

Ref: HKJE/MEPGTC

01/JAN/2015

HONGKONG JET MAINTENANCE EVENT PROPOSAL GENERAL TERMS AND CONDITIONS

1. TERMS AND CONDITIONS

1.1 The "General Terms and Conditions for Logistics, Maintenance and Support Services" (GTC LMS) for Hongkong Jet (HKJ)", dated 01-Feb-2012 shall be an integral part of this document. The GTC are available via the HKJ website at the following URL:- <https://hongkongjet.com.hk/>

1.2 The following specific Terms and Conditions shall apply for each contract with Hongkong Jet (HKJ) and shall be considered an integral part of the proposal. If any provision of this document contravenes any applicable law, such provision shall be deemed not to be part of the contract, and all other clauses remain in full force and effect.

2. AIRCRAFT ARRIVAL

2.1 Upon arrival, or as soon as practicable thereafter, and prior to commencing the agreed maintenance package, HKJ will perform an incoming inspection and/or engine run-up IAW HKJ Engineering Procedures or as mandated by AMM procedures and/or requested by the customer.

3. AIRCRAFT RE-DELIVERY

3.1 The aircraft shall be delivered to the customer in accordance with HKJ Engineering Procedures. It is recommended by HKJ that a customer representative is available for final aircraft inspection prior to handover.

4. CUSTOMER OFFICES

4.1 Subject to availability and additional charges, the customer and/or representative may request for use, an office at HKJ / HKBAC or other relevant premises during the aircraft maintenance event.

5. DOWNTIME

5.1 Unless otherwise stated, estimated downtime is stated in working days, defined as Monday through Friday (0800 – 1700), excluding applicable recognized local holidays and overtime. If additional Work is required beyond that specifically identified in this Proposal, then the estimated downtime may be extended as required. Any down time changes shall be reasonably communicated to the customer.

5.2 Upon customer request and subject to resource availability, HKJ may provide overtime labour to secure or improve aircraft downtime. Current published labour rates shall apply.

6. DEFECTS AND RECTIFICATION

6.1 The prices quoted in this offer do not cover any defect rectification work. Defect rectification tasks along with estimated man-hours and parts required shall be submitted to the customer for approval via email from the aircraft check controller or planning-in-charge.

6.2 Work shall be charged on a time and material basis using the current published labor rates. Should rectification work impact the agreed downtime, HKJ shall not be responsible for any delay of the aircraft re-delivery due to defects discovered, or due to customer's non-approval of defect rectification that concern the airworthiness of the aircraft. Material handling and freight charges shall apply also for material used for defect rectification work

7. CABIN INTERIOR ACCESS

7.1 The aircraft interior shall be removed and reinstalled, as required, to support the inspection contained within this proposal. Discrepancies discovered during the interior removal (e.g., deteriorated/corroded interior components, damaged insulation, broken attachments, etc.) may warrant an additional charge to the quoted amount.

7.2 Removal of major interior items (i.e., galleys, lavatories) are not required in order to perform the inspection tasks contained within this proposal unless discrepancies found dictate otherwise. If required, removal of these items would require additional labour and material and will be billed accordingly.

7.3 Any repairs or adjustments or cosmetic works of cabin elements, are excluded from the offer, unless specifically requested and agreed.

8. CUSTOMER SUPPLIED DATA

8.1 The customer shall be responsible for procuring, monitoring and updating of all airworthiness and maintenance data, unless it is specifically sub-contracted to HKJ. Customer shall provide the following data to HKJ in addition to the maintenance due list. If customer fails or refuses to provide such data, HKJ will invoice the time and material cost required to research, procure or confirm the data through other sources.

- i) Access to CAMP or similar computerized maintenance system;
- ii) Aircraft Maintenance Program (AMP), and Aircraft Maintenance Schedule (AMS);
- iii) Airworthiness Directives (AD) as issued by the State of Registration and/or the State of Manufacture;
- iv) Service Bulletins (SB), Modifications, and Major / Minor Repair Schemes;
- v) All relevant OEM documentation – AMM, AIPC, SRM, WD/WDM, NDTM;
- vi) Specific Aircraft S/N Completions Documentation;
- vii) Operators Minimum Equipment List (MEL);
- viii) Operations Manual and Flight Manuals (OM / AFM);
- ix) Aircraft, Engine and APU Log Books.

9. CANCELLATION CHARGES

9.1 In case of project cancellation by the customer prior to work start, HKJ reserves the right to invoice following lump sum amounts to the customer:

- 25% of proposal value within 2 weeks of scheduled input date;
- 50% of proposal value within 1 week of scheduled input date.

Additionally, all pre-ordered parts, services cost and pre-booked hangar slots charges will be borne by the customer. In case of schedule changes imposed by the customer prior to work start, HKJ reserves the right to invoice to the customer the actual incurred cost.

10. TEST FLIGHT

10.1 Any test flight required during or after maintenance shall be conducted by the crew, and organized and authorized by the customer. All expenses related to the test flight such as accommodation, aircraft fuel, handling, landing, parking, over-flight permits, navigation, communication, pre-flight checks, etc. shall be borne by the customer.

11. COMMUNICATION FEES

11.1 Any communication fees, related to the repair and testing of SatCom or similar equipment, shall be borne by the customer.

12. CUSTOMER SUPPLIED PARTS

12.1 Parts provided by the customer for use on the aircraft will be subject to incoming inspection under the HKJ quality system and will need to meet all requirements of HKJ's Part-145 MOE or other relevant company procedures for acceptance. Original release certificates must accompany all such parts.

12.2 Parts provided by the customer which are deemed "not accepted" IAW the HKJ quality system shall be returned at the customer's expense. Current HKJ Engineering Price List handling surcharges will apply.

13. SUSPECTED UNAPPROVED PARTS

13.1 Any suspected unapproved parts (SUP's) or "bogus parts" discovered during the maintenance event will need to be replaced in order to maintain the airworthiness of the aircraft. Such replacement will be charged on a time and material (T&M) basis.

14. EXCHANGE PARTS

14.1 All exchange parts prices are subject to vendor acceptance of exchange core. Should the exchange core be rejected or subject to an extra charge by vendor for any reasons, these costs will then be re-billed to the customer separately.

15. RESTOCKING FEE

15.1 Material ordered for a particular work order, but not used on the aircraft, shall be subject to re-stocking and certification fees, at customer's charge.

16. ENVIRONMENTAL (SCRAP) FEE

16.1 HKJ reserves the right to charge an environmental fee of 1% of the total material cost to the customer for scrap material disposal related to the maintenance work. The fee shall not exceed US\$1,000 per project.

17. PARKING

17.1 Unless otherwise stated in writing, aircraft parking at HKIA remote parking stands and/or HKBAC ramp area shall not be included in the offer.

18. ACCESS TO PREMISES

18.1 Customer and his representatives or crew who wish to enter HKJ premises shall comply with all safety procedures, rules and codes of conduct stipulated by Hong Kong International Airport (HKIA), Hong Kong Business Aviation Center (HKBAC), Hongkong Jet or other relevant parties in their current actual version.

19. HKJ SUPPLIED DOCUMENTATION

19.1 The following documentation shall be supplied by HKJ to the customer upon completion of the work order to document the performed maintenance:

- i) Certificate of Release to Service and/or Aircraft Tech Log entry,
- ii) Deferred Defect List / Hold Item List in accordance with the Operator MEL (as applicable).

The following documentation, if and as applicable to the project, and on-condition of settlement of total final work order invoice, shall be supplied by HKJ to the customer within thirty (30) calendar days after completion of the work

order to document the performed maintenance:

- iii) Complete Original Work Package, incl. discrepancy task cards, scheduled maintenance task cards, CB, ASC, SB, SL, and AD documentation;
- iv) Original Aircraft, Engine and APU Log Book Entries;
- v) Original Authorized Release Certificates for all installed parts;

20. STANDARD AIRCRAFT CONFIGURATION

20.1 The offer assumes standard aircraft configuration. Additional work required for a deviating configuration, non-availability of documentation or drawings or research of aircraft history shall be charged separately.

21. POST MOD PERFORMANCE

21.1 When modifying the aircraft on request of the customer, HKJ shall not be responsible for any performance changes of the aircraft. If mandated by the type of installation, HKJ shall perform a weight and balance check of the aircraft and provide the results to the customer for acceptance.

22. RE-BILLING

22.1 For any item not fully determined at the time of invoice, including but not limited to exchange fees, core returns, core repair cost, shipping or freight charges, vendor price changes etc., as well as for rejected warranty claims or commercial programs, HKJ reserves the right to invoice to the customer even after the original invoice has already been issued or settled.

23. COLLECTION / LEGAL

23.1 Customer agrees to pay all reasonable attorney's fees, costs and expenses incurred by HKJ in the enforcement of or as a consequence of any breach of the agreement by customer. Customer grants and approves HKJ's right to enforce the contractual right of lien and security interest agreed upon by the parties by virtue of the contract, to which this terms and conditions are attached, in order to secure any and all claims of HKJ against the customer.

- COMMERCIAL IN CONFIDENCE -