whomsoever and/or any loss or damage to any kind of any property real or personal, (including any property of APACS other than the aircraft parts/goods delivered hereunder) insofar as such injury or damage arises out of or in the course of or by reason of the performance of this order including without exception that which may arise out of or in connection with the handling of APACS's aircraft parts/goods while in possession, custody or control of the Contractor, its servants and agents.
- b. APACS does not require the Contractor to insure APACS 's interest in any aircraft parts/goods shipped pursuant to this order and will not reimburse the Contractor on any premium paid in respect of each insurance, if effected.

## **9. INVOICING AND PAYMENT**

- a. Payment shall be on an open account basis.
- b. For any payment purposes, the Contractor is to follow the TERMS OF PAYMENT mentioned above
- c. Freight costs for all direct shipments should be prepaid by the Contractor and billed to APACS in the Contractor's invoice. Supporting documents for prepaid freight should also be enclosed.
- d. The Contractor agrees and acknowledges that invoice(s) issued by the Contractor must be received by APACS within thirty (30) days from the date of the provision of goods and/or services to APACS. The Contractor further agrees and acknowledges that if within the said thirty(30) days i) the Contractor fails to issue such invoice; or (ii) if such invoice is not received by APACS, the Contractor shall be deemed to have waived all its rights (including at law and under this order) to payment for the provision of such goods and/or services and the Contractor shall not make any claim against APACS for such payment.



## 10. CERTIFICATION AND AUDIT

- a. All aircraft parts must be sent together with an Authorised Release Certificate, either: Option 1: EASA Form 1;

Option 2: EASA Form 1 equivalent release documents for new parts, such as for example (not exhaustive):

- FAA Form 8130-3 with status “new”;
- TCCA Form 1 with status “new”;
- ANAC Form F-100-01 with status “new”

former Form SEGVOO 003)

- b. For standard parts - Release Certificate or Certificate of Conformance issued by the original equipment manufacturers is expected.
- c. The Contractor will permit APACS and/or any Airworthiness authorities, including but not limited to the Federal Aviation Authority, the Civil Aviation Authority of Malaysia, the European Aviation Safety Agency and/or the Chinese Civil Aviation Authority to at any time visit, perform audits, carry out inspection and/or observe the performance of the Contractor's work ("Audit") in the Contractor's (including its sub-contractor's) facilities, wherever located. Where Contractor performs any work in APACS's facilities, the Contractor will also at all times assist and co-operate with APACS in relation to any audit APACS and/or the Airworthiness authorities performs.

## 11. OTHER REQUIREMENTS FOR PURCHASE

- a. All aircraft parts/goods with shelf life must have 75% shelf life available on the date of delivery. Packing list should state full shelf life and date of manufacture of each item. Please indicate if shelf life is indefinite. Certain items are subject to Part 1 Section IV of IATA restricted articles regulations, e.g. flammables, corrosives, poisons, etc. The Contractor must comply with the regulations.
- b. The aircraft parts/goods covered by this order are subject to flame/flash resistance testing in accordance with FAA, EASA or CAAM Airworthiness requirements.
- c. Shipment of all sheet metals, metal tubing and bars, except stainless steel, must be protected by lubricating inhibitor. Wax paper or vapour phase inhibitors (VPI) paper should be inserted between every sheet to prevent scratches/damages, e.g. bending and folding and corrosion. Likewise, all stainless steel must be well protected to prevent scratches/damages, e.g. bending and folding.
- d. The importation of toxic items and chemicals into Malaysia is subject to approval by the Ministry of Health, Malaysia. Please provide chemical composition to APACS for declaration to the Ministry prior to shipment of such items. In addition, the Contractor must also indicate the chemical composition on all shipping documents.



- e. All electro-static sensitive aircraft parts/goods must be individually packed to avoid discharge during handling. The aircraft parts/goods will be rejected upon receipt if the packing requirement is not complied with.
- f. APACS does not accept PMA (Parts Manufacturer Approval) parts and DER (Designated Engineering Representative) approved repairs. In the event that the parts/goods supplied are found to be discrepant or do not conform to the requirements listed in Clause 11 all charges incurred for the resolution of the discrepancy shall be at the Contractor's expense without prejudice to the rights of APACS to hold the Contractor liable for damages.

## **12. APPLICATION AND INTERPRETATION**

In the event of any differences between the General Terms and Conditions for Purchase and any existing General Terms Agreements (GTA) between APACS and the Contractor, the terms and conditions of the existing GTA shall prevail.

## **13. ANTI-BRIBERY CLAUSES**

Contractor 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 Contract. Contractor 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 (i) improperly influence any act, decision or failure to act by that official or person, (ii) 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 (iii) secure any improper advantage.

Contractor 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 APACS. If, after consultation by all Parties to the Contract, any concern cannot be resolved in the good faith and reasonable judgment of APACS, then APACS, on written notice to the Contractor, may withdraw from or terminate this Contract.

APACS shall have the right to terminate this Agreement if Contractor breaches this, or any other representation, warranty or undertaking set forth in this Contract.



#### **14. CONFIDENTIALITY**

Contractor shall treat as strictly confidential and not use or disclose the terms of this Agreement and any information, data including but not limited to technical or strategic data, business processes, documentation of or relating to APACS pertaining to this Agreement or obtained in consequence of this Agreement or performance thereof, other than to its employees, and if appropriate, sub-contractors and third parties on a need to know basis ("Authorized Recipients") unless such disclosure is necessary to obtain professional advice on this Agreement or may be required under law. For the avoidance of doubt, the Contractor shall assume full liability for any breaches of its obligations herein by the Authorized Recipients

#### **15. ADVANCE PAYMENT**

Where an advance payment is made to the Contractor:

- a. The Contractor is to fulfil the terms and conditions of this order, failing which the Contractor is to return the advance payment to APACS within 30 days upon request.
- b. Notwithstanding Clause 15(a), APACS reserve the right to claim against the Contractor any losses, damages, costs, expenses as otherwise sustained by APACS in the event of the Contractor failing to fulfil the terms and conditions of this order.

#### **16. WITHHOLDING TAX**

- a. In the event that any payment to be made by APACS in respect of any invoice issued by the Contractor under this order be subject by applicable laws to withholding tax, such payment or amount shall be made to the Contractor by APACS net of taxes at the prevailing rate prescribed by the relevant domestic or foreign taxing authority, instrumentality or agency ("Tax Authority").
- b. The Contractor and APACS further agree that the payment of the net amount to the Contractor in accordance with the above after the deduction or withholding shall, for the purposes of the invoice, constitute full settlement of the sum due and owing under the relevant invoice. APACS shall, upon the written request from the Contractor furnish necessary evidence of the payment of the said withholding tax to the Tax Authority.

#### **17. WITHHOLDING TAX WHERE APACS ACTS AS AGENT**

- a. In the event that there is a loan transaction between APACS' customer (the "Customer") and the Contractor in relation to certain aircraft, APACS is instructed and authorized by the Customer to act as agent to the Customer to facilitate the loan transaction.



- b. Should any payments to be made by APACS on behalf of the Customer in respect of any invoice issued by the Contractor under this order be subject by applicable laws to withholding tax, such payment or amount shall be made to the Contractor by APACS on behalf of the Customer net of taxes at the prevailing rate prescribed by the relevant domestic or foreign taxing authority, instrumentality or agency (“Tax Authority” ).
- c. The Contractor and APACS further agree that the payment of the net amount to the Contractor in accordance with the above after the deduction or withholding shall, for the purposes of the invoice, constitute the full settlement of the sum due and owing under the relevant invoice. APACS shall, upon the written request from the Contractor furnish necessary evidence of the payment by APACS as an agent of the Customer of the said withholding tax to the Tax Authority.