

**FLAT RATE EXCHANGE AGREEMENT**

**THE BUYER MUST SIGN THIS AGREEMENT AND RETURN TO SKYWAYS TECHNICS A/S, PRIOR TO THE SHIPMENT OF THE EXCHANGE UNIT**

<b>A. Buyer (Company Name):</b>			
<b>B. Buyer (Full Address):</b>			
<b>C. Buyer's Exchange Order (EO) #:</b>		<b>J. Skyways Technics Ref #:</b>	
<b>D. Part Number (P/N):</b>		<b>K. Serial Number (S/N):</b>	
<b>E. Condition:</b>		<b>L. Release Certification:</b>	
<b>F. Flat Rate Exchange Fee:</b>		<b>M. Core Value:</b>	
<b>G. Core Return Due Days:</b>		<b>N. Core Return Due Days Start:</b>	As of the date as per clause 4.3 of TCSGS
<b>H. Warranty (Calendar Days):</b>		<b>O. Warranty (FC/FH):</b>	
<b>I. Collection Address:</b>		<b>P. Incoterms:</b>	
		<b>R. Deposit:</b>	

The above Exchange Unit is subject to the Terms and Conditions of this Agreement and the Skyways Technics General Terms and Conditions for the Sale of Goods and Services ("TCSGS"), **regardless of any Buyer's conditions**. The TCSGS is incorporated herein by reference and forms an integral part of this Agreement. By signing this Agreement, the Buyer confirms having received, read, and accepted the TCSGS in their entirety. A copy of the valid TCSGS, as amended from time to time, is available at [www.skywaystechnics.com](http://www.skywaystechnics.com) and upon written request to ST.

**1. SCOPE**

Skyways Technics A/S, hereinafter called "ST", agrees to deliver an exchange unit ("Exchange Unit") per the Buyer's purchase order instructions. The Agreement and the TCSGS, in conjunction, constitute the entire agreement between the parties for the exchange transaction and supersedes all prior agreements, understandings, and representations relating thereto. In the event of any conflict between the Buyer's instructions and the ST TCSGS, the ST TCSGS shall prevail. In the event of a conflict between the ST TCSGS and this Agreement, the terms of this Agreement shall take precedence regarding specific exchange logistics while the TCSGS shall govern all other legal matters, including payment defaults, liability limits, and dispute resolution. This Agreement must be signed by an authorised representative of the Buyer and returned to ST prior to the shipment of the Exchange Unit.

**2. RETURN DELIVERY ADDRESS (RDA)**

The Buyer is responsible for and agrees to pay all transport costs, customs charges, and related costs concerning the core unit being returned. All core units must be returned on a DDP (Delivered Duty Paid / Door-to-Door) basis to the following address, unless otherwise agreed in writing by ST:

**Skyways Technics Asia Sdn. Bhd.**  
**Lot 5–10, Ex-Customs Building, Helicopter Centre,**  
**Malaysia International Aerospace Centre, Sultan Abdul Aziz Shah Airport,**  
**47200 Subang, Selangor Darul Ehsan, Malaysia.**  
**OR**  
**Skyways Technics Billund Base**  
**Stratusvej 17, 7190 Billund, Denmark**  
**OR**  
**Skyways Technics Americas**  
**13447 NE 17th Avenue, North Miami Beach, 33181, FL, United States of America**  
**OR**  
**PRODEX CDG**  
**C/O Skyways Technics**  
**10 rue du Meunier – ZA du Moulin**  
**95700 Roissy en France**  
**France**

**Shipping Notification: The Buyer must supply ST with AWB/shipping details within one (1) business day of shipment.**

**The core unit must be accompanied by ALL of the following documents:**

- Unserviceable tag containing MSN, P/N, S/N, and reason for removal information.
- Traceability: A material certification documenting full trace to an Airline, OEM, or ST-approved source. The certification must state that the unit is not incident- or military-related and has not been subjected to any unusual stress or heat. ATA106 form is preferred.
- Non-Incident Statement: ATA106 form and packing slip from the aircraft operator declaring that the unit is not incident- or military-related and has not been subjected to any unusual stress or heat.
- Chain of Custody: Non-Incident Statement (ATA106 form) and packing slip from each additional entity involved in the exchange chain, evidencing full material flow from the regulated end-user back to ST.
- Full "back to birth" records for all time- or cycle-controlled/limited units.

**If the core unit is delivered without the above-stated documents, such core unit is considered "not returned" and additional charges will apply as per Clause 3. Any change to the core unit (including delivery of a different core unit than agreed prior to the transaction) must be notified to ST prior to dispatch. Otherwise, ST may consider the core unit not to have been delivered, and the Buyer shall be liable under Clause 3.**

**3. LATE CORE RETURN CONSEQUENCE**

The Exchange Unit shall be returned to ST no later than the Due Date. If the Exchange Unit is not received by the agreed Due Date, or is not accompanied by the mandatory documentation as defined in Clause 2, ST shall charge, at ST's sole discretion, a late fee of 1% per day of the Core Value or a recurring 14-day

Exchange Fee. If the Exchange Unit has not been returned within 45 days of the Due Date (or after three late fee cycles), ST reserves the right to convert the exchange transaction into an outright sale and invoice the Buyer the Core Value stated), in addition to all late fees and other related costs already invoiced.

#### 4. RETURN OF UNUSED UNIT

A written authorisation from ST is required before returning an unused Exchange Unit. The unused Exchange Unit must be returned to the RDA no later than 7 calendar days from the date of the Order Confirmation and will be subject to a restocking fee of 50% of the Exchange Fee, subject to a minimum of USD 500.00. If the unused unit is received after 7 calendar days from the Order Confirmation date, the full Exchange Fee is payable without concession. The returned unused Exchange Unit must be delivered with an official written statement on company-headed paper declaring that the unit is "Returned in the same condition as received and has not been fitted to an aircraft". If the Exchange Unit has been delivered to an end user or operator, a non-installation declaration from the end user/operator must be provided to ST for confirming that the Exchange Unit has not been installed, fitted, tested, or used on any aircraft or equipment. All original certificates and documentation must accompany the returned unused Exchange Unit. If original documentation is not included, the returned Exchange Unit will be treated as a core return and ST reserves the right to send the unit for recertification and charge the Buyer all applicable recertification and shipping costs.

#### 5. REPAIR COSTS ON RETURNED UNSERVICEABLE CORE UNIT AND BEYOND ECONOMICAL REPAIR (BER)

The unserviceable core unit shall be at least the same part number, dash number, and modification status, with a similar or lower Time Since New (TSN) and Cycle Since New (CSN), as the Exchange Unit supplied. Any deviation shall be agreed in writing, and ST shall have the unserviceable core unit modified at the Buyer's expense. Additional charges may apply in respect of additional life remaining on the Exchange Unit supplied. By signing this Agreement, Buyer irrevocably agrees that the flat rate covers any repair or overhaul or recertification costs as well as ST handling fees which are calculated case by case basis. In cases where ST is not the repair station, freight costs from ST to the repair shop and back to ST will be billed to the Buyer. In the event that the cost to restore the unserviceable core unit to an acceptable serviceable condition exceeds 70% of the Core Value stated in Section M, ST shall be entitled to consider the repair as Beyond Economical Repair (BER). In such case and if the unserviceable unit is declared Beyond Technical Repair (BTR), ST shall invoice, and the Buyer shall pay, the Core Value plus any costs related to the investigation, assessment, and scrap of the unit.

**The unserviceable core unit must be returned in an "as-removed" condition and must be complete. ST reserves the right to reject any core that has been "cannibalized" (missing internal sub-components or sub-assemblies). If a cannibalized unit is received, it will be treated as "not returned" under Clause 3 until the missing parts are supplied or the full Core Value is paid.**

**SPECIAL NOTE FOR RADOME:** Non-Incident Statement (ATA106 form) must state the TSN/CSN. ST reserves the right to charge the Buyer the above-mentioned Core Value if the unserviceable core unit is returned without TSN.

**SPECIAL NOTE FOR ENGINE AIR INTAKES:** If the Bobbin must be replaced, ST reserves the right to charge the Buyer a factory new bobbin (PN: 105021/512581) in case Zodiac is unable to supply an overhauled bobbin within 20 working days from approval of the cost quotation for overhaul of air-intake.

**SPECIAL NOTE FOR THE LEADING-EDGE WOODEN BOX:** ST reserves the right to charge the Buyer USD 800.00 if the unserviceable core unit is not returned in the designated ST wooden box or approved DG container.

**SPECIAL NOTE FOR FUEL NOZZLE KITS:** The Buyer is required to state trace to the engine from which the core fuel nozzle set was removed. This information must be shown on the Non-Incident Statement or ATA106 form in addition to aircraft trace.

**SPECIAL NOTE FOR PROPELLER BLADES & SHOCK-MOUNT:** ST reserves the right to charge the Buyer the above-mentioned Core Value if the unserviceable core unit is returned without TSN.

#### 6. OWNERSHIP

Title to the Exchange Unit shall pass from ST to the Buyer, and title to the unserviceable core unit shall pass from the Buyer to ST, in each case free and clear of all liens and encumbrances. The title of the Exchange Unit will pass from ST to the Buyer upon the later of the date the Exchange Unit is installed on the aircraft and ST receives all outstanding payments (exchange fees, late fees, and any supplemental repair/overhaul invoices) related to this exchange transaction from the Buyer. Until ST has received full payment, ST retains a first-priority purchase money security interest in the Exchange Unit. The title of the unserviceable core unit will pass from the Buyer to ST at the time the unserviceable core unit is physically received and accepted by ST. The Buyer shall keep the Exchange Unit free and clear of all claims, liens, security interests, and encumbrances whatsoever during the period prior to title transfer. The Buyer shall indemnify and hold ST harmless against any damage suffered by ST arising from the Buyer's failure to comply with its obligations under this paragraph.

#### 7. WARRANTY

ST provides the Buyer a functional warranty in respect of the calendar time and/or flight hours (FH) or flight cycles (FC) stipulated in Sections H and O above, unless failures and/or defects are directly or indirectly caused by FOD, mishandling, incorrect storage, incorrect installation, or similar events. ST's liability under this warranty shall be limited to the replacement of faulty parts or correction of defects. Under no circumstances shall ST be held responsible for any damage, including consequential or indirect damage (including but not limited to aircraft downtime, loss of revenue or AOG costs), arising from the use of the Exchange Unit, including in case of death and/or injury of persons and/or damage to property. If the supplied the Exchange Unit is found INOP (inoperative) upon installation, ST shall test and evaluate the unit prior to issuing any credit note. All transportation costs related to the return of the warranty unit are borne by the Buyer. In the event that warranty is accepted, ST will issue a credit note to reimburse all such transportation costs.

#### 8. EXPORT AND/OR RE-EXPORT OF THE EXCHANGE UNIT

The supplied Exchange Unit shall not be lent, transferred, or handed over to any third party without prior written consent from ST. The Buyer is not permitted to export or re-export Exchange Units supplied by ST to any country or person subject to sanctions imposed by the European Union, the United Kingdom, Denmark, or the United States of America. The Buyer assumes full responsibility for compliance with all applicable export control regulations. The supplied Exchange Unit shall not be used for any military source or used in any military activity or aggression.

#### 9. SHIPMENT

Any shipment from ST to the Buyer, or related to the services provided under this Agreement, will be at the Buyer's responsibility and expense. **Shipment from ST to the Buyer will be on an EXW (Ex-Works) basis.** The Buyer selects the freight forwarder and ensures that all return shipments to ST are arranged on a DDP (Delivered Duty Paid / Door-to-Door) basis. ST reserves the right to charge any additional costs incurred to ensure delivery to ST's facilities. When returning the unserviceable core unit, the Buyer shall not declare a customs value higher than agreed with ST on the total shipment. ST reserves the right to invoice the Buyer for any taxes and duties imposed on ST as a result of the return shipment. Title and risk of loss for the unserviceable core unit remain with the Buyer until the unit is physically received, inspected, and accepted in writing by ST.

#### 10. DEPOSIT

If requested by ST, then as security for its obligations under this Agreement, the Buyer shall pay a deposit to ST in the amount stated in Section R upon signature of this Agreement ("Deposit"). The Deposit shall be non-refundable, unless otherwise stated herein, and for ST's unrestricted use and the Buyer acknowledges that it shall have no right or interest in such amount following its payment. ST may, but shall not be obliged to, apply the Deposit against any outstanding payment or claim against the Buyer under this Agreement. Upon such application, the Buyer shall immediately pay to ST an amount equivalent to the amount having been applied of the Deposit by ST in accordance with this clause. Within five (5) business days after the Buyer has satisfied and discharged all its

obligations hereunder and any other obligations or debt owed by the Buyer towards ST, ST shall repay the Buyer an amount equal to the Deposit (after which the balance of the Deposit shall be deemed to be zero).

**11. PAYMENT TERMS**

All invoices for Exchange Fees, Repair Costs, Handling Fees, and any other charges under this Agreement are due and payable as specified in the respective invoice. The Buyer shall pay all invoices in full without any set-off, counterclaim, deduction, or withholding. Payment of Exchange Fees and Repair Costs is not contingent upon the Buyer receiving payment from any third-party end-user. ST has the right to suspend performance of its duties under this Agreement, if the Buyer is in default on any other agreement with ST until such default has been duly rectified by the Buyer.

**FOR AND ON BEHALF OF THE BUYER:**

<b>COMPANY NAME OF THE BUYER:</b>	<b>MSN:</b> <i>(The A/C where this unit is being installed – MANDATORY)</i>
<b>PRINT NAME:</b>	<b>END-USER:</b> <i>(Should there be a 3rd party involved who owns/operates the A/C where this unit is to be installed)</i>
<b>AUTHORISED SIGNATURE:</b>	<b>COUNTRY:</b>
<b>DATE:</b>	