

REPAIR ORDER TERMS & CONDITIONS

1. Definitions

- 1.1 'Seller' shall mean the legal entity to whom this Order is issued.
- 1.2 'Buyer' shall mean Monarch Aircraft Engineering Limited.
- 1.3 'Works' shall mean; any maintenance, services, modifications, alterations, replacements, overhauls, tests or repairs carried out pursuant to this Order and the components or equipment on which the same are performed.
- 1.4 'The Contract' shall mean the contract between Buyer and Seller consisting of this Order and incorporating these terms & conditions and any other conditions or documents (or parts thereof) specified in this Order. Should there be any inconsistency between this Order and other documents comprising the Contract, the documents referred to in this Order shall have precedence.
- 1.5 'Delivery Address' shall mean the address specified for delivery in this Order.

2. Quality

- 2.1 All Works will be carried out by properly qualified staff with due care and skill in accordance with best industry practices and standards using appropriate tooling which is in good condition and properly maintained and calibrated. The Works will comply with the latest revision of the CMM, all relevant manufacturer's specifications, service manuals and with all legislation, regulations and with any certification and/or quality standards set out in this Order.
- 2.2 Only Service Bulletins and/or modifications as stipulated on the front of this Order are to be incorporated during the shop visit.
- 2.3 Any shelf life parts used in the repair procedure are to be identified by part number and CMM reference with details of the shelf life advised on the release documents.
- 2.4 All repaired components are to be provided with a correctly authorised EASA Form 1 or FAA8130.
- 2.5 PMA parts will not be used during the repair/overhaul process without the prior consent of Buyer's Logistics Manager.
- 2.6 At all times access must be granted to the appropriate National Aviation Authority (NAA).

3. Prices/Taxes

- 1) Unless otherwise stated Seller warrants that the price quoted for the Works:
 - i) is inclusive of all taxes, fees, duties or charges which may be levied in respect of the Works.
 - ii) includes all charges or costs associated with the safe and secure delivery of the Works to the Delivery Address.
 - iii) shall be fixed and firm for the duration of the Contract.
 - iv) shall not exceed 65% of the cost of a new replacement to the same specification unless Seller is provided with prior written approval from Buyer.
- 2) All taxes, fees, duties or charges (including VAT) where applicable, shall be shown separately on all invoices as a net extra charge.

4. Terms of Payment

Unless otherwise stated on the face of this Order, payment will be made on a net monthly basis from receipt and agreement of invoice.

5. Delivery

Seller shall deliver all Works to the Delivery Address on the delivery date(s) specified in this Order unless agreed otherwise in writing between Buyer and Seller. Seller shall furnish such programmes for carrying out Works and delivery thereof as Buyer may reasonably require. If Works are incorrectly delivered i.e. Service Bulletins have been incorporated that were not requested Seller will be liable for any additional expenses incurred in delivering them to the Delivery Address via a refund of relevant amount. All scrap items shall be returned to Buyer unless otherwise stated in this Order. Any time for carrying out Works shall be of the essence unless otherwise stated on this Order. Acceptance of Works at the Delivery Address will not release the Seller from any liability for non compliance with the terms of this Order. Where the Works are not delivered by the delivery date specified in this Order Seller will (at Buyer's option) either (i) loan to Buyer or pay the Buyer's costs of borrowing suitable replacement equipment; or (ii) pay Buyer's costs of engaging a third party to carry out the Works; or (iii) accept Buyer's termination of the Contract without prejudice to Buyer's other rights.

6. Passing of title and risk to Buyer

6.1 Title in the Works shall remain with Buyer at all times.

6.2 Risk in the Works shall pass to Seller from the time Seller collects the Works from Buyer or, in the event that the Works are delivered to Seller, from the time the Works are accepted by Seller. Risk in the Works shall revert to Buyer from the time the Works are accepted by Buyer at the Delivery Address.

7. Progress and Inspection

Buyer's representatives shall have the right to inspect all Works at Seller's premises and the premises of sub-contractors at all reasonable times and to require correction of Works that do not comply with the terms of the Contract;

Seller's sub-contracts shall include this provision. Any inspection, checking, approval or acceptance given on behalf of Buyer shall not relieve Seller or its sub-contractor from any obligation under the Contract. Buyer will have the right to repossess the Works in the event of an insolvency/administration or payment dispute arising with the Supplier.

8. Acceptance

Works delivered by Seller to the Delivery Address not conforming with the Contract for any material reason shall be subject to rejection within a reasonable time of their delivery to the Delivery Address. Buyer shall thereafter have the right (without prejudice to any other rights) to require Seller to remedy all defects whether of quality or quantity with all possible speed at no cost to Buyer. In the event that the defects are not rectified within a reasonable time Buyer may pursue the options under clause 5. Where delivery is made and a signature is provided by Buyer Goods-In, this action confirms that the number of boxes advised on the Delivery note were received, not that the Works were of serviceable/merchantable quality.

9. Variations

Seller shall not vary the Works except as directed in writing by Buyer and agreed by Seller and such variations shall be subject to the same conditions, so far as applicable, as though the said variations were stated in the original Order. Where Seller receives and agrees such direction from Buyer which would affect the quoted price or delivery dates, Seller shall, within 7 days, advise Buyer in writing giving the amount of any such amendment and any revised delivery date. Until Buyer confirms acceptance of amendments from Seller, Seller shall not proceed with the variations.

10. Force Majeure

Neither party shall be liable for failure to perform its obligations under the Contract if such failure is caused by force majeure which shall include Act of God, war, natural disaster, fire, flood, explosion or earthquake but not including labour strikes caused by industrial tribunal issues within the Supplier or its contractors. In the event of a Force Majeure situation the Buyer will be able to repossess the Works within 30 days of a Force Majeure situation arising.

11. Sub-Contracts

The Contract shall not be assigned by Seller nor subcontracted as a whole. Seller shall not subcontract any part of the Works without Buyer's written consent. Seller shall be responsible for all Works undertaken by subcontractors as if carried out by Seller. When Buyer consents to subcontracting copies of each subcontract Order shall be sent by Seller immediately it is issued to Buyer.

12. Buyer's intellectual property rights

Rights in and to specifications, plans, drawings, process information patterns or designs supplied by Buyer to Seller shall remain the property of Buyer, and any information derived therefrom or otherwise communicated to Seller shall be kept secret and shall not, without the consent in writing of Buyer, be published or disclosed to any third party, or made use of by Seller except for the purpose of implementing the Contract. Any specification, plans, drawings, process information, patterns or designs supplied by Buyer must be returned to Buyer on fulfilment or termination of the Contract.

13. Infringement of intellectual property rights

Buyer will indemnify Seller against any claim by a third party for infringement of the intellectual property rights of that third party arising out of the use of information at clause 12 in Works supplied by Seller to Buyer and against all costs and damages which Seller may incur in any action for such infringement or for which Seller may become liable.

14. Designs and Invention Rights

In the event that the Works involve design, experimental development or research work, Seller agrees to communicate promptly to Buyer full details of any ideas, improvements, designs or inventions conceived and developed in connection with the performance of the Works. Upon Buyer's request, Seller shall assign to Buyer all rights, title and interest of Seller in such ideas, improvements, designs or inventions and to perform all acts and execute all papers necessary to vest in Buyer full title and interest therein including the patent and copyright thereof.

15. Packing

15.1 All Works must be packaged in accordance with appropriate FAA/EASA or BS Standards and, if Aircraft Parts, must be packaged to ATA specification 300 or current legislation.

15.2 Seller shall observe the requirements of UK, IATA and International Agreements relating to the Packing, Labelling and Carriage of dangerous or hazardous goods.

15.3 Works which are subject to static electricity must be packaged in static proof containers; such containers and packing must be clearly marked with a warning label. This warning must also be reported on the approved release certificate.

16. Documentation

16.1 UK SUPPLIERS: all Works must be accompanied by one advice note or one advice note and one certification release note where applicable. Where necessary Buyer reserves the right to request further certification and Seller will provide same upon receipt of request therefor.

16.2 NON UK SUPPLIERS: all packages must be marked for export. One copy of invoice/priced packing list with material certification must accompany every package. Five copies of invoice/price packing list must be fixed to the outside of the package in a waterproof envelope.

17. Warranty

17.1 The Seller will at its own cost remedy defective Works whether from Seller or from the manufacturer for whom the Seller is a licensed repair agent occurring during the longer of any applicable warranty periods. Such remedy includes the delivery transportation costs to and from the Seller where the remedial work required falls within the manufacturers warranty period and the usage of the Works by the Buyer has been in accordance with the user instruction manual and such defects arise due to faulty design materials or workmanship.

17.2 Where the remedial work is undertaken outside of any warranty period the costs applicable shall be in accordance with the repair agreement negotiated between Buyer and Seller or, in the absence of such an agreement, consistent with the specific industry material and labour market rates to be substantiated at the time of a transaction between Buyer and Seller.

17.3 Seller will warrant the remedial work referred to in clauses 17.1 and 17.2 for a period of 12 months from entry into service or 18 months from the date of delivery, re-inspection or passing of tests (if any), whichever is appropriate, after repair and replacement. The warranty will cover all design, workmanship and material defects and will serve to ensure that the Works are fit for the purpose and of merchantable quality.

17.4 Subject to clause 13 Seller will indemnify Buyer against any costs or losses incurred by either party as a result of any actual or alleged breach of a third party's intellectual property rights which arise as a result of the Works. The Buyer's rights under the warranties in Clauses 2 and 17 shall continue for the warranty period set out on the front of this Order.

18. Insolvency and bankruptcy

If Seller becomes insolvent or bankrupt, or being a Company makes an arrangement with its creditors or has an administrative receiver or administrator appointed or commences to be wound up (other than for the purpose of amalgamation or reconstruction). Buyer may, without prejudice to any other of its rights, terminate the Contract forthwith by notice to Seller or any person in whom the Contract may have become vested.

19. Termination for Convenience

By written notice, Buyer may terminate all or any part of this Contract if Buyer determines that a termination is in Buyer's interest. In such event, Buyer and Seller will agree upon an equitable adjustment of the price specified in this Order provided that:

- i) such adjustment shall not exceed the price specified in this Order.
- ii) no amount will be allowed for anticipated profit for performance not rendered.
- iii) Seller notifies Buyer of intent to submit a claim for adjustment within thirty (30) days from the date of termination.

20. General conditions

This Order is Buyer's offer to Seller and acceptance by Seller is expressly limited to the terms & conditions stated herein without additions, deletions or other modifications. Seller's commencement of performance, delivery of any Works or acknowledgement of this Order shall conclusively evidence such acceptance. No conditions submitted or referred to by Seller when tendering or acknowledging this order shall form part of the Contract unless otherwise agreed to in writing by Buyer.

21. Confidentiality

The Contract and all information disclosed under or in connection with the Contract shall be treated by Seller as confidential and shall not without Buyer's written consent be divulged to any other person.

22. Interpretation & Law

If the parties have not settled the dispute within 3 (three) months of initiation of the said Model Mediation procedure the dispute shall be referred to and finally resolved by arbitration under the Rules of the International Chamber of Commerce, which Rules are deemed to be incorporated herein by reference to this clause, such arbitration to be in London.