



GO BEYOND

GALAXY AEROSPACE (M) SDN BHD

Repair Proposal

PT6C-67C

KB0707

0AP-008852

March 14, 2023

Pratt & Whitney Canada (S.E.A) Pte. Ltd.
10 Loyang Crescent
Loyang Industrial Estate
Singapore, 509010

March 14, 2023

CUSTOMER GALAXY AEROSPACE (M) SDN BHD

Attention: Ismail bin Sulaiman

E-Mail: ismail@galaxyaerospace.my

Engine Model: PT6C-67C

Engine SN: KB0707

Engine TSN: 4500

Engine CSN: TBA

Installed On: 31307

Proposal # OAP-008852

Dear Mr. Ismail

On behalf Pratt & Whitney Canada (SEA) PTE LTD ("P&WC (SEA)"), we thank you for the opportunity of presenting material proposal (together with all its attachments, (the "Proposal")).

We are confident that PWC (SEA) valuable package of products and services included in this letter together with the Proposal will provide you with a cost efficient solution.

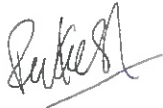
- 1. Terms and Conditions of the Services.** We propose to provide the repair services described in Appendix A of the "Services" in accordance with Pratt & Whitney Canada (SEA) PTE LTD - Standard Conditions of Sale for the Engine which are attached in Appendix B of the Proposal.
- 2. Budgetary Estimate.** PWC (SEA)'s budgetary estimate is described in Appendix A of the Proposal (all pricing is expressed in USD\$ dollar currency and subject to annual escalation).
- 3. Order.** A duly executed purchase order shall be issued by the customer concurrently with acceptance of the Proposal. Pursuant to the Proposal, the customer shall issue a purchase order to PWC (SEA) for the Services. The purchase orders shall contain the following information for PWC (SEA)'s review and acceptance: *Proposal reference price and delivery; work instructions; delivery address; invoicing address; and any other reasonable information*.
- 4. Payment.** Payments are to be made by wire transfer in accordance with the instructions set out in Appendix D.
- 5. Governing Law.** The Proposal shall be governed by and interpreted in accordance with the laws of the province applicable therein without regard to any conflicts of law principles. The U.N. Convention on Contracts for the International Sale of Goods shall not apply.
- 6. Acceptance.** Customer shall accept the Proposal by signing the Proposal acceptance section below. Customer's acceptance provided by PWC (SEA) pursuant to any of customer's purchase orders will be performed in accordance with the Standard Conditions of Sale for Engine Repair and Overhaul, which are attached in Appendix B of the Proposal, to the exclusion of any other terms and conditions contained in any purchase order or communication of customer. Any terms or conditions on documents or forms utilized by customer or PWC (SEA), including, but not limited to, any provisions, pre-printed or any written acknowledgment, shall be of no force or effect unless expressly agreed to in writing by both customer's issuance, and PWC (SEA)'s acceptance, of purchase orders are each given on the express agreement that the Standard Conditions of Sale for Engine Repair and Overhaul shall govern the rights and obligations of the parties with respect to the Services. Customer or PWC (SEA)'s failure to object to provisions contained in any document or communication shall not be interpreted as an acceptance of same or a waiver of the application of Standard Conditions of Sale for Engine Repair and Overhaul.
- 7. Validity.** The Proposal is valid for a period of thirty (30) days from the date hereof.

We welcome the opportunity of reviewing the Proposal with you at your convenience and to answer any question you may have.

I trust the information included meets your immediate needs. Should you require any additional information please contact the undersigned.

We look forward to being selected as your maintenance provider.

Respectfully,



Rakesh Misir, on behalf of PRATT & WHITNEY CANADA (SEA) PTE LTD.
Regional Sales Manager
Global Sales – Customer Service
Telephone: 6596436285
E-Mail: rakesh.misir@pwc.ca

PROPOSAL ACCEPTANCE

The name below accepts this proposal with its terms and conditions on Appendix B

Customer Name: **Ismail bin Sulaiman** on Behalf of **GALAXY AEROSPACE (M) SDN BHD**

Signature: 

ISMAIL BIN SULAIMAN
CHIEF OPERATION OFFICER
GALAXY AEROSPACE (M) SDN BHD
(1040262-D)

Title: _____

Printed Name: _____

Date: 17/03/2023

**** PLEASE INITIAL EACH PAGE AND RETURN WITH THIS DOCUMENT FOR ACCEPTANCE ****

GO BEYOND

Pratt & Whitney Canada (S.E.A) Pte. Ltd.
 10 Loyang Crescent
 Loyang Industrial Estate
 Singapore, 509010

APPENDIX A - SERVICES AND PRICING

Engine Model: PT6C-67C
 Engine Serial Number: KB0707
 Installed on: 31307
 Requested Workscope: General Repair Quote
 Proposal Number: 0AP-008852

Dear Azhan

Thank you for affording us the opportunity to provide you with this repair estimate. Listed pricing are basic known costs associated with the requested workscope, additional repairs or replacement parts may be required. The following should be used to budget for such an event. Travel labor and travel costs (airfare, hotel, meals and rental car if required) are estimates only and billed actual amounts.

Service or Part Description	Part No.	List Price	Qty	Extended
Labour (For inspection only)		\$ 168.00	250	\$42,000.00
			Estimated Labor	\$42,000.00
			Bulk Issue and Environmental	\$300.00
			PER ENGINE ESTIMATED TOTAL	\$42,300

Additional Labor, If Required

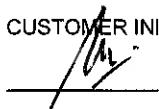
Additional labor may be required to correct/repair any hidden damages found during this inspection in addition to the estimated amounts referenced above.

Per Hour	\$168.00
Per Hour Offsite (as applicable)	\$269.00

Summary

This estimate is valid for a period of thirty (30) days, is expressed in U.S. currency and does not include any applicable sales tax. Please note that our payment terms are cash before shipment unless prior arrangements have been made. If you have any questions or require additional information, please feel free to contact us.

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PRATT & WHITNEY CANADA (SEA) PTE LTD.
10 Loyang Crescent, Singapore 509010

APPENDIX B

STANDARD CONDITIONS OF SALE FOR ENGINE REPAIR AND OVERHAUL

1. **Services.** The Services shall be provided by Pratt & Whitney Canada (SEA) PTE LTD. ("P&WC(SEA)") or subcontracted by P&WC(SEA), at its entire discretion, to a facility within Pratt & Whitney Canada Corp. ("P&WC")'s network of facilities (P&WC(SEA)), P&WC and its network of facilities are referred to herein as the "Designated Facility".
2. **Acceptance.** Customer's order constitutes acceptance of all terms and conditions hereof, which shall apply to the exclusion of any terms and conditions contained in any order or communication of the customer not specifically agreed to in writing by P&WC(SEA). P&WC(SEA)'s acceptance of the customer's order for the purchase of goods and related services is expressly made conditional on the customer's acceptance of the terms contained herein.
3. **Packaging.** Customer shall properly pack the engine and all new, repaired, overhauled, and exchanged parts and accessories (collectively the "Goods") in a suitable container, in full compliance with applicable law and regulations (including those relating to shipment of hazardous materials) to minimize the possibility of damage to the Goods while in transit.
4. **Delivery.** As described in Appendix E.
5. **Fees.** P&WC(SEA) may, in its discretion, charge the following fees:

- a) **At final engine cost estimate:** Customer shall approve P&WC(SEA)'s final cost estimate for Services within fourteen (14) days of receipt. Following customer approval of the cost estimate, customer shall pay fifty percent (50%) of the final cost estimate in accordance with Article 10 hereof. If customer fails to pay this amount within the 14 day period, a daily storage fee will become applicable.

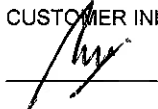
If customer, at such time, chooses to have the engine returned to it instead of proceeding with the services, P&WC(SEA) will retain the initial deposit and will charge customer the remaining WIP charges for the engine. Customer's Goods will be returned at customer's sole risk and expense. Or, if customer chooses to have P&WC(SEA) take title and ownership to the engine instead, P&WC(SEA) will cover the WIP charges for that engine. Transfer of title to such engine will be acknowledged by a signed written document.

- b) **At completion of Services:** Customer shall pay the balance of the amount due for the services within seven (7) days of the date of invoice. If Customer fails to pay P&WC(SEA) the balance due for the services within that period, the following additional fees shall be charged to customer:
 - i. A daily storage fee applied retroactively to the date of completion of the services; and
 - ii. The daily demurrage fee applicable under customer's engine lease agreement, where customer has leased an engine from a P&WC affiliate.

If customer fails to fulfill any of the above conditions, any concession regarding engine daily rental fees will become void.

6. **Shipment Discrepancies.** Any shipment discrepancy or receipt or incorrect parts against customer's purchase order must be reported in writing to P&WC(SEA) within thirty (30) days of the date of shipment. P&WC(SEA) shall not be responsible for any discrepancy reported after thirty (30) days.
7. **Replacement Parts.** Upon embodiment of new or used serviceable parts into the Goods, the parties agree that the newly embodied part shall become the property of the customer upon delivery of the Goods and the removed part shall become the property of P&WC(SEA) upon replacement.
8. **Unserviceable Parts.** P&WC(SEA) will comply, at the customer's expense, with instructions in the customer's purchase order for the disposition of unserviceable parts but will not otherwise be liable to return or account for any Goods which P&WC(SEA) determines to be unserviceable.
9. **Turn-Around Time.** Turnaround times for the completion of services, excluding delays attributable to force majeure or customer hold, are calculated commencing from a mutually agreed to induction date of the Goods at the Designated Facility until shipment of the Goods from the Designated Facility. In the event that the Designated Facility exceeds the agreed turnaround time for completion by more than five (5) business days, as customer's exclusive remedy, PWC (SEA) will provide one of the following options to customer, subject to customer having fulfilled all the conditions in Article 5:
 - a. If a lease engine has been provided to customer, the daily rental fees will be waived for a maximum period of 30 days for the subject engine, or
 - b. If a lease engine has not provided, customer may receive the following:
 - i. For regional or Turbofan engine models: \$500 USD per day, for a maximum of 30 days for the subject engine.
 - ii. For all other engine models: \$250 USD per day, for a maximum of 30 days for the subject engine.

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10. Payment. Unless other payment terms have already been established by P&WC, the customer's payment terms shall be as follows:

- a. At least seven (7) days prior to induction of the engine, customer shall pay an advance deposit of labour based on P&WC(SEA)'s initial inspection estimate for the Goods.

In the event that any amount is owed by customer to P&WC(SEA) or any of its affiliates, P&WC(SEA) or any of its affiliates shall be entitled to set-off such amount against any sum payable to customer by P&WC(SEA), or any of its affiliates.

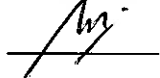
- 11. Overdue Accounts.** Overdue Accounts are subject to interest calculated and compounded monthly at the rate of fifteen percent (15%) per annum or United States Prime Rate, plus five percent (5%) per annum, whichever is greater, without exceeding the maximum rate allowed per applicable law. Customer shall not delay payment for Goods or related services pending, or based on the results of, its inspection or acceptance. Should the customer be indebted to P&WC(SEA) or any of its affiliates upon the occurrence or by reason of a default hereunder or pursuant to any other agreement (the "Debt") and the customer does not pay the Debt at the earliest of (i) the prescribed delay(s) to effect such payment or (ii) thirty (30) days from the date of such default, P&WC(SEA) shall have the right to apply any sums that P&WC(SEA) or any of its affiliates holds, whether hereunder or pursuant to any other agreement(s) executed with the customer, as an offset against the Debt, without further notice to the customer.
- 12. Taxes, Duties & Other Charges.** Customer is responsible for all taxes (excluding taxes based on P&WC(SEA)'s net income) duties and other charges of any nature whatsoever, including interest and penalties thereon, arising from the sale, delivery or use of the Goods or related services under the customer's purchase order, and will reimburse P&WC(SEA) for any such charges P&WC(SEA) may be required to pay directly to a governmental authority or to a Designated Facility which performs any of the services related to such purchase order. Customer and P&WC(SEA) agree to co-operate and to amend these terms and conditions, if necessary, to eliminate or reduce any applicable taxes, duties, levies, excises, import fees, clearance costs, or other charges of any kind which may be payable by either Party, including, where applicable, securing any certificate of exemptions or recoveries in such a manner so as to eliminate or reduce said taxes or charges provided that such changes or amendments do not transfer the tax burden from one Party to the other Party.
- 13. Force Majeure.** P&WC(SEA) shall not be responsible for any failure or delay in performance resulting from causes which are (i) beyond P&WC(SEA)'s reasonable control; (ii) occurred without fault or negligence of P&WC(SEA); (iii) could not have been reasonably foreseen; or (iv) could not have been prevented by means reasonably available to P&WC(SEA). These causes may include but are not limited to events such as acts of government, court order, civil unrest, sabotage, labor action and adverse weather conditions. The time for delivery will be extended accordingly.
- 14. Warranty.** Refer to **Appendix C**.
- 15. Intellectual Property Remedies.** In the event that a claim is brought against Customer in a court of competent jurisdiction alleging that, without further combination, the goods and services supplied by Designated Facility hereunder ("Deliverables"), or the use or sale by Customer of a Deliverable made by or under P&WC(SEA)'s control and repaired or exchanged as part of the Deliverables provided by Designated Facility hereunder directly infringe any third party's registered Canadian or U.S. patent (a "Claim"), P&WC(SEA) shall, as its sole liability, either (A) conduct the entire defense of such Claim including pay damages and costs awarded to the third party in a non-appealable judgment for such Claim, or (B) settle such Claim, provided however, that P&WC(SEA) shall not be liable for (a) any special, indirect, incidental or consequential damages or any damage such as economic loss or loss of profits resulting from any loss of use of the Deliverables or its parts or of the aircraft in which the Deliverables or its parts may be incorporated arising as a direct or indirect result of such Claim, or (b) any damages not attributable to the acts of Designated Facility (including, without limitation exemplary, punitive or other similar damages).

The above indemnity shall be subject to Customer providing Designated Facility with (i) immediate written notice of any Claim, (ii) full and complete information throughout the course of the Claim and authority to assume the defense thereof, (iii) all reasonable assistance; and Customer will not, by any act or omission, do anything that may directly or indirectly prejudice Designated Facility.

If the provision of Deliverables or the use or sale of the Deliverables is finally prohibited as a result of such Claim, P&WC(SEA) shall, at P&WC(SEA)'s option and expense, use all reasonable efforts to (1) procure the right to use or sell the Deliverables or provide the Deliverables, or (2) replace the Deliverables with non-infringing substantially equivalent Deliverables, or (3) modify the Deliverables so they become non-infringing, but substantially equivalent, or (4) remove such Deliverable(s) and refund a corresponding sum (less a reasonable allowance for use, damage or obsolescence) or, in the case of Deliverables, ensure that Designated Facility stops performing the Deliverables. Should P&WC(SEA) determine that it is necessary to avoid a claim or to mitigate any damages which may arise from any potential or actual patent infringement, P&WC(SEA) may, at P&WC(SEA)'s option and expense, take any or all of the actions in (1), (2), (3) or (4) above.

P&WC(SEA)'s obligation to defend shall not apply to claims or actions for intellectual property infringement in respect of (i) Deliverables exchanged or provided, to the specific instructions of Customer; (ii) Deliverables furnished by Customer; (iii) the use or sale of Deliverables repaired or exchanged which have not, at all times, been maintained or repaired in accordance with P&WC's maintenance manual(s); or (iv) the use or sale of Deliverables delivered hereunder in combination with other goods or services not delivered to Customer by Designated Facility. In such instances, Customer shall indemnify and hold Designated Facility harmless therefrom with respect to any claim or action against Designated Facility for infringement of the asserted intellectual property.

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NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, THE ABOVE INDEMNIFICATION IS GIVEN IN PLACE OF ALL OTHER EXPRESS, IMPLIED OR STATUTORY TERMS, REPRESENTATIONS, WARRANTIES OR CONDITIONS, IN CONTRACT OR IN TORT, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OR CONDITION OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ANY IMPLIED WARRANTY ARISING FROM STATUTE, COURSE OF DEALING, COURSE OF PERFORMANCE, OR USAGE OF TRADE, AND ALL SUCH OTHER TERMS, REPRESENTATIONS, OR CONDITIONS ARE HEREBY EXPRESSLY DISCLAIMED. THE ONLY REMEDY FOR INTELLECTUAL PROPERTY INFRINGEMENT IS AS SET OUT IN THIS ARTICLE 15.

16. **Limitation of Liability.** In no event shall P&WC(SEA) be responsible for any indirect, incidental, special, consequential, or punitive damages arising out of or in connection with the services, or any tortious act or omission by P&WC(SEA). Indirect, incidental, special, consequential, or punitive damages include, without limitation, economic loss, loss or damage to any property or person or any other exemplary, punitive or similar damages, as well as expenses incurred external to the engine as a result of an engine, module, component or part defect. In no event shall the liability of P&WC(SEA) exceed in the aggregate the cost of the services provided for the applicable Goods.
17. **Export Controls.** Performance under the Proposal is subject to the receipt of any necessary governmental license or similar authorization or approval under all applicable laws.
18. **Termination.** P&WC(SEA) may terminate the purchase order at any time by written notice to customer if customer fails to pay any amount when due or if customer becomes insolvent or performs or permits any act of bankruptcy, liquidation, reorganization or if a receiver, trustee, or custodian is appointed to customer or a substantial part of customer's assets. In addition, P&WC(SEA) may terminate the purchase order if customer is in default under the terms of any other agreement or purchase order with P&WC(SEA) or any of its affiliates. On termination, P&WC(SEA) shall have no further obligation to customer under the purchase order and customer will reimburse P&WC(SEA)'s termination costs, including, without limitation, a reasonable allowance for profit as well as material, labor, and administrative fees. The customer shall reimburse P&WC(SEA) for all attorneys' fees and other expenses incurred by P&WC(SEA) in recovering any sums due from customer regardless of whether the purchase order has been terminated or not. The customer may not terminate the purchase order, otherwise customer will be liable for damages caused to P&WC(SEA) as a result of the termination including, without limitation, costs, and expenses as well as for the value of the work performed by P&WC(SEA) before termination of the purchase order including, without limitation, a reasonable allowance for profit.
19. **Assignment.** Absent P&WC(SEA)'s prior written consent, any assignment or attempted assignment of customer's order shall be void and of no effect. The customer lacks the power and authority to assign orders in connection herewith.
20. **Language and Governing Law.** Both parties have agreed that these standard terms and conditions of sale be written in the English Language only. All claims, controversies and disputes arising under or related in any manner whatsoever to these standard terms and conditions of sale, the relationship of the Parties, and/or the interpretation and enforcement of the rights and duties of the Parties hereunder shall be governed by and interpreted in accordance with the laws of the province of Ontario and the laws of Canada applicable therein and the federal laws applicable therein without regard to any conflict of law principles. The U.N. Convention on Contracts for the International Sale of Goods shall not apply
21. **Signatures.** Each Party agrees that i) a scanned PDF copy of the signed signature page(s) of the agreement or ii) an electronic signature created by PDF is intended to authenticate this writing and to have the same force and effect as manual signatures.

APPENDIX C

See attached Warranty at the end of the current proposal.

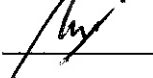
APPENDIX D - WIRE TRANSFER INSTRUCTIONS

US DOLLAR PAYMENT ROUTING

Bank: CITIBANK N.A. 3 Temasek Ave. # 14-00 Centennial Tower Singapore 039190	Beneficiary: Pratt & Whitney Canada (SEA) Pte. Ltd. USD A/C No.: 0-709738-003
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PLEASE INCLUDE ALL INVOICE NUMBERS ON WIRE TRANSFERS AND FAX ALL PAYMENT DETAILS TO 65-5423615

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APPENDIX E - DELIVERY

Scenario	Applicable (Incoterms 2020)	Transportation charges	Customs & Taxes	Risk of loss or damage during transit:	Insurance coverage during transit:
Engines delivered by customer to Designated Facility for requested Services	Engines shall be delivered DAP (Delivery At Place) if the Designated Facility is in Singapore, otherwise, Engines shall be delivered DDP (Delivery Duty Paid).	Customer	Customer if DDP, Designated Facility if DAP	Customer	Customer
Return of Engines following completion of Services	The Designated Facility shall deliver Engines to the customer's carrier of choice FCA (Free Carrier Aboard) from the Designated Facility, OR	Customer	Customer	Customer	Customer
	In the event that the customer's carrier of choice is unavailable to receive delivery of Engines at the Designated Facility, the Designated Facility shall deliver Engines CPT (Carriage Paid To) with the Designated Facility's carrier of choice.	Designated Facility (Transportation charges to be recharged to customer)	Customer	Customer	Customer

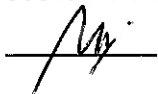
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NOTICE – DISCLOSURE OF INFORMATION

This document may contain trade secrets, financial, commercial, scientific, or other confidential information, the further disclosure of which will result in material financial harm to and/or prejudice to the competitive position of P&WC/P&WC (SEA). If the head of a Government institution or department intends to disclose any of this information, prior written consent must be obtained from: the Vice President – Counsel and Corporate Secretary, Pratt & Whitney Canada Corp., 1000 Marie Victorin, (01BE5) Longueuil, Quebec J4G 1A1.

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	ECCN(s)*	-
	P-ECCN(s)**	-
	USML (ITAR)*	-
	P-USML**	-

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[Handwritten Signature]

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**PRATT & WHITNEY CANADA CORP. SERVICE CENTRE FACILITIES
REPAIR & OVERHAUL WARRANTY, REMEDIES AND LIMITATIONS FOR ENGINES INSTALLED ON
MILITARY AIRCRAFT**

1 COVERAGE: Pratt & Whitney Canada Corp. ("P&WC") or the P&WC service centre facility contracted by customer to perform services (the "Designated Facility"), as applicable, warrants that the engine repair (including hot section inspection or "HSI"), refurbishment and overhaul services (collectively the "Services") will conform to applicable P&WC specifications and standards of good workmanship in the industry. Designated Facility further warrants that, at time of delivery, new, repaired, overhauled, exchanged engine parts and accessories (collectively "Goods") will be free from defects in material and workmanship and will conform to the applicable manufacturer's instructions for continued airworthiness based on information available at the time. The following chart specifies the engine overhaul, repair and refurbishment warranties, which are subject to the Exclusions and Limitations herein:

WARRANTY	ITEMS COVERED	COVERAGE LEVEL	Warranty & Claim Period - the first to occur of (A) or (B) below:	
			(A) Engine Operating Hours	(B) Time after Delivery
OVERHAUL Comprehensive Coverage	* Workmanship * Goods supplied by Designated Facility	100% Coverage	Within 500 engine operating hours after first use	Within 1 years
Extended Coverage (to commence after consumption of the Comprehensive Coverage)	* Workmanship	Pro-Rata Coverage	Full Time Between Overhaul ("TBO") interval as published by P&WC at the time of overhaul by Designated Facility (prorated after first 500 engine operating hours - see Section 3)	Within 10 years
REPAIR / REFURBISHMENT Tested engine repair	* Workmanship * Goods supplied by Designated Facility	100% Coverage	Within 500 engine operating hours after first use	Within 1 years
Untested engine repair		100% Coverage	Within 500 engine operating hours after first use	Within 90 days

The warranties and remedies are applicable only to engines operated in military aircraft which are used for training or passenger transportation service. Covered engines must comply with mandatory Airworthiness Directives, P&WC recommended service bulletins (subject to agreed workscope) and all applicable Commercial Support Programs unless otherwise specified.

2 EXCLUSIVE REMEDIES: Designated Facility will provide the following as sole and exclusive remedies for defects covered under this Policy:

- (i) Correct the defective condition and resulting damage solely to the Goods by, at Designated Facility's option, repairing, replacing or issuing credit for the damaged Goods;
- (ii) Reimburse reasonable charges for removal and installation of the engine or Goods (provided the removal is solely due to the defect); and
- (iii) Reimburse reasonable shipping charges (excluding insurance, duties, brokerage fees and taxes); (collectively the "Exclusive Remedies"). In addition to the Exclusive Remedies, Designated Facility will waive daily rental fees on rental engine used to replace customer's engine during correction of defect (for greater clarity, the normal hourly operating charges will still apply).

3 EXTENDED COVERAGE - PRO-RATA: The Extended Coverage is pro-rated based on the consumption between TBO intervals published by P&WC at the time of overhaul by Designated Facility. The Extended Coverage commences after consumption of the Comprehensive Coverage and gradually decreases to no coverage at consumption of the entire TBO interval. The customer will bear a portion of the cost of the Exclusive Remedies prorated to the full TBO interval, as shown in the following examples:

Example 1: Assume that the engine published TBO interval at the time of overhaul by Designated Facility is 3,500 hours and that the engine has 400 engine operating hours and 14 months since last overhaul. The customer would bear 14% (500/3,500) of the costs of Exclusive Remedies and the Designated Facility would bear 86% of the costs of the Exclusive Remedies.

Example 2: Assume that the engine published TBO interval is 3,500 hours at the time of overhaul by the Designated Facility and that the engine has 1,500 engine operating hours and 9 months since last overhaul. The customer would bear 43% (1,500/3,500) of the costs of the Exclusive Remedies and the Designated Facility would bear 57% of the costs of the Exclusive Remedies.

4 EXCLUSIONS & LIMITATIONS: The warranties described above do not cover:

- 4.1** Costs of normal scheduled maintenance services, which may include: (i) routine line maintenance and adjustment costs; (ii) hot section inspection (HSI) and refurbishment costs; (iii) engine overhaul or major refurbishment costs; and any other costs related to engine maintenance not specifically covered under this Policy, including as specified in SIL GEN-034;
- 4.2** Normal Deterioration, including: (i) normal wear and tear and deterioration resulting of normal engine operation or as the result of the installation of a known defective engine part by the customer under a concession granted by the FAA or an OEM (other than P&WC); and (ii) overhaul life of assemblies, service life limits or parts, and/or operating time limits;
- 4.3** Unsupported Parts, including the following parts and subsequent engine repairs or damages that are directly attributable to the use of one of the following parts:
- (i) parts that are not originally supplied by P&WC or its authorized distributors and accompanied by the P&WC Manufacturer's Release Certificate or Canadian Department of Transport Certificate of Airworthiness, as applicable (including parts approved under an FAA Parts Manufacturer Approval (PMA) or international airworthiness equivalent);
 - (ii) parts that are not identified in the applicable P&WC Illustrated Parts Catalogue ("IPC") and accompanied by the Supplier's Release Certificate;
 - (iii) parts that are not repaired in accordance with P&WC approved repair processes;
 - (iv) parts that are not traceable, e.g. have insufficient supporting documentation; and
 - (v) parts that have been involved in an accident, or other part or engine failures attributable to that part.
- 4.4** Factors beyond Designated Facility's control, including:
- improper storage, usage, maintenance or operation of an engine, part or accessory that is not consistent with the
 - (i) instructions and procedures of Designated Facility, the aircraft manufacturer or the airworthiness regulations (including abuse, misuse, neglect or experimental use);
 - (ii) any work performed on engines without due cause such as pre-purchase inspections, or scheduled maintenance performed at other than P&WC recommended intervals;
 - (iii) accidents, collisions, propeller strikes, fire, flood, lightning strike, theft, explosion, riot, war, rebellion, seizure or any other belligerent acts; foreign object damage (FOD), erosion, corrosion, sulphidation or any other damage due to the operating environment;
 - (iv) alteration to, modification of, or tampering with any engine, part or accessory after delivery by Designated Facility, other than strictly in accordance with the applicable P&WC manuals and this Policy;
 - (v) use of stolen parts, or use of a part or engine from which P&WC's name, part number, identification mark or serial number has been removed or defaced;
 - (vi) workmanship performed by a facility other than P&WC approved facilities;
 - (vii) repair or overhaul of a defective part or engine at a facility other than a facility designated by P&WC Warranty Administration;
 - (viii) engines operated by a military, para-military or government service unless it is determined, at the sole discretion of Designated Facility, that the engine has not been used in operations or on flight missions which compromise engine or parts life or reliability when compared to typical commercial, corporate, or private transportation operations;
 - (viii) unused cycles (stub life) of an LCF part removed at the customer's request prior to reaching the service limit; and
 - (x) insurance, duties, brokerage fees, and taxes.

- 5 FOR WARRANTY SERVICE:** Any warranty claim must be submitted within the maximum engine operating hours and time after delivery as set out in Section 1. For any warranty work, the engine or Goods (as applicable) must be sent to a facility designated by the Designated Facility, in accordance with the Designated Facility's written instructions. Any work performed at a facility other than a facility designated by the Designated Facility, without prior written authorization from the Designated Facility will be at the customer's expense.

THE WARRANTY DESCRIBED HEREIN IS THE ONLY WARRANTY PROVIDED BY DESIGNATED FACILITY AND IS GIVEN AND ACCEPTED IN PLACE OF ALL OTHER EXPRESS, IMPLIED OR STATUTORY WARRANTIES, TERMS, REPRESENTATIONS, OR CONDITIONS, IN CONTRACT, TORT OR STRICT LIABILITY, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OR CONDITION OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR NONINFRINGEMENT AND ALL SUCH OTHER WARRANTIES, TERMS, REPRESENTATIONS, OR CONDITIONS ARE HEREBY EXPRESSLY DISCLAIMED. THE ONLY REMEDIES FOR BREACH OF THIS WARRANTY ARE SET OUT HEREIN. FOR GREATER CERTAINTY AND NOTWITHSTANDING ANY TO THE CONTRARY HEREIN, IN NO EVENT SHALL DESIGNATED FACILITY OR ANY MEMBER OF THE P&WC GROUP BE RESPONSIBLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH EITHER A BREACH OF THIS WARRANTY OR ANY ACT OR OMISSION BY DESIGNATED FACILITY OR ANY MEMBER OF THE P&WC GROUP. INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES INCLUDE, WITHOUT LIMITATION, ECONOMIC LOSS, LOSS OR DAMAGE TO ANY PROPERTY OR PERSON OR ANY OTHER EXEMPLARY, PUNITIVE OR SIMILAR DAMAGES, AS WELL AS EXPENSES INCURRED EXTERNAL TO THE ENGINE AS A RESULT OF AN ENGINE, ENGINE PART OR PART DEFECT. NO VARIATION OR EXTENSION OF THIS WARRANTY OR REMEDIES SHALL BE BINDING UNLESS IN WRITING AND SIGNED BY A DULY AUTHORIZED REPRESENTATIVE OF DESIGNATED FACILITY. IN NO EVENT SHALL THE LIABILITY OF DESIGNATED FACILITY OR ANY MEMBER OF THE P&WC GROUP EXCEED THE AMOUNT OF THE PURCHASE ORDER. FOR THE PURPOSES HEREIN, "P&WC GROUP" INCLUDE ALL AFFILIATES, PARENTS AND SUBSIDIARIES OF P&WC.