

AGREEMENT NO: 772-A319 (VIP)/2019

MADE BETWEEN

OFFICE OF THE COMMANDER IN CHIEF (AIR)
REPUBLIC OF THE UNION OF MYANMAR

AND

AERO SOFI CO., LTD., MYANMAR

COVERING

GENERAL TERMS AGREEMENT FOR
AIRCRAFT CABIN RECONFIGURATION SERVICES

DATE: 2019





Republic of the Union of Myanmar
Office of the Commander in Chief (Air)

AGREEMENT NO: 772-A319 (VIP)/2019
General Terms Agreement for Aircraft Cabin Reconfiguration Services

This **General Terms Agreement** (hereinafter referred to as "GTA") is made at Naypyitaw on 2019, between the Republic of the Union of Myanmar, Office of the Commander in Chief (Air) represented for the purpose of this agreement by Brigadier General Soe Tin Latt, Brigadier General Staff (Air), (Operation and Duty) hereinafter referred to as "**Customer**" of the one party, and

AERO SOFI CO., LTD. having its registered office at Pyay Road, No. 206 Novotel Yangon Max Hotel, No. 459, (8) Ward, Kamayut Township, Yangon, Myanmar represented for the purpose of this agreement by Mr. Patrick Aung, Managing Director of Aero Sofi Company Myanmar, hereinafter referred to as "**Supplier**" of the other party,

hereinafter collectively referred to as the "Parties" and individually as a "Party".

Whereas the Customer is desirous to receive the services and necessary equipment for reconfiguration of Airbus A319 VIP Configuration as specified in the Exhibit A which shall form part of this agreement and the supplier agree to render services and to supply necessary equipment for Airbus A319 Aircraft as specified in the Exhibit A.

RECITALS:

- (1) Implementation of this agreement, Supplier will work with **HAECO (XIAMEN) AIRCRAFT ENGINEERING CO., LTD. (FAA-TX9Y778Y & EASA PART 145 APPROVED MRO)** having its registered office at 20, Dailiao Road, Gaoqi International Airport, 361006 Xiamen, P.R. China is an aircraft Maintenance Repair Overhaul organization ("MRO") as well as an outfitter, supplying aircraft cabin completion, modification and reconfiguration services and having acquired



knowledge, experience and expertise in the designing, manufacturing, certification and completion of cabin installation, modification and reconfiguration services.

- (2) The Customer desire to modify its Airbus A319 aircraft into VIP configuration. For the purpose of this GTA the Supplier will reconfigure VIP cabin of the Aircraft on behalf of the end-user and operator of the aircraft in question (hereinafter referred to as "Aircraft").
- (3) The Supplier has been selected to provide cabin reconfiguration services for the Aircraft including engineering design, procurement, vendor management, manufacturing, installation and certification.
- (4) It is deemed desirable to the Parties to enter into this GTA in order to define the rights and obligations between them.

NOW IT IS HEREBY AGREED AS FOLLOWS:



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DEFINITION

"Acceptance Flight(s)" shall mean the flights to be performed in accordance with Article 13 during the final inspection and acceptance process, for the purpose of proving the compliance of the Conversion Work in the operating conditions, and certifying the Converted Aircraft.

"Aircraft" shall mean the aircraft delivered by the Customer and to be converted or in the course of conversion by Supplier.

"Aviation Authorities" shall mean the official authority having the jurisdiction to approve the design and the manufacture of the Conversion Item.

"CDR" shall mean the critical design review to be held between Supplier and the Customer.

"Changes" shall mean any modification to the Work Scope, Specification and/or their supporting drawings or data.

"Converted Aircraft" shall mean the Aircraft after its conversion performed by Supplier, and until the Supplemental Type Certificate ("STC") for the Conversion Work done by Supplier expires or terminates.

"Conversion Program Chart" shall mean the plan of the Conversion Work to be included in Exhibit D in which the dates of commencement and/or completion of each significant phase of the conversion of the Aircraft will be stated.

"Conversion Site" shall mean Supplier's premises facility at 20 Dailiao Road, Gaoqi International Airport, Xiamen, P.R.China, where the Conversion Work will be performed.

"Conversion Item" shall mean the components, parts, materials, design, documents, data, software and related information and service thereof to be furnished by Supplier to convert the Aircraft and perform the Conversion Work pursuant to this GTA.

"Conversion Work" shall mean the services provided by Supplier as defined in Article 1 of this GTA.

"GTA" shall mean this General Terms Agreement, including all its Exhibits, attachments, amendments, modifications and supplements hereto.

"ITCM" shall mean initial technical coordination meeting, e.g. the first technical review meeting to be held after this GTA has been signed by the Parties.

"Operator" shall mean the entity or individual who operates the Converted Aircraft.

"PDR" means the preliminary design review to be held between Supplier and the Customer.

"Request For Study or RFS" shall mean the document in the form appearing in Exhibit H.

"Spare Parts" shall mean any Conversion Item included thereof required for maintenance, repair, modification, or overhaul related to the Conversion Work after the Converted Aircraft is redelivered to Customer.

"Specification" shall mean the written specification made by Supplier or other agreed method of defining the Conversion Work, which will be submitted by Supplier to the Customer for preliminary review and then be finally agreed during a CDR meeting.

"Technical Documentation" shall mean the manuals, data and documents prepared by Supplier and required to ensure the proper operation, maintenance, troubleshooting, shop and line repair of the Conversion Item.

"Work Scope" shall mean work requirements stated in Exhibit A of this GTA, which defines in general the Conversion Work to be provided by Supplier to the Customer, and shall be supplemented by Specification in details.

ARTICLE 1 SCOPE OF AGREEMENT

1.1 General Conditions

This GTA sets forth the general terms and conditions, pursuant to which the Customer requests and Supplier agrees to provide cabin reconfiguration services, on-request maintenance work and other support services.

In consideration of the Conversion Work provided by Supplier, the Customer has the obligation to pay Supplier the prices as agreed in Exhibit F and any subsequent Changes and additional work, in accordance with the payment schedule as described in Article 5. Any over and above work shall be additionally chargeable.

The Customer hereby warrants and represents that it has full authorization from the operator and end-user and unencumbered right to allow the Supplier to carry out the work defined in this GTA on the Aircraft.

The purpose of this GTA is to deliver a comfortable cabin that provides passengers with a high level of comfort and efficiency in order to ensure an enjoyable experience aloft. The final deliverables of this GTA and the end use of the Aircraft/Converted Aircraft are controlled by the Customer, the operator and end-user of the Aircraft/Converted Aircraft.

1.2 Cabin Reconfiguration Services

The Supplier will provide engineering design, procurement, vendor management, manufacturing, installation and certification services as set forth in Exhibit A Work Scope and as supplemented by Exhibit E Specification which shall be finally agreed during CDR meeting.

1.3 After-Sales Support

The Supplier will provide after-sale support to the Customer with additional charges.

1.4 On-request Maintenance Services

Depending on the availability of suitable manpower, tooling and materials, the Customer may request Supplier to provide certain maintenance services on the Aircraft, and upon a separate agreement has been reached, the Supplier will provide such maintenance services. Unless otherwise agreed by the Parties in writing, the provisions of this GTA may apply to the maintenance services.

1.5 Other Support Services

Supplier will provide support services as required under this GTA, such as but not limited to, aircraft parking, ground handling, logistics support, customer services, etc.

ARTICLE 2 **CHANGES**

2.1 RFS Form

Either Party may submit proposals for Change to the Conversion Work by using the RFS in the form of Exhibit H. Each Request for Study will bear a reference number.

2.2 Changes originated by the Customer

The Customer may be willing to introduce any Change after the execution of GTA and will provide to Supplier a "Request for Study" describing the Change requested.

For any Change requested, Supplier will, without undue delay, make a study and inform the Customer about feasibility, costs for such Changes and possible impact on the Conversion Program Chart and on the Aircraft characteristics, performances and weight.

After analysis of the consequences of any Change and if the Customer decides to implement that Change, the Customer shall notify Supplier of its decision in writing. The consequences of any Change shall be agreed between Supplier and the Customer in RFS and, upon agreement, the RFS shall be deemed incorporated into this GTA, and be binding on the Parties.

2.3 Changes originated by Supplier

The Supplier may propose any Changes to the Customer, but the Customer shall be entitled, in its absolute discretion, to approve or refuse a request for a Change submitted by Supplier. No Change shall be implemented by Supplier without the prior written approval of the Customer or its Representative. Notwithstanding, Supplier shall not be liable for nor bear the costs for the Change which becomes necessary due to the Aircraft design or manufacture data provided by the Aircraft manufacturer.

2.4 Changes in Law

In case any law or regulation is issued which requires any Change for the purpose of obtaining the STC for the Conversion Work, the Customer shall bear such costs of Change.

ARTICLE 3 PROGRAM

3.1 Delivery and Acceptance of the Aircraft

The Aircraft will be delivered by the Customer to Supplier at Conversion Site on the date as specified in Exhibit C Key Milestone Dates ("Delivery Date").

Upon the delivery of the Aircraft, Supplier shall be entitled to inspect the Aircraft to verify that the Aircraft is free from any and all apparent defects and/or snags. When the said inspection has been completed on the Aircraft, Supplier will notify the Customer of any defects found and provide a list of defects, then Supplier shall sign a Delivery Receipt in the form of Exhibit I.

However, such Delivery Receipt is not intended to be conclusive evidence of the Aircraft conditions, and any defects discovered by Supplier after Delivery Receipt is signed which: (i) are stemming from the Aircraft or, (ii) are not caused by Supplier as a consequence of the performance of the Conversion Work or, (iii) are not due to incorrect storage or maintenance of the Aircraft during Conversion Work, shall be additionally chargeable to the Customer in accordance with Article 1.4.

3.2 Progress Control

Throughout the performance of the Conversion Work, Supplier shall continually monitor the progress of all tasks and/or activities, and shall submit a detailed progress report to the Customer every month or every fifteen (15) days during the last two (2) months of the performance of the Conversion Work. The progress report shall specify from time to time the stage which Supplier has reached in the Conversion Work and, if there is a delay in execution of any part of the Conversion Work, set out the explanation therefore, the consequence, and the corrective actions being taken to remedy the delay and to expedite the Conversion Work.

3.3 Final Acceptance of the Converted Aircraft

The Supplier shall offer the Converted Aircraft to the Customer for final acceptance at the Conversion Site and on the date indicated in Exhibit C Key Milestone Dates ("Final Acceptance"). A check list of the Final Acceptance shall be agreed on by the Parties not later than one month before the starting date of the Final Acceptance.

During the period of such Final Inspection, if required, the Customer shall conduct acceptance flight(s) for the Converted Aircraft in accordance with the provisions of Article 13.

3.4 Redelivery of the Converted Aircraft

The Supplier shall redeliver the Aircraft to the Customer at the Conversion Site on the redelivery date as specified in Exhibit C Key Milestone Dates or a later date as agreed by the Parties in writing ("Redelivery Date").

When (i) the said final inspections and the Acceptance Flights have been completed on the Converted Aircraft and after Supplier has remedied any such failure and (ii) the STC has been granted by the relevant Aviation Authorities without any undue limitation or non-compliance, then the Customer shall sign a Redelivery Receipt in the form of Exhibit J.

However, in the event that the limitation or non-compliance does not affect the Certificate of Airworthiness of the Converted Aircraft, and that the Customer agrees to accept the Converted Aircraft with the rectification or modification to be implemented after Redelivery Date, Supplier will rectify or modify the Converted Aircraft in the timeframe and on the terms and conditions as to be agreed between the Parties.

Acceptance of redelivery of the Converted Aircraft be conclusive of the absence of apparent defect and compliance with this GTA, Work Scope, the Specification and RFS if any, but shall not be conclusive of the absence of latent defect and shall not impair and the rights that may be derived from the warranties set forth in Article 6 hereof.

3.5 Delay

3.5.1 Excusable Delay

Neither Party shall be responsible for the delay or interruption in the performance of any provision under this GTA where such delay is due to any event that is out of its reasonable control and not due to its fault or negligence ("Excusable Delay").

The Excusable Delay of Supplier shall include, but not be limited to, the delay:

- i) due to the failure of the subcontractor(s), vendor(s) and/or Supplier(s) of Supplier to perform their obligations which can be proved as excusable delay in accordance with the contracts between Supplier and such subcontractor(s), vendor(s) and/or Supplier(s);
- ii) due to the impact of maintenance services requested by the Customer;
- iii) any failure to obtain materials or supplies after due diligence;
- iv) late reply of aircraft or component OEM on the technical assistance request;
- v) major defects on airframe, systems, engines or components which were unforeseen and which have an impact on the schedule;
- vi) is attributable to the performance or non-performance of the Customer under this GTA or;

vii) caused by an event of Force Majeure as defined in Article 12 hereunder.

Notwithstanding the occurrence of Excusable Delay, the affected Party shall notify the other Party in writing and shall use its reasonable efforts to mitigate the effects of the Excusable Delay.

If redelivery of the Converted Aircraft is anticipated to be delayed as a result of an Excusable Delay, the Parties shall then meet as soon as possible to discuss a recovery programme. Once the recovery program is agreed, Supplier shall treat such obligations as the first priority amongst its various activities in order to ensure the most efficient recovery programme.

3.5.2 Non-Excusable Delay

In the event of a delay by Supplier or the Customer in the performance of their respective obligations under this GTA, which is not caused by an Excusable Delay as set out in Article 3.5.1, such delay shall be considered as a Non-Excusable Delay.

If a Non-Excusable Delay is expected to occur or occurs that causes or may cause a delay in the performance by Supplier or the Customer of their respective obligations under this GTA, the affected Party shall notify the other Party in writing and shall use its best efforts to mitigate the effects of the Non-Excusable Delay.

3.6 Interface

When a technical problem involving engineering and/or certification in the operation of the aircraft or any system thereof due to incompatibility, malfunction or failure of any accessory, equipment or part ("Interface Problem") has been identified during the services, the Party learning of such Interface Problem shall notify the other Party of the nature of the problem and shall provide all reasonably required information. The Parties shall seek a solution to the Interface Problem through the cooperative efforts of the Parties.

ARTICLE 4 PRICE

4.1 Fixed Price

The fixed price for the Conversion Work as outlined in Exhibit A and Exhibit E is defined in Exhibit F of this GTA ("Fixed Price"), subject to the terms and conditions set forth in Exhibit A and Exhibit E.

4.2 Charges X

For the Changes as defined in Article 2 and any additional work which is not included in the Fixed Price, the following rates shall be applied for the services to be provided under this GTA until Dec. 31, 2020:

- 4.2.1 USD 70 (United States Dollars Seventy) per man-hour for X
hands-on labor;
- 4.2.2 USD 90 (United States Dollars Ninety) per man-hour for X
engineering labor.

4.3 Over and Above Services

Any services which are not expressly stated as included in the Fixed Price or as without additional costs to the Customer shall be additionally chargeable to the Customer.

4.4 Taxes

All taxes, duties and other expenses related to fulfillment of conditions of the present Contract in the Republic of the Union of Myanmar shall be paid by the Customer.

All taxes, duties and other expenses related to the fulfillment of conditions of the present Contract outside the Republic of the Union of Myanmar shall be paid by the Performer.

ARTICLE 5 PAYMENT

5.1 Payment Schedule for Fixed Price

The Customer shall effect the payment in accordance with the following amount and timeline:

- 20% of the Fixed Price shall be paid by the customer within 15 days after execution of this GTA, which to be notified that the date of come into force for GTA hereby both Parties;
- 30% of the Fixed Price shall be paid by the customer within 30 days after implementation of ITCM;
- 30% of the Fixed Price shall be paid by the customer within 15 days after arrival date of the aircraft at Conversion Site;
- 20% of the Fixed Price shall be paid by the customer within 30 days after completion of conversion work of aircraft according to this GTA.

Actual bank charges and commission for the banking transfer shall be borne by the Supplier.

If the Customer fails to pay any amount under this GTA, then the Supplier reserves the right to postpone the commencement of the work or suspend any or all work in progress until that amount is paid by the Customer. Additionally, the Supplier will not be obliged to redeliver the Aircraft to the Customer until the Customer has paid the payment.

5.2 Payment for Changes and Additional Services

Unless otherwise stated in the RFS or a separate agreement between the Parties, the charges for the Changes and Additional Services shall be paid within thirty (30) days following Supplier's invoice.

5.3 Payment Account

Payments shall be made in United States Dollars without any deduction by telegraphic transfer (wire transfer) to the following bank account:

Intermediary Institution: United Oversea Bank
A/C With Institution: 302 Tiong Bahru Road, #01-101/102, Tiong Bahru Plaza Singapore 168732
Swift Code: UOVBSGSG
Beneficiary: Asia Trading Group Pte Ltd
A/C No: 3939000834

The payment details included with the above telegraphic transfer shall cover remitting Party's name, contract reference and the number of invoices paid.

5.4 Dispute of Invoices

In case the Customer has any dispute on the amount of invoice, such dispute shall be sent to Supplier in writing within ten (10) days from the date of Customer's receipt of the invoice. Supplier and Customer will negotiate



The payment details included with the above telegraphic transfer shall cover remitting Party's name, contract reference and the number of invoices paid.

5.4 Dispute of Invoices

In case the Customer has any dispute on the amount of invoice, such dispute shall be sent to Supplier in writing within ten (10) days from the date of Customer's receipt of the invoice. Supplier and Customer will negotiate in good faith to resolve the disputed part of the invoice within twenty (20) days. Notwithstanding the dispute, the Customer shall effect the payment for the non-disputed amount to Supplier in accordance with Article 5.1 and 5.2 above.

The Supplier will charge the Customer interest on any overdue and non-disputed accounts at the rate of 1.25% per month, to be computed by the day.

In case any payment from the Customer is overdue for fifteen (15) days, Supplier has the right to suspend the services without incurring any liability to the Customer, until the Customer has paid off the outstanding invoice.

5.5 Lien

The Supplier will have a general and particular lien over each Aircraft and its engines, parts and components and over all other properties or goods owned or operated by the Customer or previously in the possession of the Customer which come into the possession or control of Supplier, its parent or any associated company, for all amounts and liabilities of whatever kind due or becoming due to Supplier from the Customer under this GTA.

If any amount due to Supplier referred to in this GTA is not paid to Supplier within thirty (30) days following the due date, Supplier may, from time to time and in such manner as it thinks, fit enforce the lien referred to in the paragraph above by selling or otherwise disposing of all or any Aircraft or any of its engines, parts or components or any other property or goods owned or operated by the Customer, and Supplier shall account to the Customer (or other persons entitled) for any balance remaining out of the

proceeds of such sale or other disposal after deducting all sums at the time due and owing to Supplier by the Customer and the expenses of such sale or other disposal. If Supplier makes any such sale or other disposal, Supplier shall not be liable for any losses, costs, liabilities, damages, actions, claims, proceedings, charges and expenses (including legal costs) suffered by the Customer arising from any such sale or disposal.

Without affecting Supplier's rights under this Article, title to all parts and components supplied by Supplier or any of its subcontractors in respect of any Aircraft shall only pass to the Customer when the Customer has paid all amounts owed or that may become owing to Supplier under this GTA. If the parts and/or components have been installed but not paid for, Supplier may remove any of them and the cost of doing so will be added to the amount due to Supplier from the Customer.

ARTICLE 6 WARRANTY

6.1 Standard Warranty

6.1.1 The Supplier warrants to the Customer that the Conversion Items and/or Spare Parts supplied by Supplier under this GTA shall be free from defects:

- i) in workmanship for the work performed by Supplier;
- ii) in design to the extent such Conversion Item or Spare Part is designed by Supplier; and
- iii) in material and manufacturing processes to the extent such Conversion Item or Spare Part is manufactured by Supplier;

The warranty period shall be twelve (12) calendar months or during the first three thousand (3,000) flight hours of operation, whichever occurs first, following: 1) Conversion Items: the date of acceptance of the Converted Aircraft by the Customer; or 2) Spare Parts: the delivery of Spare Parts by the Supplier to the Customer.

For the Conversion Item or Spare Parts which has been repaired or replaced under this warranty, the remaining period of this warranty shall apply.

If a Conversion Item or a Spare Part which is no longer covered by the standard warranty is repaired, overhauled or modified by Supplier at the Customer's expense, then such repair, overhaul or modification of said Conversion Item or Spare Part shall be warranted under the terms of the standard warranty for a further twelve (12) months period from the date of such repair, overhaul or modification.

6.1.2 For maintenance services provided by the Supplier, the following will apply:

Should any defects in the Supplier's workmanship be found within twelve (12) calendar months following the aircraft re-delivered by the Supplier then the Supplier shall rectify such workmanship defects at no cost to the Customer.

However, the Supplier's workmanship shall not be considered defective to the extent that it conforms to the manufacturer's specifications or applicable maintenance manual.

In the event of failure of any material supplied by the Supplier or defects of repair or overhaul of any parts or components subcontracted by the Supplier, the full benefits of any warranties therein provided by the supplier / manufacturer / subcontractor and enjoyed by the Supplier, shall be assigned to the Customer. The Supplier will co-ordinate with the supplier / manufacturer / subcontractor as required to ensure such assignment.

6.2 Warranty Repair

Supplier's liability under this warranty is limited to the repair at its cost of any Conversion Item, Spare Part, part, accessory or component which is defective, or replacement by a similar item free from defect at its cost including transportation (both ways) and packaging.

Subject to Article 6.3 below, if the Parties mutually agree that a defect is warrantable and that it is impracticable to perform the rectification by Supplier at Conversion Site or any other facility, the Customer may rectify the defect

by itself or by any other agreed third party and the Supplier will grant to the Customer a credit note in the amount of the reasonable direct labour and material costs (including the reasonable costs incurred by the Customer to deliver the affected part to and from any third party service provider's premises) to the extent incurred by the Customer only to rectify that defect.

However, the total amount of above costs which the Supplier reimbursed to the Customer shall not exceed the Supplier's invoiced charges to the Customer for the defective Services unless the Converted Aircraft will be in the situation of AOG (Aircraft on Ground) solely due to the warrantable defects if such defects are not rectified immediately.

The warranty terms in this GTA shall govern and apply to the warranty repair and remedy herein.

6.3 Limitation on Warranty

6.3.1 The Supplier's liability under this Article 6 shall not extend to normal wear and tear nor to:

- (i) any Converted Aircraft, Conversion Item, Spare Part, or any accessory or part thereof which has been repaired, altered or modified after redelivery except by Supplier or a party approved by Supplier;
- (ii) any Converted Aircraft, Conversion Item, Spare Part, or any accessory or part thereof which has been used, handled, stored, maintained, installed or operated other than in accordance with manufacturer's instructions, product specifications, accepted aviation practice, technical documentation, any other instruction issued by Supplier, or the rules, regulations and directives of relevant Aviation Authorities, or used for purposes other than which it was intended, or subject to any neglect, accident, incident, abuse or misapplication;
- (iii) Conversion Item, Spare Part, or any accessory or part thereof from which the trade mark, name, part or serial number or other identification marks have been removed;

unless in any such case (except in the case of (iii) above) the Customer can prove to Supplier that the defect did not arise from or was not contributed to by any one or more of the said clauses.

6.3.2 The Customer and Supplier expressly agree that the warranties and rights set out in this Article 6 are in lieu of and to the exclusion of:

- (i) any other warranty (including any implied warranty of merchantability or fitness for any particular purpose);
- (ii) any representation, guarantee or obligation Supplier, including any and all other rights, claim or remedies, express or implied by law, custom or course of dealing.

6.4 Assignment of the Warranty

The warranty set forth in this Article 6 is personal to the Customer and shall not be assigned without the prior written consent of Supplier which shall not be unreasonably withheld where the Customer requests to transfer the warranty to the Operator or owner of the Converted Aircraft as a result of sale, lease or financing between Customer and such Operator or owner.

ARTICLE 7 LIABILITY AND INDEMNITY

7.1 Title and Risk

7.1.1 Whilst under Supplier's care, custody or control, the Aircraft, Converted Aircraft, equipment, spares, supplies and property provided by the Customer shall at all times be and remain at the Customer's risk, however, Supplier shall provide reasonable space, security and other measures in line with normal industry practice for such purpose. Supplier shall be responsible for loss of or damage to the Aircraft, Converted Aircraft, equipment, spares, supplies and properties, but only if such loss or damage is caused by the act(s) or omissions(s) of Supplier or any of its directors, officers, employees, agents or subcontractor which are either done deliberately with

intent to cause loss or damage or recklessly and with knowledge that such loss or damage would probably result.

- 7.1.2 In such circumstances, Supplier shall be liable only for the direct and reasonable costs of promptly restoring, correcting, redelivering, repairing, rectifying or remedying the Aircraft, Converted Aircraft, equipment, spares, supplies and property.

7.2 The Customer's Indemnity

Save as expressly provided in Article 7.1, the Customer will indemnify and hold harmless Supplier, its directors, officers, employees, agents and subcontractors from and against any and all claims, demands, proceedings, losses, liabilities, costs and expenses in respect of:

- (i) delay, injury to or death of any person carried or to be carried on board an Aircraft or Converted Aircraft managed, owned or operated by the Customer or by the operator or end-user;
- (ii) injury to or death of any other person including but not limited to the Customer's and/or the operator and end-user's employees, officers and directors, agents and sub-contractors (other than any director, officer, employee, agent and/or subcontractor of Supplier engaged in the performance of Conversion Work); and
- (iii) damage to, or loss of, any property (including but not limited to the Aircraft, Converted Aircraft, equipment, spares, supplies and property of the Customer and third parties);

in each case caused by, arising out of or connected with this GTA unless such claims, demands, proceedings, losses, liabilities, costs and expenses results from the act(s) or omissions(s) of Supplier or any of its directors, officers, employees, agents or subcontractor which are either done deliberately with intent to cause loss or damage or recklessly and with knowledge that such loss or damage would probably result.

For clarity and notwithstanding anything to the contrary in this GTA, in the case of loss of or damage to the Aircraft, equipment, spares, supplies and properties, the Supplier shall be liable only for the direct and reasonable costs of restoring, correcting, redelivering, repairing, rectifying or remedying the Aircraft, equipment, spares, supplies and property which in any case shall not exceed USD1,000,000 for any one occurrence / aircraft but also in the annual aggregate. Both Parties have the responsibilities to mitigate the losses and damages.

7.3 Supplier's Indemnity

The Supplier will indemnify the Customer, its directors, officers, employees, agents and subcontractors from and against any and all claims, demands, proceedings, losses, liabilities, costs and expenses in respect of:

- (i) injury to or death of any employees, officers and directors, agents and sub-contractors of Supplier, and
- (ii) damage to or loss of any property of Supplier;

in each case caused by, arising out of or connected with this GTA unless such demands, proceedings, losses, liabilities, costs and expenses result from the act(s) or omissions(s) of the Customer or any of its directors, officers, employees, agents or subcontractor which are either done deliberately with intent to cause loss or damage or recklessly and with knowledge that such loss or damage would probably result.

7.4 Exclusion of Liability

7.4.1 Save as provided under Article 6 and 7, Supplier shall not be liable, in negligence or any other tort, in agreement, statute or otherwise at law, to the Customer at any time, for loss of, or damage to, the Aircraft, Converted Aircraft, equipment, spares, supplies or the Customer's property, arising out of the performance or non-performance of the Services .

7.4.2 For avoidance of doubt, the obligations and liabilities of Supplier under Article 6 and 7 hereof are in lieu of and shall expressly exclude any other liability of Supplier to the Customer or any other person howsoever arising for any direct, indirect, incidental, special or consequential loss or damage (including without limitation loss of business, loss of revenue or use, loss of profits, loss of anticipated savings, wasted or increased expenditure, diminution of value or loss of agreements).

7.5 Survivability

Each indemnity in this Article 7 will survive the termination of this GTA. An indemnified Party must make a claim under an indemnity set forth in this Article 7 at any time within one (1) year of becoming aware that it is entitled to make that claim.

7.6 Limitation of Supplier's total aggregate liability

In any event, and notwithstanding anything contained in this GTA, the total aggregate liability owed by the Supplier to the Customer for all claims, losses, costs or damages (including legal costs and expenses which the Customer incurs in defending any proceedings and any out-of-court settlement costs) and for any cause (including in contract or tort (including negligence or breach of statutory duty) shall not exceed the total amount of charges for the Services defined in this GTA.

ARTICLE 8 **INSURANCE**

8.1 Customer's Insurance

The Customer shall at the time of signing this GTA provide evidence satisfactory to Supplier that it or the Operator and end-user of the aircraft has in full force and effect appropriate insurance acceptable to Supplier in respect of the Aircraft, Converted Aircraft, equipment and spares thereof, other property and other goods subject to the Conversion Work under this GTA. Such insurance must include:

8.1.1 aviation third party liability and comprehensive general third-party liability including airline passenger, baggage, cargo and mail; and

8.1.2 all risks (including war) to the Aircraft, Converted Aircraft, equipment, spares, supplies and property in respect of loss of or damage whilst flying or on the ground.

8.2 Endorsement of the Customer's Insurance

The Customer will arrange for the hull and spares and liability insurance cover obtained, with respect to any aircraft to which this GTA applies, to be endorsed against its contractual liabilities under this GTA to the extent of the risks covered by the insurance policies:

8.2.1 to waive rights of subrogation in respect of its insurances; and

8.2.2 to include Supplier, its directors, officers, agents, subcontractors and employees as additional insureds on its liability insurances for their respective rights and interests subject to a severability of interest clause and shall:

- (i) provide that the indemnified Parties shall not be prejudiced by any breach of warranty or other act or omission (including misrepresentation and non-disclosure of any person or party and late notification of a claim to insurers) provided that the party so protected has not contributed to or knowingly caused the said act or omission;
- (ii) provide that such insurances shall be primary and without right of contribution from any other insurance as may be available to the additional insureds;
- (iii) provide not less than 30 (thirty) days (7 (seven) days or such lesser period as may be available in respect of war and allied perils risks) advance written notice to Supplier of cancellation of the insurance or material alteration or reduction in coverage or the insured limits.

8.3 The Supplier's Insurance

The Supplier shall at the time of signing this GTA provide evidence satisfactory to the Customer that it has in full force and effect appropriate insurance for the period of the Conversion Work being performed and for not less than two years after redelivery of the Converted Aircraft, which shall include Aviation Liability Insurance (including hangar keepers liability, product liability and premises liability).

ARTICLE 9 CERTIFICATION

- 9.1 The Customer understands and agrees that Supplier may, at its sole discretion, work with its partner to fulfill its obligations as required under this Article 9, provided Supplier shall cause its partner to comply with this Article 9 and Article 16 Confidentiality. For the purpose of this Article 9, "Supplier" shall mean Supplier and/or its partner for the certification process.
- 9.2 Supplier shall be responsible for designing the Conversion Work in conformity with all applicable regulations and certification requirements.
- 9.3 Supplier shall obtain Hong Kong Civil Aviation Department ("HKCAD") STC certification for the Conversion Work. The Supplier will provide a certification plan in support of applicable requirements of Aviation Authority. Changes resulting from Aviation Authority revised interpretations or new rules will be processed in accordance with Article 2.4.
- 9.4 The Supplier shall be the STC applicant, holder and owner.
- 9.5 Should the Aircraft configuration is not HKCAD compliant and airworthy, mandatory rectification performed prior to Conversion Work may impact the work schedule. The Supplier will notify the Customer immediately and mutually agree an acceptable revised program schedule and cost.

ARTICLE 10 INTELLECTUAL PROPERTY RIGHTS

10.1 Ownership and License

10.1.1 The Parties acknowledge that the performance of this GTA will result in the creation and development of drawings, any sort of data (including but not limited to technical data, database, data packages for simulators), processes, methods, algorithms, any technical-related documentation and documents, any software (including but not limited to design tools, development tools, simulation tools, testing tools) related to the Conversion Item, or to tooling, or moulds, copyrights, registered designs and other designs (the "IP"). Supplier or its suppliers or subcontractors shall be the sole owner and have full title to such IP, upon such creation or development.

10.1.2 The Supplier hereby grants to and will use commercially reasonable efforts to cause its suppliers or subcontractors to grant to the Customer, a non-exclusive license to use the IP only for the purposes of its proper operating of the Converted Aircraft. The Customer undertakes that the IP shall not, except with the prior written permission of Supplier and its suppliers or subcontractors, be used for any other purpose than for operating and maintenance of the Converted Aircraft.

10.2 Infringement

10.2.1 As from the effective date of this GTA and as long as the Converted Aircraft remains in service, Supplier shall hold the Customer, the operator, their agents, successors and assignees, harmless against all third party claims in connection with the relevant Conversion Item or Spare Parts when the alleged or actual infringement by Supplier relates to intellectual property rights belonging to a third party other than the Supplier's subcontractors or suppliers, and Supplier agrees to bear the direct costs in connection with such alleged infringement, including reasonable legal fees that may be incurred by the Customer as a consequence which, however, shall not exceed the total charges of design and certification fee defined in this GTA.

10.2.2 Notwithstanding Article 10.2.1, to the extent any claim is based on the Customer provided drawing, design, technical data or any item of the Aircraft or any items provided by the Customer, or the use of the Converted Aircraft in a way other than the purpose it was

intended, or the use or sale of Conversion Items or Spare Parts in combination with any items (i) not supplied by Supplier or (ii) supplied by the Customer when such infringement would not have occurred from the use or sale of Conversion Items or Spare Parts solely for the purpose for which they were designed or sold by Supplier, Supplier shall have no liability hereunder and the Customer shall indemnify and hold Supplier, their agents, successors and assignees, harmless against such alleged or actual infringement, and bear the costs in connection with the alleged infringement, including reasonable legal fees that may be incurred by Supplier as a consequence thereof.

- 10.2.3 Either Party shall immediately inform the other in case of any claim, suit or action being brought by a third party against it with respect to the relevant Converted Aircraft or any part thereof related to the Conversion Work on the basis of the infringement of intellectual property rights.
- 10.2.4 In the event of infringement alleged under clause 10.2.1 above, the Supplier will, upon the mutual agreement, conduct the claim and/or defend the suit in which case the Customer shall provide the Supplier with reasonable assistance as requested by the Supplier, or require the Customer to conduct all claims and defend any suit or proceeding brought against the Supplier.
- 10.2.5 In case the Converted Aircraft or any part thereof is held as the final conviction to infringe the intellectual property rights of a third party, Supplier shall, at its sole discretion and costs, and within a timeframe compatible with the Customer business needs either (i) obtain the right for the Customer to continue using and operating the Converted Aircraft for which the Conversion Work has been performed according to the terms of this GTA, or (ii) replace or modify the infringing technology so that the Converted Aircraft ceases to infringe, while fulfilling all requirements defined by this GTA.

ARTICLE 11 **DURATION AND TERMINATION**

- 11.1 This GTA shall become effective as from the date first written in this GTA.

11.2 Termination for breach

Either Party may terminate this GTA by sending a written notice to the other Party if:

- 11.2.1 subject to Article 11.3, that other Party commits a material breach of its obligations under this GTA and, in the case of a breach capable of remedy as determined under Article 11.4, such breach is not remedied within sixty (60) days of that other Party being specifically required to do so;
- 11.2.2 a receiver, manager, administrator or like person takes possession or is appointed of the whole or any substantial part of the undertaking or property of that other Party;
- 11.2.3 an order is made by the court for the winding-up of that other Party or a resolution is passed by the shareholders of that other Party for its winding-up, except for the purposes of amalgamation or reconstruction in such manner that the resulting company is bound by and assumes the obligations imposed on that other Party by this GTA;
- 11.2.4 other Party ceases to pay its debts or becomes unable to pay its debts, or ceases or threatens to cease to carry on all or any substantial part of its business;
- 11.2.5 other Party disposes of the whole or any substantial part of its undertaking or assets;

Supplier will forthwith terminate this GTA without incurring any liability by sending a written notice to the Customer if:

For the purpose of this Article, all reference to "the Customer", "the Operator", "end-users" shall include their employees, officers, servants, agents and subcontractors.

11.2.6 the Customer, the Operator and the end-user of the Aircraft/Converted Aircraft fails to provide a written guarantee that the end-use of the aircraft after the completion of the Services will be solely for civilian or governmental transportation; or the Customer, the Operator or the end-user of the Aircraft/Converted Aircraft fails to comply with the terms in such guarantee.

11.2.7 the Customer, the Operator or assumed end-users of the Aircraft/Converted Aircraft is named on any international import/export control, financial or trade sanction list (or equivalent) as an individual or an entity;

11.2.8 the Customer, the Operator or assumed end-users of the Aircraft/Converted Aircraft fails to comply in full with import/export laws including, but not limited to, Export Administration Regulations ("EAR"), International Traffic in Arms Regulations ("ITAR"), regulations and orders administered by the Treasury Department's Office of Foreign Assets Control of the United States of America, and Regulations administered by the European Union (collectively "Export/Import Laws");

11.2.9 the Customer, the Operator or assumed end-users of the Aircraft/Converted Aircraft fails to sign and comply with end-use/end-user certificates requested by any external manufacturer, subcontractor or supplier involved with the project under this GTA;

11.2.10 anything having a similar effect with any of the events referred to in Articles 11.2.2, 11.2.3, 11.2.4, 11.2.5, 11.2.6, 11.2.7, 11.2.8 and 11.2.9 under the law of any jurisdiction occurs in relation to that other Party.

11.3 Remedy of Breach

For the purposes of Article 11.2.1, a breach will be considered capable of remedy if the Party in breach can comply with the provision in question in all respects to the reasonable satisfaction of the other Party, other than as to

the time of performance, provided that time of performance is not of the essence.

11.4 Rights Accrued

The termination of this GTA referred to in Articles 11.2 will be without prejudice to any rights, obligations and liabilities of any Party which have accrued at the time of termination.

In case of termination, the Customer shall pay to Supplier all justified costs incurred by Supplier, including, but not limited to, the manufacture of any parts or Spare Parts, any parts or services that Supplier has purchased in order to fulfill its obligations and any non-recurring work (engineering and certification services) and recurring work performed under this GTA up to and including the date of receipt of notice of termination. Such cost shall be paid by the Customer within thirty (30) days from the date of Supplier's invoice. The Customer shall be entitled to take back and transfer at its own cost, the Aircraft and all documentation relating to the Conversion Work still in Supplier's possession.

ARTICLE 12 FORCE MAJEURE

- 12.1 Either Party shall be exempt from liability in respect of any failure in performance caused by factors beyond its reasonable control and not due to its fault or negligence. Such causes shall conclusively be deemed to include, but not be limited to, acts of God or public enemy; national emergencies; war or war risks; civil disturbances; insurrections or riots; strikes or labor troubles; hijacking; sabotage, epidemics or quarantine restrictions, unusually severe weather; typhoon; fire; flood or other catastrophes; explosion; compliance with any law or governmental order, rule, regulation or direction; breakdown of machinery or plant (unless caused by that Party's negligence or willful misconduct).
- 12.2 In case the Force Majeure lasts or is anticipated to last more than ninety (90) days, either Party may terminate forthwith this GTA (in whole or in part) by serving a written notice of termination to the other Party without incurring

any liability whatsoever. However, the Customer shall pay to Supplier all justified costs incurred by Supplier in accordance with Article 11.4.

ARTICLE 13 **ACCEPTANCE FLIGHT**

- 13.1 In the event that as result of the said inspection or of the Acceptance Flight(s), the Conversion Work is found not having been performed in accordance with this GTA and such finding is attributable to the workmanship of Supplier, Supplier shall immediately upon the conclusion of the inspection or Acceptance Flight(s): (i) propose a program for the remedy of such failure and, (ii) rectify or modify the defects which is attributable to the workmanship of Supplier at its own expense.
- 13.2 The Customer shall be responsible for the risk and insurance of the Converted Aircraft and the flight crew required for such Acceptance Flight(s).

ARTICLE 14 **LOGISTICS SUPPORT**

14.1 General

For the Aircraft, material, parts, tools and equipment which were either delivered by the Customer or its suppliers, removed from the Aircraft, or purchased from Supplier, Supplier will, upon request of the Customer, provide logistics support for the import and/or export of such items to and/or from Conversion Site. The Customer shall reimburse Supplier for its costs in related to the support of handling such Aircraft, material, parts, tools and equipment, including but not limited to, packaging, shipping, insurance, premium for expedite services, local transportation, customs clearance, scrapping and taxes if any, which are not included in the Fixed Price.

14.2 Obligations of the Customer

- 14.2.1 The Customer authorizes the Supplier to handle customs clearance of inbound/outbound Aircraft and material. However, the Customer

shall be liable to provide accurate and complete documents for local customs import clearance as well as quarantine inspection, such as but not limited to, packing list, Airway Bill Number, invoice and, as applicable, kit content list of SB/EO/Mod, WPM certification and/or wood treatment as per ISPM 15 standard. Any customs clearance detention, fines, extra expenses and/or taxes due to the discrepant documents provided by the Customer, shall be borne by the Customer. For any ferry flight, it is not allowed to have any personnel on board except flight crew, or any cargo except the materials for the maintenance or modification purpose.

- 14.2.2 In case the material supplied by the Customer is found damaged or the documentation of such material is found discrepant, such material shall be quarantined in accordance with Supplier's Engineering Procedure Manual. Supplier will inform the Customer in such cases as soon as it becomes aware of it, and the Customer shall be responsible for clearance of such quarantined material.
- 14.2.3 The Customer shall specify, during the Aircraft downtime, or at least within thirty (30) days after the redelivery, the material, parts, tools and equipment which were either delivered by the Customer or its suppliers, removed from the Aircraft, or purchased from Supplier, shall be shipped to the location designated by the Customer, or scrapped locally if so approved by the relevant authorities. Otherwise, subject to the volume and the numbers of residual items, Supplier shall charge the Customer for the space occupancy.
- 14.2.4 The dangerous materials, such as but not limited to, pressurized bottles, oxygen bottles, life jackets, exit signals, shall be returned to the place where it comes from or be exported to any other place designated by the Customer and agreed by Supplier.
- 14.2.5 The risk of material, parts, tools and equipment during the transport to and/or from Conversion Site shall be with the Customer, and Supplier will not insure such material, parts, tools and equipment, unless otherwise requested by the Customer in writing, in which case the additional insurance costs shall be borne by the Customer.

14.3 Support from Supplier

- 14.3.1 All the Customer's inventory should be stored in the secured and dedicated area within Supplier's stores without additional expenses to the Customer.
- 14.3.2 Unless otherwise stated in this Article 14, the receiving inspection, storage and dispatch inward and outward Conversion Site shall be provided free of charge for the material, parts, tools and equipment delivered by the Customer.
- 14.3.3 Supplier will assist the Customer with the local customs import formalities based on the information and documentation provided by the Customer.
- 14.3.4 For the export of the Aircraft, material, parts, tools and/or equipment, Supplier will prepare the required documentation, and the Customer shall provide all assistance necessary at its own cost.

ARTICLE 15 DOCUMENTATION

- 15.1 The Customer will be responsible for and furnish to Supplier the updated technical data, drawings and manuals required for the Conversion Work in a timely manner and suitable for the intended purpose, including but not limited to the data requirements as listed in the Data Requirements section of the Technical Proposal (*insert final reference*) relating to the services as agreed by the Parties.
- 15.2 In case the Customer is not able to provide the required technical data, drawings and manuals within a timeframe compatible with the conversion progress, Supplier will assist as necessary, however all the expenses arising shall be borne by the Customer.

ARTICLE 16 CONFIDENTIALITY

- 16.1 The Parties have agreed to consider the present Contract and its Annexes as confidential. Neither Party shall be entitled to disclose, divulge, transfer to any third parties, except the authorized representatives and state authorities of the Performer and the Customer, the information regarding fulfillment of the conditions of the present Contract, without prior written consent of the counter Party. The necessary information can be transferred to authorized representatives or state authorities of the Parties only in scope, stipulated by current legislation.
- 16.2. Information regarding scope of performance under the present Contract shall be treated by both Parties in strict confidentiality.

ARTICLE 17 **GOVERNING LAW AND DISPUTE RESOLUTION**

- 17.1 The governing law of this Contract shall be Law of the Republic of the Union of Myanmar.
- 17.2 The Parties have agreed that all disputes that may arise under the present Contract and related to fulfillment of the obligations of the present Contract shall be settled through amicable negotiations.
- 17.3 In case if the disputes mentioned above cannot be settled through negotiations, as stipulated in paragraph above of the present article, they shall be transferred for arbitration to Arbitration Court of the Union of Myanmar, with two Arbitrators, one of which shall represent interests of the Performer and the other shall represent the interests of the Customer. In case if nominated Arbitrators fail to settle arisen disputes, such disputes shall be transferred to an Umpire, nominated by the two Arbitrators. If the Arbitrators fail to agree upon the nomination of the Umpire, each Party shall be entitled to submit a claim to correspondent court, in order to appoint the Umpire according to Article 8 of the Myanmar Arbitration Law 2016 (the PyindaungsuHluttaw Law No.5/2016). The decision of Arbitrators or of Umpire shall be final and bounding for both Parties.
- 17.4 Arbitration proceedings shall fully comply with Myanmar Arbitration Law 2016 (the PyindaungsuHluttaw Law No.5/2016) or any other amendments to it. The language of arbitration proceedings shall be English. Court

expenses shall be borne by the defeated party. Place of Arbitration shall be Yangon, Republic of the Union of Myanmar.

ARTICLE 18 **GENERAL PROVISIONS**

18.1 Headings

The Article headings do not form a part of this GTA and shall not affect the interpretation of this GTA.

18.2 Waiver

Failure by either Party at any time to enforce any of the provisions of this GTA shall not be construed as a waiver by such Party of such provisions or in any way affect the validity of this GTA or any part thereof.

18.3 Amendment

This GTA shall not be amended in any way other than by agreement in writing, executed by the Parties hereto after the date of this GTA.

18.4 Entire Agreement

The Parties have negotiated this GTA on the basis that its provisions represent their entire agreement and that it excludes any other provisions.

18.5 Severance

If any of the provisions of this GTA are held unlawful or otherwise ineffective or unenforceable by any tribunal of competent jurisdiction, the remainder of this GTA shall remain in full force. The unlawful or otherwise ineffective or unenforceable provision shall be substituted by a new provision, mutually agreed upon by the Parties or if the Parties cannot reach such agreement shall be decided by the competent tribunal, which shall reflect the intent of the Parties in the provision so substituted.

18.6 Assignment

No Party may assign any of its rights or obligations under this GTA without the prior written agreement of the other Party to this GTA. The Supplier shall not sub-contract the whole of its obligations under this GTA unless otherwise agreed by the Customer's in writing.

18.7 Notices

All notices and requests under this GTA shall be in writing in English and shall be sent by registered airmail, facsimile transmission or email to the address of the other party set out below (or to such other address as one party may notify the other from time to time). A notice or request will be deemed to have been given (in the case of delivery by airmail) seven (7) days after posting, and (in the case of facsimile transmission or email) one (1) day after it was sent.

Office of the Commander in Chief(Air)

Nay Pyi Taw, Republic of the Union of Myanmar.

Attention: [General Staff Office Grade 1 (Duty)]
Tel No.: [036 – 30687]
Fax No.: [067 - 416074]
E-mail: []

AERO SOFI CO., LTD

Pyay Road, No. 206 Novotel Yangon Max Hotel, No. 459, (8) Ward,
Kamayut Township,
Yangon, Myanmar

Attention: [Managing Director, Patrick Aung]
Tel No.: [0943024588]
Fax No.: [01 – 230 6314]
E-mail: [patrick@aerosofi.com]

18.8 Third Party Rights

Each Supplier's employees, officers and directors, agents and sub-contractors and Customer's employees, officers and directors, agents and sub-contractors may enforce and enjoy the benefit of any provision expressly in its/his favour under this GTA.

Other than each Supplier's employees, officers and directors, agents and sub-contractors and Customer's employees, officers and directors, agents and sub-contractors in respect of the provisions expressly in its/his favour under this GTA, a person who is not a party to this GTA has no right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) or otherwise to enforce or enjoy the benefit of any term of this GTA.

Notwithstanding any term of this GTA, the consent of any person who is not a Party is not required to rescind or vary this GTA at any time.

18.9 Environmental Consideration

The Customer shall ensure that all Services are carried out with minimal adverse environmental impact on the Supplier, its personnel and any other interested parties and that all Services provided are in compliance with the applicable environmental laws and regulations at all times. In the event of the Supplier incurring any costs (including legal costs), expenses or liabilities or suffering from loss or damage arising from acts, omissions, default or negligence of the Customer or in connection to events attributable to the Customer's breach of any of its obligations under this GTA, the Customer shall indemnify the Supplier for all such costs, expenses, liabilities, loss and damages.

18.10 Code of Conduct

The Customer shall comply with the current Supplier Corporate, Social and Environmental Responsibility Code of Conduct ("Code of Conduct") at all times. The Code of Conduct is published on website (currently at www.haeco.com/en/About-HAECO/Ethics-and-Conduct). If the Customer becomes aware of any breach of the Code of Conduct during the performance of this GTA, then it is required to notify the Supplier as soon as reasonably practicable and take corrective actions within reasonable time. Otherwise, the Supplier may give written notice to terminate this GTA without any compensation on costs incurred.

ARTICLE 19 **EXPORT CONTROL**

For the purpose of this Article, all reference to "the Customer" shall include the Customer's their employees, servants, agents and subcontractors, the operator and end-user of the Aircraft/Converted Aircraft and their employees, servants, agents and subcontractors.

- 19.1 In performing the obligations of this GTA, the Customer and the Supplier shall comply with all applicable export, import and sanctions laws, regulations, orders, and authorizations, as they may be amended from time to time, applicable to the export (including re-export) or import of goods, labor, software, technology, or technical data or services, including without limitation the Export Administration Regulations ("EAR"), International

Traffic in Arms Regulations ("ITAR"), regulations and orders administered by the Treasury Department's Office of Foreign Assets Control of the United States of America, and regulations administered by European Union (collectively, "Export / Import Laws").


- 19.2 Supplier will not be liable to the Customer for any breach resulting from government actions which impact the Supplier's ability to perform, including but not limited to: (1) refusal to grant export or re-export license; (2) cancellation of export or re-export license; (3) any subsequent interpretation of United States or European Union export laws and regulations, that limits or has a material adverse effect on the cost of Supplier's performance under this GTA; or (4) delays due to the Customer's failure to follow applicable import, export, transfer, or re-export laws and regulations.
- 19.3 The Customer is aware that the Export / Import Laws may impose restrictions on the Customer's use of the goods, services, or technical data, or on their transfer to third parties. The Customer will immediately notify the Supplier and cease any activities with regard to the transaction in question if the Customer knows or has a reasonable suspicion that the products, technical data, plans, or specifications may be redirected to other countries in violation of export control laws. If the Customer fails to abide by the Export / Import Laws, then it is required to take corrective actions within reasonable time. The Supplier is entitled to forthwith terminate this GTA without any liability to the Customer.
- 19.4 The Party conducting the export or import shall obtain all export or import authorizations which are required under the Export / Import Laws for said party to execute their obligations under this GTA. The Customer and the Supplier shall reasonably cooperate and exercise reasonable efforts at its own expense to support the other Party in obtaining any necessary licenses or authorizations required to perform its obligations under this GTA. Reasonable cooperation shall include providing reasonably necessary information and documentation, including import, end-user and retransfer certificates.
- 19.5 Notwithstanding any other provision of this GTA, in the event of the Supplier incurring any costs (including legal costs), expenses or liabilities or suffering from loss or damage arising from Customer's non-compliance or in connection to events attributable to the Customer's breach of any of its

obligations under this Article, the Customer shall indemnify and hold harmless the Supplier from and against all such costs, expenses, liabilities, loss and damages.

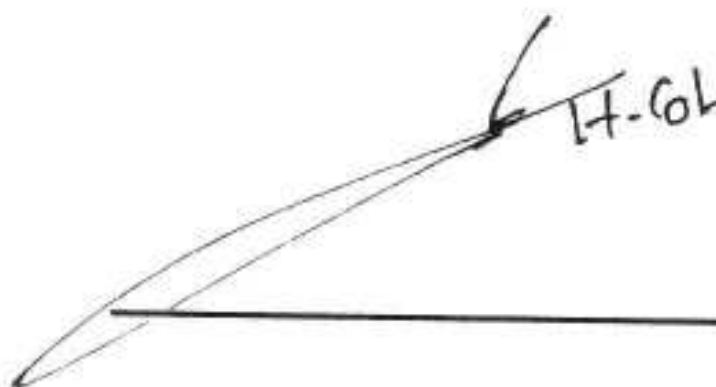

- 19.6 If manufacturer, subcontractor or supplier involved with the project under this GTA request the Customer to sign end-use/end-user certificates, the Customer shall sign and comply with all the requirement specified therein without any condition.

(Intentionally Left Blank)

IN WITNESS WHEREOF the Parties hereto have caused this GTA to be duly signed by both Parties.


Signed by
for and on behalf of

OFFICE OF THE COMMANDER IN CHIEF (AIR)
Brigadier General Soe Tin Latt,
Brigadier General Staff (Air),
(Operation and Duty)

 Lt-Col _____ in the presence of  _____


Signed by
for and on behalf of
AERO SOFI CO., LTD

Mr. Patrick Aung
Managing Director

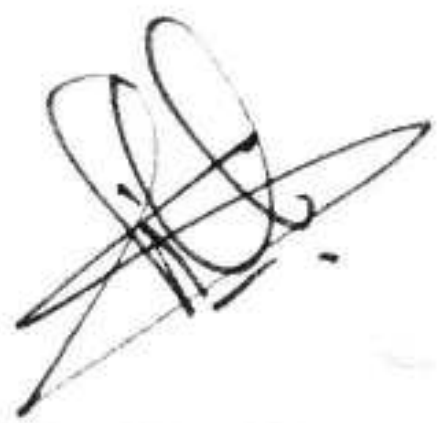

_____ in the presence of _____
SAI KHAM POK HPA



Exhibit A – Work Scope

- a) Total three (3) Zones for Cabin;
- b) Zone 1 – two (2) VIP seats with meal table coming out from side wall; and privacy curtains
- c) Zone 2 – sixteen (12) Business Class seats; two (2) under bin closets;
- d) Zone 3 – sixty (60) economy class seats of 3-3 configuration;
- e) Curtain between Zone 1 and Zone 2;
- f) Cabin IFE Wi-Fi and moving map for Zone 1 and 2;
- g) New carpet replacement in Zone 1 and 2;
- h) PSU will be relocated according to the new LOPA;
- i) In seat power outlet will be installed for Zone 1 and 2 seats.
- j) Liquid print and leather material for cabin furnishing in Zone 1;
- k) Aviation standard material for cabin furnishing in Zone 2 and 3;
- l) Cockpit and cabin refurbishment in accordance to the original cabin design;
- m) New livery painting;



Exhibit B – Layout of Passenger Accommodation

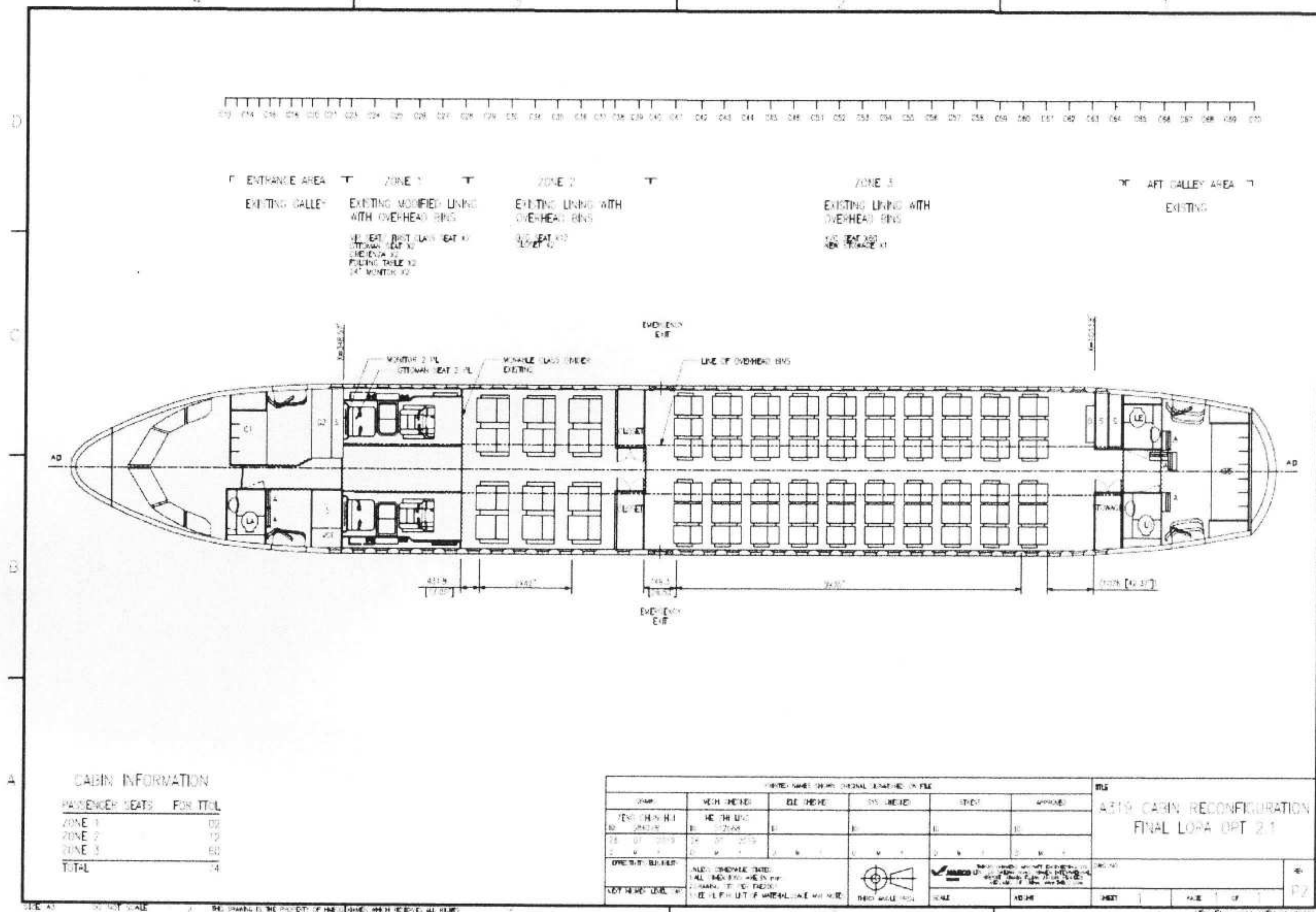


Exhibit C – Key Milestone Dates

- Date of commencement of ITCM:
- Date of commencement of PDR meeting:
- Date of commencement of CDR meeting:
- Date of delivery of the Aircraft:
- Date of commencement of acceptance check by the Customer:
- Date of redelivery of the Converted Aircraft to the Customer:

Exhibit D – Conversion Program Chart

(to be inserted)

Exhibit E – Specification

(to be inserted after CDR meeting and when execution by the Parties will be a part of this
GTA)

Exhibit F – Pricing

Item	Description	Price (USD)
Non-Recurring Cost		
1	Two (2) VIP Section - Zone (1)	\$1,524,388
2	Twelve (12) Business Class Section – Zone (2)	\$749,449
3	Sixty (60) Economy Class Section – Zone (3)	\$172,260
4	Others	\$2,383,569
Subtotal:		\$4,829,666
TOTAL:		\$4,829,666

Terms, conditions and assumptions:

Exhibit G – After-Sale Support
(if required by the Customer)

1. The contact point for after-sale support is as follows:
Name:
Title:
Tel.:
E-mail:
2. The Supplier will response the Customer's request within 48 hours upon receipt of such request.
3. Additional spare parts related to cabin interior can be procured by the Supplier on behalf of the Customer at request. The acquisition cost will be at Customer's cost.

Exhibit H – Request for Study Form

Request for Study (RFS)

Customer		Reference No.	
A/C MSN		Anticipated Reply Date	
Subject			
Change Request Description			
Cause of Change			
Originated by	Name	Signature	Date

RFS Reply Form

Rev. ____

Technical Reply & Proposed Solution							
Object	P/N	Unit Cost	Handling Charge	Qty	Total Cost	Lead Time	Additional Weight (kg)
Material							
Production							
Engineering							
Certification							
Impact	A/C Performance	Certification			Total Cost	Redelivery Date	Total Weight (kg)

Accept ☐

Reject ☐

(Note: all costs are indicated in USD)

Customer's Representative	Supplier's Representative
Name: Date: Signature:	Name: Date: Signature:

Exhibit I – Delivery Receipt

This is to certify that care, custody and control of the equipment specified below passed from Myanmar Air Force (the "**Customer**") to Aero Sofi. Co., Ltd. (the "**Supplier**") on [Insert Date] at the Supplier's facility Xiamen Gaoqi International Airport in accordance with the General Terms Agreement dated _____ (Reference: _____) (the "**GTA**").

Received from the Customer the following Aircraft under GTA:

Aircraft Type	A319-112
Aircraft Registration Number	XY-AGR
Aircraft Flight Hours	
Aircraft Flight Cycles	
Aircraft Manufacturer's Serial Number	1791
Engine Serial Numbers	575909/575910

The Loose Equipment Check List, if applicable, shall be deemed as attached as Annex 1.

The observed defects are listed in the Aircraft Exterior Damage Chart, if applicable, shall be deemed as attached as Annex 2.

Agreed fuel remaining on board per cockpit gauges at time of arrival: _____

Confirmed on behalf of
Myanmar Air Force

Signed on behalf of
Aero Sofi

Signed: _____

Signed: _____

Name: _____

Name: _____

Title: _____

Title: _____

Dated: _____

Dated: _____

Exhibit J – Redelivery Receipt

This is to certify that care, custody and control of the equipment specified below passed from Aero Sofi. Co., Ltd. (the "**Supplier**") to Myanmar Air Force (the "**Customer**") on [Insert Date] at the Supplier's facilities at the Xiamen Gaoqi International Airport in accordance with General Terms Agreement dated _____ (Reference: _____) (the "**GTA**").

Received from the Supplier the following Aircraft under GTA:

Aircraft Type	A319-112
Aircraft Registration Number	XY-AGR
Aircraft Flight Hours	
Aircraft Flight Cycles	
Aircraft Manufacturer's Serial Number	1791
Engine Serial Numbers	575909/575910

Agreed fuel remaining on board per cockpit gauges at time of departure: _____

Confirmed on behalf of
Myanmar Air Force

Signed on behalf of
Aero Sofi. Co., Ltd.

Signed: _____

Signed: _____

Name: _____

Name: _____

Title: _____

Title: _____

Dated: _____

Dated: _____



Key Meeting Details

Intermediate Technical Coordination Meeting (ITCM):

Location – Either HAECO Xiamen or Naypyitaw

High Level:

Detailed Review of the Project – Identify Design Directions & Launch of Technical Studies.

Subjects to be prepared for/addressed by HAECO and the Customer (where applicable):

1. Certification authorities.
2. Draft outfitting schedule presentation – secure confirmation of the schedule
3. Identify any new customer request (if any at this stage). Identify FEASIBILITY of new customer request (RFS) – Launch new request for study
4. Review Supplier needs for OEM/Customer documentation.
5. Prepare & present bank of Colours & Materials, pieces of hardware, plating etc to support and further gauge the Customer's design preference
6. PDR / CDR date validation
7. Get design direction around presentation of harmonies and material. Define interim dates/needs for design meeting. Get customer inputs/experience
8. Identify those items part of the Colours and Materials which are eventually out of the conversion budget
9. Review rendering and elevation drawing requirements for PDR (number, cabin zones).
10. Review main vendor selection proposed by the Supplier – need input from HAECO on material suppliers
11. Identify potential deviations to certification.
12. Action item list update.
13. Quality Gate Matrix Roadmap update and present individual Quality Gate dashboard.

Customer Responsibility:

1. Provide general or detailed inputs in all aspects of the VIP Cabin
2. Confirm Authority, Operator, MRO, Registration, ATC-S, SELCAL, SATCOM provider...





Preliminary Design Review (PDR):

Location – Either HAECO Xiamen or Naypyitaw

High Level:

Review and amend Elevations – Confirm Design Directions & desired Technical Studies. Present designs and supporting documents (elevation drawings, styling drawings, moulding drawings, floor plan, 3D renderings, colour & material board) to the customer, as agreed in the contract.

Subjects to be prepared for/addressed by HAECO and the Customer (where applicable):

1. Prepare PDR meeting preparation checklist and Quality Gate Dashboard
2. At, or shortly before PDR, summarise the technical & commercial elements of the additional studies (RFS answers).
3. Present Detailed Conversion Milestones.
4. Present Vendor pre-selection and Procurement schedule
5. Present several boards of harmonies based upon ITCM/Customer inputs, as well as to propose a bank of available samples from Design Studio to adjust customer selection on site.
6. Present several CARPET & Liquid Print samples matching each of those harmonies.
7. Present at least one representative DIGITAL RENDERING per proposed harmony.
8. Present Colours & Materials, pieces of hardware, to support Customer's design preference.
9. Present and Red-Mark the ELEVATIONS according to Final Customer's inputs.
10. Present and Red-Mark the SYSTEMS according to Final Customer's inputs.
11. Present and Red-Mark detailed interface and finish drawings according Final Customer's inputs.
12. Prepare PDR GENERIC AGENDA and Material Presentation checklist.
13. Provide customization milestones of SEATS, IFE and AIRSHOW. A matrix shall detail, for each area, the scheduled dates of ITCM, PDR, CDR, FAI and ODD.
14. Right after PDR, start updating the boards for submittal and validation by the principal for CDR
15. Right after PDR, launch the update of the ELEVATIONS and SYSTEMS according to the CUSTOMER red-marks, for readiness at CDR (Main driver to duration between PDR & CDR)
16. Action item list update.
17. Quality Gate Matrix Roadmap update and present individual QG dashboard.
18. Identify potential deviations to Certification.
19. Identify potential weight impact to Aircraft allowances.
20. Identify new FEASIBILITY of new customer request (RFS) – Propose process if deemed feasible.





21. Identify items out of conversion budget (Unreasonably expensive amenities or materials...). Propose RFS prior decision.

Customer Responsibility:

1. Confirm Authority, Operator, MRO, Registration, ATC-S, SELCAL, SATCOM provider, Place of crockery and distribution in the aircraft, advises if decorative elements foreseen...
2. Selects base Harmony (Board) with eventual modifications (using bank of materials) and livery design





Critical Design Review (CDR):

Location – Either HAECO Xiamen or Naypyitaw

High Level:

FREEZE Elevations, Systems, Options, Design & Harmony.

Subjects to be prepared for/addressed by HAECO and the Customer (where applicable):

1. Prepare CDR meeting preparation checklist and Quality Gate Dashboard.
2. Present Detailed Conversion Milestones.
3. Confirms the customization milestones of SEATS, IFE and AIRSHOW. A matrix shall detail, for each area, the scheduled dates of ITCM, PDR, CDR, FAI, ODD and a notification of the meeting for which the customer presence is Mandatory.
4. Confirm Vendor selection and Procurement schedule. CDR achieved and P/O launched.
5. Launch the creation of ALL the DIGITAL RENDERINGS per the selected harmony. (Note: It must be mentioned to the end customer during ITCM, that the earlier the selection of harmony, the better the chance to dispose of representative RENDERINGS before CDR, leaving margin for adjustment before CDR.)
6. Propose an updated ELEVATION and SYSTEM package including all agreed red-markings noted during PDR.
7. Printout datasheets, pictures, real samples of all visible pieces of hardware for REFERENCE data, SIGNATURE and attachment to the CDR MoM. (Note: The objective here is to have all cabin visible items timely validated and agreed by the end customer. During CDR, the end customer APPROVE and SIGN exclusively for what is presented by the SUPPLIER during the CDR. Items not presented, hence not validated, eventually subject to dispute at a later stage of the program, will be deemed as "not having been approved", and therefore potentially subject to heavy reworks from the SUPPLIER.)
8. Present Mapping of vendors intervening in the VIP Layout.
9. Prepare all required Technical Specification.
10. Review loose equipment list as per CDN
11. Review crockery/china list and storage details, if applicable
12. Action item list update.
13. Quality Gate Matrix Roadmap update and present individual QG dashboard.
14. Submit application to HKCAD
15. VALIDATE and SIGN the whole design package, eventually with RED-MARKS, if agreed by all parties during the CDR meeting.
16. Select & Sign the board of harmonies and additional/alternate samples finally selected by the principal. (Note: Deviation to this deliverable can be tolerated by the Supplier if not all the materials could be presented to the end customer with a sufficient margin to allow the principal to make a selection. The Supplier





- is, in this case, expected to propose alternatives and provide the latest selection date compatible with the program requirements)
17. Select and SIGN the CARPET & Liquid print master sample matching the selected harmony.
 18. Confirm SOLUTION to handle potential deviations to Certification and eventually agree alternatives with end customer.
 19. If applicable during CDR, identify new FEASIBILITY of new customer request (RFS) – Propose optional RFS/OSC process if deemed feasible, advises Program risks induced by new requests at that late stage.
 20. Identify items out of conversion budget (Unreasonably expensive amenities or materials...). Propose RFS decision. Identify potential deviations to Certification.
 21. Identify potential weight impact to Aircraft allowances.

