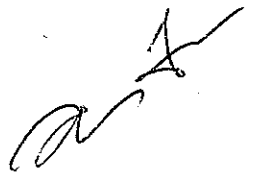


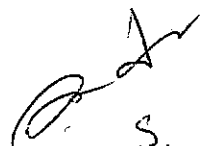
**CONTRACT No. PI...../2018**

**FOR THE SUPPLY AND DELIVERY OF  
ONE AIRCRAFT ENGINE PRATT & WHITNEY PT6A-60A  
EQUIPPED WITH ENGINE ACCESSORY**

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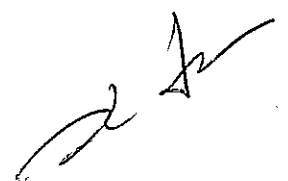
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**Section-A: Form of Contract**

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**CONTRACT  
FOR THE SUPPLY AND DELIVERY OF  
ONE ENGINE PRATT & WHITNEY PT6A-60A**

Contract No. PI...../2018 for the Supply and Delivery of One (1) Engine Pratt & Whitney PT6A-60A equipped with Engine Accessory for Thailand, (hereinafter referred to as the "Contract") is executed and delivered this ..... day of ..... B.E. 2561 (A.D. 2018) between

**AERONAUTICAL RADIO OF THAILAND LIMITED**, a state-owned enterprise limited company organized under the laws of the Kingdom of Thailand, having its legal address at 102 Ngamduplee, Tungmahamek, Sathon, Bangkok 10120, Thailand, represented by Mrs. Sarinee Angsusingha, President (hereinafter called "the Buyer") of the one part; and

.....(Seller's Company Name)....., a company organized under the laws of.....(Country)....., having its registered office at ..... represented by Mr./Ms. .... (hereinafter called "the Seller") of the other part.

The Buyer and the Seller are collectively referred to as the "Parties," and each, individually, as a "Party"

Documents evidencing such registration of the Seller and the authority of the person signing on behalf of the Seller are attached hereto.

The Buyer and the Seller mutually agree as follows:

**Article 1. Contract Documents**

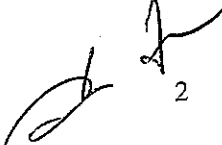
The following documents are attached to the Contract and made an integral part hereof, as though fully written out and set forth herein:

**PART A**

- a) Conditions of Contract
- b) Technical Terms of Reference, March 2018
- c) .....

**PART B**

- a) Tenderer's response to Tender Documents, March 2018
- b) Technical Proposal
- c) Price Proposal
- d) Technical Clarifications (if any)

  
2

All of the foregoing documents, together with this Contract, are referred to herein as "the Contract Documents"

In case of discrepancy or conflict between any of the Contract Documents, the Contract shall prevail over all other Contract Documents. The Conditions of Contract shall prevail over all other Contract Documents except this Contract. In case of discrepancy or conflict between any of the Contract Documents, the Seller shall accept the decision made by the Buyer and shall not claim from the Buyer any expense or compensation which arises therefrom.

**Article 2. Agreement for Sale**

The Seller agrees to sell and the Buyer agrees to buy the Goods as described and referred in the Contract Documents as "the Goods" at the total DDP Bangkok price of Baht.....(Thai Baht.....Only).

Both Parties mutually agree to perform, fulfill, abide by, and be submitted to any and all of the provisions and requirements and all matters and things contained or expressed in, or reasonably to be inferred from the Contract Documents

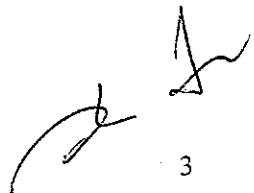
**Article 3. Performance Security**

3.1 The Seller shall, at the time of executing the Contract, deposit with the Buyer a Performance Security in the form of a letter of guarantee issued by a commercial bank in Thailand with the terms and conditions acceptable to the Buyer for the due and proper performance of the Contract in the amount of Baht XXX (Baht .....only) which is equivalent to ten (10) percent of the Contract Price. The said security shall be valid from the date of signing the Contract until the Seller is free from his liabilities under the Contract.

3.2. The Performance Security shall also insure payment of any obligations, damages, liquidated damages, or expenses for which the Seller may become liable to the Buyer.

3.3. The Performance Security shall be payable in Baht.

3.4. Unless and until an official receipt is issued with respect to the Performance Security, the Buyer shall not be responsible for any such Performance Security lodged under this Condition. Failure to submit Performance Security at the time specified in this Condition shall be a breach of the Contract, and the Buyer may, at its absolute discretion, cancel the Contract without liability.



3.5. The Performance Security shall be released after the expiry of the appropriate Warranty Period (s) or at such later time as the Seller has discharged all his obligations to the Buyer under the Contract. The Seller shall maintain the full amount and the validity of the Performance Security accordingly.

**Article 4. Notices**

All notices called for by the terms of the Contract Documents shall be in writing in the English language and shall be delivered by hand or by registered mail. They can also be sent by facsimile or electronic mail provided that the same shall be promptly confirmed in writing served by the same manners as aforementioned.

All notices shall be deemed to be duly made when received by the party to whom it is addressed at the following addresses or such other addresses as either party may subsequently notify to the other:

**The Buyer: AERONAUTICAL RADIO OF THAILAND LTD.**

102 Ngamduplee, Tungmahamek,  
Sathon, Bangkok 10120  
THAILAND

For the Attn of Chairman of Inspection Committee

TEL: +66 2 515 3249

+ 66 2 515 3246

+ 66 2 285 9319

FAX: + 66 2 287 4733

+ 66 2 532 4880

E-mail address: [suthep.ru@aerothai.co.th](mailto:suthep.ru@aerothai.co.th), [suthep.ch@aerothai.co.th](mailto:suthep.ch@aerothai.co.th)  
[sutthiya.pa@aerothai.co.th](mailto:sutthiya.pa@aerothai.co.th)

**The Seller:** The Seller's address

.....  
.....  
.....  
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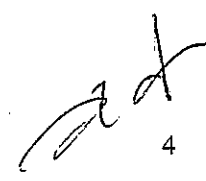
For the Attn of Mr./ Ms. ....

TEL: +.....

Mobile: +.....

FAX: + .....

E-mail address: .....



**Article 5. Integration**

The Buyer and the Seller agree that this Contract, including the Contract Documents, expresses all the agreements, understandings, promises, and covenants of the parties, and that it integrates, combines and supersedes all prior and contemporaneous negotiations, understandings and agreements, whether written or oral, and that no modification or alteration of this Contract shall be valid or binding on either party, unless expressed in writing and executed with the same formality as this Contract, except as may otherwise be specifically provided in the Contract Documents.

**Article 6. Counterparts**

This Contract is executed in two identical counterparts, one for the Buyer and the other for the Seller.

Both parties have read and understood all terms and conditions of this Contract and all of the Contract Documents and hereinto append their respective signatures and affix their seals (if any) in the presence of witnesses:

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**AERONAUTICAL RADIO OF THAILAND LIMITED (“The Buyer”)**

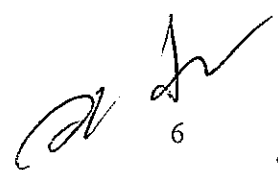
By.....Authorized Representative  
(Mrs. Sarinee Angsusingha)  
President

..... (“The Seller”)

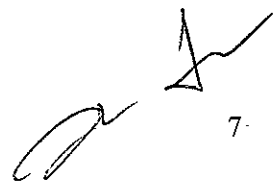
By .....Authorized Representative  
(Mr./Ms. ....)  
.....

..... Witness  
(Mr. Preecha Hariphong)

..... Witness  
(Mr. Watcharachai Lertprasertkit)

  
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**Section-B: Conditions of Contract**

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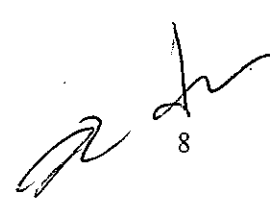
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## Conditions of Contract

### Clause 1. Definitions

1.1 Wherever the following terms are used in the Contract (as hereinafter defined), they shall have the meanings assigned to them except where the context otherwise requires:

Activities	means supply and delivery of the Goods and all other related obligations to be performed by the Seller in order to fully and satisfactorily complete all his duties and obligations under the Contract.
Addendum or Addenda	means the additional contract provision (s) issued in writing by the Buyer.
"the Buyer"	means Aeronautical Radio of Thailand Ltd.,
"the Contract"	means agreement signed between the Seller and the Buyer, including all Contract Document, all other documents, and any amendments (if any), specified therein as forming an integral part of the Contract.
"the Seller"	means the juristic person, firm, or company whose proposal has been accepted by the Buyer and agrees to fully and satisfactorily complete all Activities in the Contract for the Buyer.
"Contract Period"	means the time agreed for completion of the Activities.
"Contract Price"	means the total price stated in Clause 4 (Obligations of the Buyer).
"Day (s)"	means consecutive calendar days unless otherwise specified.
"the Goods"	means one (1) Engine Pratt & Whitney PT6A-60A equipped with Engine Accessory and the relevant documentation necessary for the Engine as stipulated in the AEROTHAI's requirements which the Seller shall furnish and provide to the Buyer at the time of delivery or under the Contract.
"DDP (Site)"	Means "Delivered Duty Paid (Name of destination)" as defined in INCOTERMS 2010.



“Delivery Location”	means Bangkok, Thailand or other places to be designated and instructed by the Buyer to the Seller where the Final Acceptance takes place.
“Final Acceptance of Goods”	means inspection and acceptance of Goods as satisfactory in accordance with Clause 19 (Inspections and Acceptance of the Goods)
“Completion Date”	means the date by which the Activities have to be supplied, delivered, and completed by the Seller to the satisfaction of the Buyer in accordance with Clause 19 (Inspections and Acceptance of the Goods)

### 1.2 Interpretation

- a) Words importing the singular only also include the plural and vice versa where the context requires.
- b) The heading to any provision shall not affect the interpretation thereof.

### 1.3 Language and Numbers

All drawings, designs, specifications, manuals, name plates, markings, operating instructions, statements, schedules, notice documents, user interfaces and all written communications between the Buyer and the Seller, concerning the Contract, shall be in the English language or the Thai language as may be agreed between the parties, unless otherwise stipulated in the Contract, and in the metric system of weights and measures, unless otherwise specified.

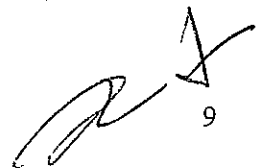
## Clause 2. Intent of Contract Documents

All of the Contract Documents are complementary, and what is called for by one element thereof shall be binding as if called for by all. In the case of any discrepancy between any of the Contract Documents, or any defective description or ambiguity, the matter shall be promptly submitted to the Buyer, which shall promptly make a determination in writing. Any adjustment by the Seller without this determination shall be at the Seller's own risk and expense. In all cases of discrepancy, defective description, or ambiguity, the interpretation given by the Buyer shall be binding on the Seller.

## Clause 3. Obligations of the Seller

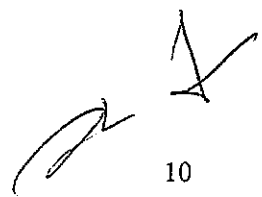
The Seller agrees:

- a) to perform efficiently and faithfully the supply and delivery of the Goods and all other related obligation described in the Contract Documents in accordance with recognized international professional standards, and to provide all



documents and manuals concerning the Activities under the Contract, and to provide labor and other facilities required for or incidental to the successful completion of the Activities and in carrying out all of the Seller's duties and obligations imposed by the Contract Documents.

- b) to carry out the Activities with all due dispatch, care, accuracy and attention in accordance with the Contract, which shall be entirely completed within ninety (90) Days from the date of the Contract signing.
- c) to pay all charges, custom duties, fees, taxes and duties, and submit all applications necessary and incidental to the due and lawful performance of the Activities required under the Contract. The Seller shall be subject to the deduction of withholding tax and VAT as provided for by Thai law and shall be responsible for the exceeding amounts (if any) of the taxes as described in Clause 4.
- d) to be held responsible and liable for any losses and/or damages arising out of or in connection with any act, omission, negligence or breach of the Contract by the Seller, any of its directors, employees, representatives, or subcontractors, in all respects. In no case shall the Buyer be liable for loss of production, loss of profit, loss of contracts or for any other indirect or consequential damage that may be suffered by the Seller.
- e) that any delivery of any portion of the Activities as required herein shall be deemed as fully completed when the Seller has performed the ninety (90) Days of the Activities correctly and completely as provided for by the Contract and; with such performance being validated only after the Buyer issues the Certificate of Final Acceptance. In addition to providing the Activities, and delivery of all documentation in connection therewith, to the Buyer, the Seller is obliged to attest to the Buyer that the Activities have been fully completed according to the Contract.
- f) to indemnify the Buyer, from all claims, actions or demands made by third parties against the Buyer in respect of (i) any loss or damage to property, life, or body which shall have occurred in connection with the provision and delivery of the Activities under this Contract, (ii) any defect in the Activities, and (iii) any breach by the Seller of any terms of the Contract.
- g) to hold the Buyer harmless from being held responsible and liable for any accident, loss, death, injury, or damage incurred by the Seller's employee(s) during the performance of the Activities, except when such accidents, losses, deaths, injuries or damages are caused by the gross negligence or willful misconduct of the Buyer.



h) to deposit with the Buyer an Advance Payment Guarantee in the prescribed form, issued by a Bank in Thailand and acceptable to the Buyer, in the full amount of the Advance Payment in accordance with Clause 20.1 (Advance Payment). The Seller shall acknowledge the receipt of the Advance Payment in the form prescribed by the Buyer. The Advance Payment Guarantee shall be valid from the date of receipt of the Advance Payment up to the date of issuance of Certificate of Final Acceptance. The Advance Payment shall be subject to the following conditions concerning its repayment:

(1) If, on the termination of the Contract, the outstanding amount of advance money exceeds the amount then due to the Seller, the Seller shall repay such excess to the Buyer within fifteen (15) Days after receiving a request in writing to do so by the Buyer.

(2) Should the Seller not perform the Activities in accordance with the terms and conditions of the Contract, the Buyer shall be entitled to claim against the Advance Payment Guarantee or deduct from any money due to the Seller under the Contract for repayment of the Advance Payment or for any outstanding amount and/or damages payable to the Buyer.

i) to be responsible to update Project Schedule throughout the life of the Contract if any activities have been modified upon an acknowledgement by both parties during the implementation without prejudice to the Project Competition Date. The Project Schedule shall be updated in accordance with the modified Activities within ten (10) Days after acknowledgement by both parties.

#### Clause 4. Obligations of the Buyer

The Buyer agrees, subject to the terms and conditions of the Contract Documents, to pay the Contract Price to the Seller for the Goods and Activities (herein referred to as the "Contract Price"), at the rates and times and in the manner set forth in the Contract Documents. The Contract Price comprises the following:

at the total DDP (at Site) Baht xxx (Baht ..... )  
comprising the total Price of the Goods and Activities of Baht xxx  
(Baht .....), and VAT of Baht xxx  
(Baht xxx .....). The Contract Price also includes  
all other taxes, fees, and/or any other expenses payable to the Seller. Furthermore,  
the Contract Price is the only amount the Buyer has an obligation to pay for the Seller  
under the Contract.

**Clause 5. Origin of Goods**

The Seller shall provide the Buyer with a manufacturer's certificate of origin for all Goods to be delivered under the Contract stating the country or countries where the Goods and their principal components are manufactured and the manufacturer's name and address.

**Clause 6. Guarantee of Quality of Goods**

The Seller guarantees that the Goods to be supplied and furnished under the Contract shall be of a quality not below that as stipulated in the Technical Specifications, and must be brand new and never been put to use except for testing. In case of the purchase of the Goods which will have to be subject to tests, the Seller guarantees that the tests will prove that the quality is not below that as stipulated in the Technical Specifications of the Contract Documents.

**Clause 7. Intellectual Property Rights and Confidentiality**

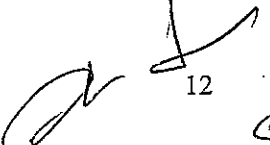
7.1 The Seller shall hold harmless and indemnify the Buyer from all costs that may occur due to intellectual property rights infringement or alleged intellectual property rights infringement from use of any patented inventions, copyrighted or uncopyrightable compositions, registered designs, articles, devices, appliances, processes, manufactured, delivered, etc. by the Seller in carrying out the Activities, including their being used or being at the disposal of the Buyer. The Seller shall, at his own cost, defend all claims, suits and actions against the Buyer, provided the Seller is notified not later than thirty (30) days after the receipt by the Buyer of notice of institution of any such suit or claim and the Seller is given full power and authority thereto.

Upon the performance of the Activities, if the Seller is required under the Contract to provide the Buyer with any license to use any of the Seller's or third party's software(s), copyright and/or other intellectual properties, the Seller shall grant and/or provide to the Buyer the perpetual and royalty-free licenses of the same in the legal form(s) acceptable to the Buyer.

The Seller shall use all legal intellectual property rights in performing the Activities as required herein.

In performing of the Activities, the Seller shall not make any copy, or duplication, or do any act or thing which may be deemed as infringement of any intellectual property rights of a third-party.

7.2 Unless otherwise expressly provided herein, the Seller, its employees, representatives, and subcontractors shall keep strictly confidential any and all of the

  
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Buyer's trade secret and information, which may be obtained by the Seller (whether directly or indirectly) in the course of or as a result of the discharge of its obligations under the Contract, including all information given to the Buyer by the Seller (whether directly or indirectly) in pursuance of its obligations hereunder. The aforesaid confidential information shall also include all communication messages made via telephones, facsimiles, or other devices, whether verbally or in writing (hereinafter referred to as the "Information"). The Information shall be treated by the Seller, its employees, representatives, and subcontractors as strictly confidential and shall not be disclosed by any of them to any third party without obtaining prior written consent from the Buyer.

7.3 Upon the termination of the Contract, the Seller shall return all documents, materials, things, and all type of media, which contain the Information, to the Buyer immediately.

7.4 All the provisions contained in this Clause 7 shall survive after the termination of the Contract.

#### **Clause 8. Assignment and Subletting**

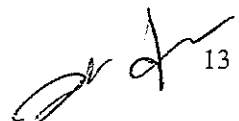
8.1 The Seller shall not assign the Contract or any part thereof, or any benefit or interest therein or thereunder without the prior written consent of the Buyer. Provided that the Seller may transfer any monies due or become due under the Contract in favour of his bankers without the written consent of the Buyer but he shall notify the Buyer in writing of such transfer.

8.2 The Seller shall not sublet the whole of or the part of the Activities without the prior written consent of the Buyer. Such consent, if given, shall not relieve the Seller from any liability or obligation under the Contract and he shall be liable for the act (s), omission (s) and/or negligence of any sublet, his representatives, his agents or workmen.

#### **Clause 9. Failure to Meet Requirements**

9.1 The Buyer shall have the right at any time to require the Seller to make any changes in the Activities covered by the Contract, which may be necessary to make the Activities conform to the requirements of the Contract, without additional costs to the Buyer.

9.2 Any defects in the Goods or other failure to meet the requirements of the Contract, due to the fault of the Seller, including errors and omissions on the part of the Seller, which are disclosed prior to final payment or prior to acceptance by the Buyer after completion of all tests, whichever occurs at a later date, shall be corrected promptly and entirely at the expense of the Seller. The time wasted due to the

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correction or replacement of the Goods and Activities shall not be taken by the Seller as an excuse for an extension of the Completion Date.

**Clause 10. Release of Information**

The Seller agrees not to communicate, disclose or use in advertising, publicity or sales promotion, any photographs or other reproductions of the Goods and Activities covered by the Contract, or other description of the size, dimensions, quantity or quality, or other information concerning the Goods and Activities and/or the Contract, unless the written permission of the Buyer in such instances shall be first obtained.

**Clause 11. Alterations, Additions and Omissions**

11.1 Should circumstances arise which call for alteration or modification of the Contract, such alteration or modification shall be made by written supplementary agreement executed by both parties hereto with the same formalities as the Contract and no such supplementary agreement shall in any way vitiate or invalidate the Contract, but the value, if any, of all such supplementary agreements shall be taken into account in adjusting the amount of the Contract Price.

11.2 All extra or additional Goods and Activities done or omitted by order of the Buyer shall be valued at the rates and prices set out in the Contract if, in the opinion of the Buyer, the same shall be applicable. If the Contract does not contain any rates or prices applicable to the extra or additional Services, then suitable rates or prices shall be mutually agreed between the Buyer and the Seller.

11.3 No claim for an addition to the Contract Price shall be valid unless authorized and signed by the Buyer as described in this Condition.

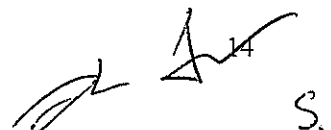
**Clause 12. Taxes, Duties, etc. Payable in Countries other than Thailand**

Any export taxes, duties, fees or other charges of whatsoever nature which shall be payable in countries other than Thailand for the Goods and Activities, including without limitation any equipment and/or material relating thereto, which are to be imported into Thailand under the Contract shall be entirely the responsibility of the Seller.

**Clause 13. Taxes, Fees and other Expenses Payable in Thailand**

13.1 The Seller shall pay all taxes, fees and other expenses incurred in Thailand in supplying and delivering the Activities/Goods under the Contract.

13.2 For avoidance of doubt, under Law of Thailand and Double Taxation Treaties, the Seller shall be taxed in Thailand for the Goods and Activities.



Handwritten signature and initials, possibly 'S', located at the bottom right of the page.

13.3 Withholding tax and VAT shall be calculated at the rate prescribed by Thai laws. The Buyer shall deduct the withholding tax and VAT as stipulated in Clause 4 of the Conditions of Contract and submit such withholding tax and VAT to Revenue Department of Thailand. The Seller shall be responsible and pay for any stamp duties arising out of the Contract (if any).

**Clause 14. Import License**

If an Import License is required for the Goods to be supplied under the Contract, the Seller must obtain the relevant Import License issued by the relevant authorities before shipment can be made. Any fine or expenses caused by unauthorized shipment will be the Seller's sole responsibility.

**Clause 15. Information Concerning the Delivery Location**

It shall be the responsibility of the Seller to obtain complete and accurate information concerning the Delivery Location as specified in Technical Specification of the Supply and Delivery of one (1) Engine Pratt & Whitney PT6A-60A equipped with Engine Accessory and the Seller will ensure that the Goods and Activities supplied complies with any local by-law and other legal requirements. Inadequate or inaccurate information, including information given in good faith by the Buyer in the Contract Documents or otherwise, will not be accepted as a reason for the Seller avoiding all or any of his responsibilities under the Contract or as the basis for any adjustment to the Contract Price.

**Clause 16. Delivery of Goods**

16.1 All the Goods to be supplied under this Contract shall be delivered DDP at Aeronautical Radio Of Thailand Ltd., Aircraft Engineering Department, Building No.4465, Accessories Repair and Overhaul Division, Royal Thai Air Force, 171 Phaholyothin Road, Don Mueang, Bangkok 10210, Thailand. The delivery term shall be interpreted in accordance with Incoterms 2010 as published by the International Chamber of Commerce, without prejudice to the requirements of any other provisions of the Contract which shall be deemed to have precedence.

16.2 The Seller shall arrange to have clear markings on each package as required by the Buyer with weight, width, length and height of each package on the sides thereof, and shall see that the Goods are packed securely enough to prevent deterioration, knocking about or causing any damage from transportation or weather conditions while the Goods are in transit, for which the Seller shall be solely responsible until the Goods arrive at the destination under the Contract.

16.3 The Seller shall carry out customs formalities and pay for the actual import duties and taxes incurred. The Seller shall bear the costs and risks to transit each shipment to the Site as stipulated in the Contract. Therefore, the Seller shall furnish the documents necessary from abroad to use in customs clearance formalities and the

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invoice shall show unit prices and itemized prices with weight and others in detail according to customs clearance formalities. Should such furnishing not completely be done, or if it is not possible to furnish within the stipulated time to the extent that damage is suffered by the Buyer for any reason whatsoever, the Seller shall be responsible for the damages.

16.4 The Seller shall notify the Buyer in writing the delivery of the Goods under the Contract, whether individually, severally or in part for each delivery not less than fifteen (15) working Days before the arrival of the Goods at the Site.

#### **Clause 17. Shipping Documents**

At least seven (7) Days before the arrival of each shipment of Goods at a port in Thailand, the Seller shall submit to the Buyer at least the following shipping documents:

- a) three (3) copies of clean-on-board Bill of Lading or Air Waybill as the case may be;
- b) three (3) copies of the Seller's detailed invoice;
- c) three (3) copies of Inspection Certificate or Certificate of Manufacture (if any);
- d) three (3) copies of packing list;
- e) three (3) copies of insurance policy; and
- f) three (3) copies of Certificate of Origin.
- g) three (3) copies of Import Entry
- h) three (3) copies of Customs Clearance Receipt

In the event the Seller is unable to submit all or part of the document(s) stated above, the Seller shall inform the Buyer in writing. A decision shall be made by the Buyer on a case by case basis. The decision by the Buyer shall be final.

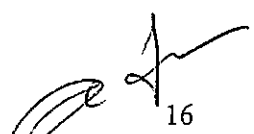
#### **Clause 18. Installation**

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#### **Clause 19. Inspection and Acceptance of the Goods**

The Buyer will appoint an Inspection Committee to inspect the Goods delivered under the Contract at the place to be specified by the Buyer. The Seller will be notified by not less than Fifteen (15) days in advance as to the date and place of instruction or any acceptance tests so that he or his representative will be able to be present at such time.

The Buyer will inspect the Goods within sixty (60) days from Air Waybill (AWB) date.



If the Inspection Committee is satisfied that Goods, together with the documents required under Clause 17 (Shipping Documents) are correct and in full compliance with the Contract, the Certificate of Final Acceptance will be issued to the Seller. But if not correct or not in full compliance with the requirements under the Contract for any reason, the Seller agrees to allow the Buyer to have the sole right to reject the whole or parts of the Goods found defective or non-conforming to Specifications, and in such case it shall be considered that the Seller has not delivered the Goods. If the Buyer orders the Seller to correct or replace the Goods, the Seller shall make correction or replacement of the Goods within thirty (30) days from the date of the Buyer's notice at no cost to the Buyer. The time wasted due to the said cause shall not be taken by the Seller as an excuse for extension of time in the Contract.

In purchasing the Goods assembled in one set, if the shortage of any part making it impossible for the goods to be used wholly as the assembled set, it shall be deemed that the Goods have never been delivered, for which penalty shall be imposed in full on the cost of the whole set.

#### **Clause 20. Terms of Payments**

Each payment shall take place upon presentation of a correct and fully itemized invoice and such other documents as may be required by the Buyer as follows:

##### **20.1 Advance Payment**


Advance Payment of fifteen (15) percent of the total Contract Price shall be made within thirty (30) days of the Signing Contract Date, against the presentation of a Bank Guarantee (Advance Payment) to the Buyer. The Bank Guarantee (Advance Payment) shall be issued by a bank in Thailand and acceptable to the Buyer for an amount equivalent to the Advance Payment. Such Bank Guarantee (Advance Payment) shall be in the form stipulated by the Buyer and valid from the date of receipt of the Advance Payment up to the date of issuance of the Certificate of Final Acceptance by the Buyer.

##### **20.2 Second Payment (Final Payment)**

Payment of eighty-five (85) percent of the total Contract Price shall be made upon completion of delivery and satisfactory acceptance of the Goods against the presentation of the Certificate of Final Acceptance issued by the Buyer, invoice, and shipping documents under Clause 17 (Shipping Documents).

Each payment shall be made by way of Telegraphic Transfer to the Seller's account in accordance with the complete documents as to be submitted by the Seller to the Buyer for approval.

VAT and/or Withholding tax shall be deducted from each payment at the rate prescribed by Thai laws. The Seller shall be responsible and pay for any stamp duties arising out of this Contract. (if any)

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Upon receipt of each payment, the Seller shall furnish a cash receipt signed by the Seller or by the authorized person on behalf of the Seller to the Buyer by hand or by registered mail sent to the Buyer within seven (7) Days from the receipt of each payment.

All expenses incurred in relation to bank charges in Thailand shall be borne by the Buyer and all expenses in relation to bank charges outside Thailand shall be borne by the Seller.

**Clause 21. Advance Payment**

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**Clause 22. Insurance**

The Seller shall, at its own costs and expenses, arrange to insure all the Activities/Goods to be furnished under the Contract in amount equivalent to one hundred and ten percent (110%) of the DDP cost of each item which the Seller will furnish on each shipment with the right to claim payable in Thailand. The insurance shall cover all risks, including war risk, strike, riot and civil commotion (S.R.C.C.).

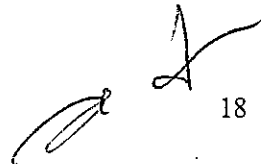
The insurance policy shall be in the name of the Seller as the insured, while the Buyer shall be the beneficiary. The insurance as stated shall be effective from the date the Activities/Goods are shipped until their arrival at the place designated under Clause 16 (Delivery of Goods) and accepted by the Buyer upon Final Acceptance of Goods and Activities as stipulated in Clause 34 (Certificate of Final Acceptance). A copy or copies of the appropriate insurance policy(ies) and the receipt(s) for payment of the current premium(s) shall be provided to the Buyer within thirty (30) Days of execution of the Contract.

In case where there is any loss or damage incurred by the Activities/Goods during transportation, the Seller shall replace or repair such Activities/Goods at his own expenses, but the Buyer shall reimburse to the Seller the amounts paid by claiming from the insurer the compensation under the insurance policy. In no case shall the reimbursement exceed the compensation paid by the insurer.

**Clause 23. Warranty**

**23.1 Manufacturer Warranty**

Manufacturer Warranty is covered for 2,500 Engine operating hours or five (5) years from the date of shipment of the Engine from P&WC's facilities, **whichever occurs first, balance of remaining engine hours at time of delivery.**

  
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## 23.2 Contract Warranty

(Standard Manufacturer's Warranty, plus Contract Warranty)

23.2.1 The Seller warrants that all Goods supplied under the Contract shall be free from all or any defects due to faults in materials, design, fabrication, services, production, installation or any other cause for which the Seller is responsible under the Contract or otherwise fails to meet the performance expectations stated by the Seller for a period of **one (1) year or one thousand (1,000) used hours**, whichever occurs first from the Completion Date (hereinafter called "Warranty Period").

23.2.2 In the event that the Activities/Goods or any part or component or board thereof becomes defective or fails to meet the performance expectations within the aforementioned Warranty Period under Clause 23.2.1, the Seller, at his own expenses, will instantly re-perform the Activities, or repair, or replace the defective Activities/Goods or any parts or equipment or component free of all charges, including transportation costs not later than thirty (30) Days of receiving notice from the Buyer. Such timescale shall also apply to the return to the Buyer in a functioning state of any Goods, or equipment or any part or component or board thereof removed from the Buyer's facility to the Seller's facility for repair or replacement and back from the Seller's facility to the Buyer's facility.

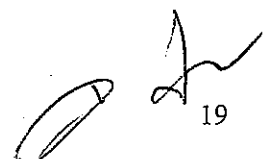
23.2.3 While the Seller carries out his obligations under Clause 23.2.2, the Buyer may remedy the defect or correct the failure to ensure continuity in the operation of the Activities or the Goods.

23.2.4 If, in performing his obligations under Clause 23.2.2, the Seller should make use of any component, Spare Parts, tools, test equipment or any other item belonging to the Buyer then they shall be replaced or returned within seven (7) Days.

23.2.5 Should the Seller fail to carry out his obligations under Clause 23.2.2, then the Buyer has the right to remedy the defect or correct the failure to meet the agreed level of Guaranteed Performance, or have such remedies corrected by a third party, at the expenses and risks of the Seller.

23.2.6 The Warranty Period in respect of any Goods/Activities shall be suspended on the date of the Buyer's reporting of the defect or failure to meet the agreed level of Guaranteed Performance and shall recommence on the date of the Buyer's acceptance of the Seller's remedy or correction thereof.

23.2.7 Despite the standard manufacturer's warranty above, the Seller shall unconditionally warrant and guarantee the engine PT6A-60A and shall provide repair and/or replacement parts, free of charge for defects, material and workmanship of the engine PT6A-60A and delivered accessory, found within one (1) year after final acceptance.



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**Clause 24. Shipping**

24.1 If any Goods to be delivered to the Buyer according to the Contract are to be carried by sea on the route where Thai vessels are in carriage service and have space available according to a Notification issued by the Ministry of Transport, the Seller must make arrangements for the shipment of such Goods to Thailand by Thai vessels or vessels which enjoy rights similar to Thai vessels, unless permission has been obtained from the Marine Department, Thailand, before such Goods is carried by non-Thai vessels.

24.2 In delivering the Goods to the Buyer according to the Contract, the Seller must submit two (2) copies of bill of lading to the Buyer at least fifteen (15) Days before arrival of each shipment at the Port of Bangkok showing that the Goods are carried by Thai vessels or vessels which enjoy the rights similar to Thai vessels.

In cases such Goods are not carried from abroad by a Thai vessel or vessels which enjoy the rights similar to Thai vessels, the Seller must submit either an evidence to the Buyer showing that permission has been obtained from the Marine Department allowing the carriage of the Goods by non-Thai vessels or an evidence showing that payment of a special fee has been made due to the non-carriage of the Goods by Thai vessels according to the law on Mercantile Marine Promotion.

In cases where the Seller does not submit to the Buyer either of the evidence mentioned in the preceding paragraphs, but nevertheless desires to make delivery of such Goods to the Buyer without receiving payment for such Goods, the Buyer is entitled to accept the delivery of such Goods and will pay the price for such Goods when the Seller has properly fulfilled the aforesaid requirements.

**Clause 25. Termination of the Contract for Cause**

In case of failure of the Seller to complete the delivery of the Activities/Goods within the scheduled time as may be extended from time to time under the Contract or in case of becoming bankrupt or non-compliance with the obligations under any Clauses of the Contract, the Buyer is entitled to terminate the Contract, in whole or in part by written notice of termination sent to the Seller.

In case the liquidated damages amount exceeds ten (10) percent of the Contract Price, the Buyer has the right to terminate the Contract.

The Buyer's failure to terminate the Contract under the first two paragraphs shall not constitute justification for the Seller to be relieved of any liabilities under the Contract.



**Clause 26. Termination by the Buyer for Convenience**


- a) The Contract may be terminated by the Buyer in whole, or from time to time in part, in accordance with this Clause whenever the Buyer shall determine that such termination is in the best interest of the Buyer.
- b) Termination shall be effected by notice of termination sent to the Seller specifying that termination is for the convenience of the Buyer, the extent to which performance of the Activities under the Contract be terminated, and the date upon which such termination becomes effective.
- c) The Seller shall be reimbursed for all Contract cost incurred up to the time of termination under this Clause excluding any amount already paid to the Seller.

**Clause 27. Default**

27.1 If the Seller should:

- a) fail to commence and carry out the Activities in accordance with this Contract; or
- b) refuse or fail to fully complete and deliver the Activities or the Goods thereof to the Buyer within the times specified in the Contract or any authorized variation of such times; or
- c) commit any major breach of or fail to comply with or observe the provisions of the Contract or any of them; or
- d) be in the reasonable opinion of the Buyer, unable or unwilling to complete the Activities; or
- e) become insolvent or bankrupt or make an arrangement or composition with his creditors or become subject to corporate rehabilitation or reorganization, go into liquidation whether compulsory or voluntary; or
- f) himself or by any person on his behalf, give or offer money or benefit or forbearance to any employee of the Buyer who has duties or responsibilities in connection with the making of the Contract or the performance of the Activities;

then, in any of such events, the Seller shall be in default under the Contract. The Buyer will give the Seller written notice that the Seller is in default and give the Seller thirty (30) Days in which to provide a plan for and begin to take remedial action. If the Seller, having received written notice from the Buyer, fails to provide a plan for or fails to begin to take remedial action, the Seller shall be liable to the Buyer for all

  
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damage, as well as all liquidated damages, under the terms of the Contract and otherwise, including increased Activities, Goods, equipment and materials costs and increased administration costs, suffered by the Buyer as a result of the Seller's default.

All such damages may be recovered by the Buyer from the Seller in the Court of Thailand, or, without prejudice to those rights, by remittance from the Seller or from the Performance Security deposited, or after use of the property and materials of the Seller for completion of the Activities as provided in the Contract, such property and materials may be sold and the proceeds applied to any remaining obligations of the Seller.

The Buyer may exercise any or all of the foregoing rights to the extent necessary to satisfy the full amount of any obligations of the Seller, and if any balance remain owing to the Buyer, it may be collected by suit against the Seller.

27.2 Should the Seller be in default under the Contract, the Buyer may at its option:

(a) suspend payments under the Contract until the default has been rectified;  
or

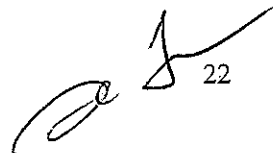
(b) terminate the Contract, in which case a written notice shall be served on the Seller and the termination shall be effective from the date on which the notice is served. The Buyer may terminate the Contract whether any Activities under the Contract remains to be executed or not, or whether the time limit for the completion of the Activities has expired or not, the termination of the Contract shall not vitiate the Contract, but shall terminate the Seller's right to proceed with the Activities and to release the Buyer from future obligations on its part of the Contract and shall not relieve the Seller from liability in damages for its default or prejudice any rights of the Buyer, (including without limited to the Buyer's rights to claim against the Performance Guarantee and/or Guarantee for Advance Payment provided by the Seller to the Buyer as stipulated herein);

(c) claim for liquidated damages against the Seller as stipulated hereunder;

(d) hire a third party to complete the delivery of the Activities in place of the Seller;

(e) claim for refunds of the Advance Payment and the Final Payment, as well as any losses and/or damages suffered by the Buyer as a result of the Seller's default.

Any failure of the Buyer to exercise its rights as provided herein shall not be deemed as a release or discharge of any of the liabilities, responsibilities or obligations of the Seller under this Contract.

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**Clause 28. Liquidated Damages**

28.1 In case of failure of the Seller to complete the delivery of Goods by the time scheduled in the Contract, or in case the Goods have been rejected for not complying with the Specifications, the Seller agrees to pay liquidated damages to the Buyer on a daily basis at the rate of two tenths percent (0.2%) of the cost of the Goods not completely delivered from the date following the specified date of delivery up to actual date of delivery of the Goods to the Buyer correctly and completely.

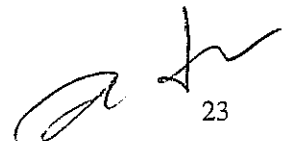
In case of purchasing the Goods assembled in one set, the penalty shall be imposed in full on the cost of the whole set. Regarding the purchase of the Goods in sets together with spare parts and/or tools, if the Seller delivers complete sets on schedule, with the exception of spare parts and/or tools which are behind schedule, liquidated damages will be imposed on a daily basis at the rate of two tenths percent (0.2%) of the cost of spare parts and/or tools undelivered.

28.2 All such liquidated damages may be recovered by the Buyer from the Seller in the manner provided in Clause 27 (Default). Termination of the Contract by the Buyer for the default of the Seller shall not relieve the Seller from liability for liquidated damages under this condition accruing until such time as the Buyer may reasonably procure the Goods and Activities elsewhere. The Seller shall not be liable for liquidated damages in the event of delays caused by Force Majeure.

In cases where the Seller is unable to comply with the Contract, and is consequently subject to the liquidated damages provided for in the Contract, and if the amount of the liquidated damages exceeds ten (10) percent of the value of the Contract Price, the Buyer shall proceed to terminate the Contract, except where the Seller has agreed to pay the liquidated damages to the Buyer without any conditions whatsoever, in which case the Buyer may, at its absolute discretion, grant such relaxation with regard to the termination of the Contract as may be deemed necessary.

28.4 If the Buyer has not yet terminated the Contract and considers that the Seller is unable to continue its performance of the Contract, or the liquidated damages amount exceeds the ceiling of ten percent (10%) of the Contract Price, the Buyer is entitled to terminate the whole or part of this Contract, as the Buyer may deem it appropriate and may exercise the right under Clause 25. In addition, if the Buyer notified the Seller after the delivery time scheduled in the Contract or after the Completion Date in the Contract, as the case may be, that the Buyer demands the payment of the liquidated damages, the Buyer shall also be entitled to the liquidated damages up to the date of termination of the Contract.

In case the Buyer accepts the Activities/Goods which the Seller have delayed in delivery, the Seller agrees to pay the Liquidated Damages at the time of acceptance of the Activities/Goods.

  
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28.5 The payment or deduction of liquidated damages shall not relieve the Seller from his obligation to complete the Activities, or from any other obligation or liabilities under the Contract.

**Clause 29. The Buyer's Right after Termination of the Contract**

In case the Buyer terminates the Contract under Clause 25, the Seller agrees to let the Buyer confiscate the security by claiming against the Bank issuing the performance security in whole or in part as may be deemed advisable by the Buyer. Besides, the Seller shall be liable to pay all damages to the Buyer, and if the Buyer procures the Activities/Goods from another person in whole or in part, especially for those falling short as the case may be, within a period of ten (10) month(s) from the date of termination, the Seller agrees to reimburse the extra cost over and above those stipulated in the Contract.

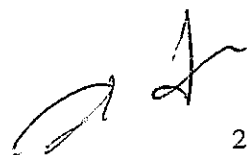
**Clause 30. Claim for Penalty and Damages**

In claiming liquidated damages and damages from the Seller under this Contract, the Buyer may be reimbursed by way of deduction from the cost of the Activities/Goods including reimbursable costs remaining unpaid to the Seller or by claiming against the Performance Security and/or Bank Guarantee for Advance Payment as the Buyer may prefer.

**Clause 31. Force Majeure**

Neither party shall be in default under the Contract because of any delays, when such delays are caused by Force Majeure. In cases where the Seller is in default under this Contract due to Force Majeure, the Seller shall notify the Buyer in writing of the cause of any such delay within fifteen (15) Days of its end thereof; or within such further period as the Buyer allows for the receipt of such notice. Upon receipt of any such notice, the Buyer shall promptly ascertain the facts and the extent of the delay and shall extend the time for Completion of Activities when, in the opinion of the Buyer, the delay is caused by Force Majeure or the findings of fact justify an extension the Buyer's decision shall be binding on the Seller. In cases where the Seller fails to notify the Buyer in writing of the cause of any such delay within the aforesaid fifteen (15) Days period, it shall be deemed that the Seller has waived its right to request for an extension of the time for Completion of Activities.

In this Contract, Force Majeure denotes any event, the happening or pernicious result of which could not be prevented even though a person against whom it happened or threatened to happen were to take such appropriate care as might be expected from him in his situation.



**Clause 32. Extension of Time for Completion**

Any extension of time for Completion of Activities under this Contract for which liquidated damages may be canceled or decreased shall be at the Buyer's sole and absolute discretion, and be based on the number of days of the actual occurrence only in the following cases:

- a) the event arising from the Buyer's fault or mistake;
- b) Force Majeure;
- c) the event occurring as a result of any act for which neither party is liable under law.

The Seller shall notify the Buyer of any such aforesaid event within fifteen (15) Days of its end. If the Seller fails to notify the Buyer within the specified time, the Seller cannot raise the event as grounds for cancellation of or decrease in liquidated damages, or extension to the Completion Date thereafter, except in the case of Clause 32 (a) or where there is clear evidence that the Buyer is well aware of the matter from the beginning.

**Clause 33. Completion of Activities**

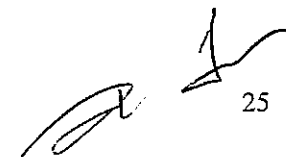
All the Activities /Goods agreed upon in the Contract, comprising of satisfactory completion of all provision and delivery of the Activities/Goods, equipment, materials, relevant services and tests necessary to fully demonstrate compliance with Contract requirements, shall be fully completed and delivered by the Seller to the Buyer by the Completion Date (within ninety (90) Days from the date of the Contract signing).

Should the actual Contract Period for any reason exceed the time specified for the purpose under the Contract, then the Seller shall continue to perform the Activities until they are fully completed and delivered to the Buyer, and the effective period of the Contract shall be extended accordingly.

If the extension of the Contract Period is due to any error or omission on the part of the Seller or its employee(s), the Seller shall bear the total cost of the additional Activities required. This shall not prejudice to the right of the Buyer to claim for liquidated damages, as provided herein, against the Seller due to delay in the Activities.

**Clause 34. Certificate of Final Acceptance**

The Buyer will issue the Certificate of Final Acceptance at the time of satisfactory completion and delivery of all Activities. Such Certificate shall be issued within fifteen (15) Days from the date when the Inspection Committee of the Buyer has issued written acceptance of delivery of all Activities, as stipulated in Clause 19. The Final Payment shall be released against the presentation of the Certificate of Final Acceptance issued by the Buyer.



**Clause 35. Ownership of the Goods**

The ownership of the Goods purchased shall be passed to the Buyer upon issuance of the Certificate of Final Acceptance.

**Clause 36. Transfer or Change of Right under the Contract**

Both parties shall not on any account transfer or change the rights under the Contract except with written consent from the other party.

**Clause 37. Law of Contract**

The Contract shall be governed by and be construed and take effect in accordance with the substantive law of Thailand.

**Clause 38. Settlement of Disputes**

If any dispute, controversy or claim arising out of or relating to this Contract, or the breach, termination or invalidity thereof, cannot be settled by amicably consult within thirty (30) Days from the first date of consultation, such dispute, controversy or claim arising out of or relating to the Contract or the breach termination or invalidity thereof shall be settled in Competent Court of Thailand.

**Clause 39. Operational Life and On-Going Support**

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