

GENERAL TERMS AND CONDITIONS OF SALES

Revised and validated by the President of Aviotech International in Jakarta at July 22,2007 and remains valid until next revision.

1.APPLICABILITY

This General Terms and Conditions of Sales [TERMS] is automatically applicable to all sales made by Aviotech International or any of its subsidiaries [SELLER] to any company [BUYER] who placed a Purchase Order [PO] to SELLER whereas such PO is duly accepted and agreed in writing [ORDER ACCEPTANCE / OC] to BUYER by SELLER, unless specifically stated otherwise. This TERMS is not applicable either partly or wholly to PO issued by BUYER to SELLER's principal or supplier.

2.PLACEMENT OF PURCHASE ORDER

BUYER shall initiate purchases of goods [PRODUCT] by placing a PO to SELLER in SELLER's own standard PO form by facsimile transmission setting forth a description of the PRODUCTS being ordered, part number as specified in the OEM parts manual, quantity, condition of PRODUCTS as described in paragraph 12, date or time of deliveries, prices, shipping instructions in reference to INCOTERM 2000 and payment terms. Unless accepted by SELLER, any other BUYER's own terms and conditions stated or printed on its PO that are in contrary to this TERMS become void.

3.ORDER ACCEPTANCE

SELLER may issue an ORDER ACCEPTANCE to the PO and transmit it by facsimile to BUYER within 3 working days as per Indonesian calendar after its receipt and should there be no OC received by BUYER during that time, the PO shall be deemed withdrawn.

4.AUTOMATIC NON-ACCEPTANCE TO PO

Quotation issued by SELLER in writing and transmitted by facsimile or email is the only official instrument of SELLER that governs PO to be accepted by SELLER and overrules any other means of communicating the quotation. Any deviation or contradiction to the contents of the Quotation stated in the PO will automatically cause non-acceptance by SELLER.

5.PRODUCT IDENTIFICATION AND DOCUMENTATION

Each and every PRODUCT which is to be supplied by SELLER will meet the identification of the Original Equipment Manufacturer [OEM] and will have affixed an FAA or EASA maintenance release tag or other acceptable supporting documentation, unless when quoted as REPAIRABLE or "R" and AS IS or "AI" which interpretation is given in paragraph 12.

6.INSPECTION AND ACCEPTANCE

PRODUCTS will be deemed to be accepted by BUYER fully in accordance to all provisions of the PO and OC subject only to official written rejection of any deviation or non-conformity to thereof by BUYER submitted to and received by SELLER within 14 [fourteen] calendar days starting the date shown on the Air Waybill by facsimile or email.

7.PRODUCT NON-CONFORMITY

A PRODUCT will be deemed to be non-confirming only if it is, upon receiving and inspection by BUYER's qualified and authorized inspector, functionally defective or does not conform to the relevant condition code as accepted and agreed in the OC in reference to paragraph 12 of this TERMS. Any functional defects report shall specifically describe the inspection procedures exercised.

8.PRODUCT RETURN AND/OR DISPOSAL

- (i) No PRODUCT is to be returned by BUYER to SELLER for any reasons without prior authorization by SELLER.
- (ii) PRODUCT to be returned due to reason stipulated in paragraph 7 shall be shipped in accordance to SELLER's instructions at SELLER's cost
- (iii) Any unauthorized return is subject to a 25% stocking fee plus shipping / freight / handling charges both ways at SELLER's calculation that is final and binding.
- (iv) Any unauthorized PRODUCT disposal is subject to full payment as per price or value stated in the PO respectively.
- (v) If PRODUCTS are not returned and received by SELLER within 21 calendar days after such authorization is given in writing by SELLER, the PRODUCT is considered accepted by BUYER and therefore BUYER releases SELLER from its obligation to replace the PRODUCT or to credit BUYER's account accordingly
- (vi) SELLER may agree to replace the PRODUCT that are authorized to be returned or otherwise credit SELLER's account with equal amount to the price of the PRODUCT at SELLER's own discretion.
- (vii) All original and copy of documentation that accompanied or affixed to the PRODUCTS to be returned shall all be returned by BUYER and failure to do so will cause the PRODUCTS are considered as sold and accepted by BUYER.

9.TITLE AND RISK OF LOSS

Title to and risk of loss of each PRODUCT will pass to BUYER upon Delivery. At time of Delivery, SELLER will have good and marketable title of each PRODUCT free and clear of all liens and encumbrances.

10. TAXES AND BANK CHARGES

- (i) Any applicable taxes at the final destination point stipulated in the PO will be at the account of BUYER
- (ii) Any applicable taxes at the port of loading will be at the account of SELLER
- (iii) Payment to SELLER shall be free from any bank charges.

11. LIMITED WARRANTY

All products are sold by SELLER to BUYER under :

- (i) a limited warranty as per OEM standard warranty for PRODUCTS with condition code "F" and per FAA/EASA approved shop standard warranty for PRODUCTS with condition codes "O", and "S" where such condition codes are explained in par 12
- (ii) No warranty is given for any PRODUCTS sold by SELLER to BUYER with condition codes "NS" , "R" and "A"
- (iii) BUYER hereby releases and agrees to indemnify, defend and hold SELLER, its directors, officers, employed and agents harmless from and against any and all liabilities, claims, demands, suits, damages and losses (including without limitation all attorneys' fees, costs and expenses in connection therewith or incident thereto) for deaths of or injuries to any persons whomsoever (including without limitation BUYER's employees) and for loss of, damage to, destruction of, or delay in any way connected with the possession, use or ownership of PRODUCT subsequent to sale hereunder, regardless of the negligence, active, passive or any other type, of SELLER, its directors, officers, employees or agents.

12. PRODUCT CONDITION CODES

The following condition codes' are used in the communication of SELLER to BUYER that are applied to the PRODUCTS

- (i) "F" or "FN" (Factory New) : Unit received from OEM or authorized distributor in original package
- (ii) "NS"(New Surplus) : Unit received from other than OEM or authorized distributor
- (iii) "O" or "OHC" (Overhauled & Certified) : Unit overhauled by an authorized agency or airline to a TSO of 00:00
- (iv) "S" or "SV" (Serviceable) : Unit certified airworthy by an authorized agency or airlines
- (v) "R" (Repairable, As Is) : Unit used, not certified airworthy but can be economically repaired and/or overhauled
- (vi) "A" (As Is) : Condition and history unknown and has no airworthiness certification

13. BEYOND ECONOMIC REPAIR (BER)

- (i) If PRODUCT is sold with condition code "R" and "A" can be returned as BER to SELLER for full credit on net paid price excluding freight charges and any other charges to subject to obtaining prior authorization as stipulated in par 8 (i)
- (ii) PRODUCT returned as BER must be accompanied by a teardown sheet or repair estimate generated by an authorized agency or airline to substantiate the BER condition. Any return without the teardown sheet is subject to full payment and PRODUCT is deemed as sold and accepted.

14. LIMITATION OF SELLER'S LIABILITY

In no event shall SELLER's liability under the PO or any Warranty related to the PO exceeds the selling price actually paid by BUYER to SELLER for the respective PRODUCT.

15. WAIVER

No waiver by either SELLER or BUYER of any default of any provision of these TERMS will operate as or be deemed a waiver of any subsequent default.

16. DISPUTE SETTLEMENTS

Any disputes related to the interpretations, executions and implementations of these TERMS shall be settled before and under the jurisdiction of the Court of Justice in the Republic of Indonesia.

Jakarta, July 22, 2007