

Reference

: QT-002991amd3

Date

 : 30th March 2022

From : Natasha Jane Muhammad Faiz Tel (DID) : (60) 3 7846 7004 Fax : (60) 3 7846 7137 E-mail : natasha.jane@globalturbineasia.com	Customer : GALAXY AEROSPACE (M) SDN BHD Attention : Nik Mohd Fareez Bin Auddin Position : Commercial Manager
Page NR : From 1 to 4	Customer Order # :

REPAIR –ARRIUS 1A ENGINE SN 2391 (WARRANTY REJECTED)
1. Proposal

User: Royal Malaysian Navy
PN/SN Removed: ARRIUS 1A ENGINE SN 2391
Type of Release Certificate: EASA Form 1
Reason of removal:

- “Heavy Salt Deposits on Many Internal Surfaces. Corrosion Found on Compressor Cover During Pre-Flight Check. Full Borescope Carried Out by GTA Technician and Found Corrosion in Diffuser and Compressor Cover.
- Around Roughly 4 Months After Delivery to End User, Engine Has Been Removed from The Box to Install on The Helicopter. VCI Bag Was Found Open"

Warranty Conditions:
Repaired equipment

Safran Helicopter Engines offers an operational warranty of:

- 9 months or 500 flying hours only applicable on Modules and on Accessories affected by the repair (this warranty does not apply to the complete Engine).
- This warranty also applies to second-hand Engines, Modules and Accessories with partially consumed TBO.
- The warranty expires whichever limit (flying hours or calendar) occurs first.
- There is no hour’s limitation for On-condition equipment.
- The warranty period cannot exceed the two cumulated storage and operational warranty periods.

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2. Service & Pricing

Estimated lead time: 3 Months from customer approval date

OEM REPAIR PRICE (as per OEM quotation in appendix A):	€ 142,599.14
ESTIMATED TRANSPORTATION:	€ 10,000.00
TOTAL REPAIR PRICE:	€ 152,599.14

As per the 2 parties agreement, each party to cover 1/2 of the Total Repair Price, as per the following breakdown:

GALAXY AEROSPACE (M) SDN BHD	€ 76,299.57
Global turbine Asia SDN BHD	€ 76,299.57

Final price to be invoiced by GTA to GALAXY AEROSPACE (covering both GAM and GTA portion)

GALAXY AEROSPACE (M) SDN BHD	€ 76,299.57
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3. Terms & Conditions

Quotation Acceptance

A Purchase Order has to be issued and forward to us upon agreement of the quotation. Once a PO has been issued to GTA customer hereby agrees with the terms & conditions stipulated in this quotation offer.

Due to the nature of our activity, the need for additional work may only become apparent after your acceptance has been received, as such need was not identified at the time of evaluation. In this case, we would have to:

- Postpone work performance,
- Issue a quotation corresponding to the work actually needed.
- Submit the quotation for your approval

The acceptance of the present document converts this offer into a contract in accordance with the latest issue of the Global Turbine Asia's (GTA) General Sales Conditions which are deemed to have been read and accepted by the Customer.

Quotation Validity

This proposal is valid for 30 days from receipt by Customer.

Refusal of Quotation

If the Customer rejects or refuses the present Quote within thirty (30) days from date of issuance, the customer will be provided with written notice to GTA to collect such equipment and / or part within fifteen (15) days following its rejection of GTA quote;

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In the event that customer either fails or refuses to collect the equipment / or part, GTA will issue to the customer a written proposal to transfer the ownership of the equipment and/ or part to GTA;

In the event that customer accepts GTA's proposal for ownership transfer and returns the signed document to GTA, GTA will proceed to scrap and destroy or to repair the equipment and/ or part at its sole discretion (scrapping as per the conditions specifically drawn up for each family of engines)

In the event that customer either fails or refuses to accept GTA's proposal or collect the equipment and /or part within twelve (12) months, then such equipment and /or part shall be deemed abandoned by customer and GTA will take the necessary and appropriate lawful steps to instigate an immediate sale of the abandoned equipment and /or part in order to recover what the amounts due it from customer as a result of the investigation and storage of the equipment and /or part.

In the event that the customer does not accepts GTA's Repair/Overhaul Quote within thirty (30) days from date of issuance, GTA will invoice the work corresponding up to (disassembly, cleaning, investigation/inspection) and including the quote preparation and possible update (specific charges for each family of engines).

Upon expiration of the thirty (30) days period GTA will propose to:

- a) Return the engine and /or parts/ equipment in accordance with the terms defined hereunder. In this case, prior to engine and/ or parts / equipment return, the customer shall provide a release to GTA confirming that repairable Parts will not be used or sold to third parties for installation on a TURBOMECA engine.
- b) Buy back the engine and /or parts / equipment for an amount which corresponds to the level of work carried out on the engine.
- c) Keep the engine and/or parts/equipment at GTA without commencing the repair. In such case customer shall be liable and invoiced the daily cost for storage for this equipment: 50 EUR per day per complete engine, 15 EUR per day per module if the engine is incomplete, 15 EUR per day with TBO Accessories, 15 EUR per day if for EECU, 15 EUR per day for other accessories, 15 EUR per day for internal parts.
- d) Failing receipt of a reply from the Customer on one of the three options above within one week, clause c) shall automatically apply.

Payment Terms

Cash On delivery for the total value of the invoice

Delivery Of Equipment

GLOBAL TURBINE ASIA shall deliver to the CUSTOMER as per DAP KD RAJAWALI RMN FACILITY LUMUT in accordance with the ICC 2010.

The CUSTOMER agrees not to disclose to any third party the content of this commercial proposal during the validity of this offer.

Best Regards,

NATASHA JANE
CUSTOMER SERVICE REPRESENTATIVE

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APPENDIX A



HELICOPTER ENGINES

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REPAIR QUOTATION

Quote overview

Price breakdown in EUR

	Non modular	Module 1	Module 2	Module 3	Module 4	Module 5	Module 6	Total
Parts	41,653.00	41,023.57	42,335.07					125,011.64
<i>New</i>	10,618.00	26,009.00	1,874.00					38,501.00
<i>Repaired</i>	22,182.00	13,039.82	32,553.07					67,774.89
<i>Systematics</i>	8,853.00	1,974.75	7,908.00					18,735.75
Labour	3,479.00	8,777.25	17,165.25					29,421.50
	Complete engine	Module 1	Module 2	Module 3	Module 4	Module 5	Module 6	Total
Tests	5,774.00							5,774.00
Additional costs								0.00
Down payment already paid								-0.00
Gross amount:								160,207.14 EUR

Discounts & gesture

	Discounted amount	Discounts details
SAFRAN HELICOPTER ENGINES Upgrades & Commercial Program	17,608.00	
TOTAL	17,608.00	

Net amount:

142,599.14 EUR

Prices are net. All taxes, import or export duties, VAT and similar charges are excluded, 2021 economic conditions applied.

REPAIR QUOTATION

Asset availability post-repair*

	SN	Hours	Cycles	Calendar life
Complete engine	SN2391	3,000.00	6,102.90	Installation + 180 months
Module 1	SN12398	3,000.00		Installation + 180 months
Module 2	SN22406	3,000.00	6,102.90	Installation + 180 months