

Guangzhou Hangrun Aero-Tech Co., Ltd Customer Agreement

This Agreement shall apply also to any future contracts in terms of delivery and services with the same client in their respective version, without GUANGZHOU HANGRUN Aero-Tech Co., Ltd (Hereinafter referred to as "GUANGZHOU HANGRUN") being obliged to indicate the Agreement in each individual case.

I. CONDITIONS OF SALE

- A. A purchase order must be received in documented format either by fax or electronic mail (email).
Orders may be emailed directly to a sales representative.
- B. A purchase order will not be accepted over the phone.
- C. In the event more than one company sends a purchase order for a given part(s) at a mutually pre-agreed price, the first purchase order received in hand will be the accepted order.
- D. The minimum dollar amount for a purchase order is \$300USD.
- E. The minimum purchase price to guarantee a part repairable is \$1000USD. Unless otherwise specified, any sales below \$1000USD are considered "as-is" sales and are not eligible for return in accordance with the RMA section of this Agreement.
- F. GUANGZHOU HANGRUN does not offer a warranty on any part(s) outside of the extended warranty issued by a repair facility for repaired, overhauled, or new units. For information on any extended warranties, please ask an Account Manager. Unless otherwise specified, any part sold for more than \$1000 USD is either guaranteed repairable or guaranteed to be operational upon installation.
 - 1. Guaranteed repairable – GUANGZHOU HANGRUN guarantees the part(s) will be capable of being restored to an airworthy condition through an FAA, EASA or CAAC approved repair facility. If this condition cannot be met, the part(s) is eligible for return (see RMA section). GUANGZHOU HANGRUN does not guarantee or warrant the condition or airworthiness of a part.
 - 2. Guaranteed to work upon installation – GUANGZHOU HANGRUN guarantees that if a part has been repaired or overhauled prior to sale, it is guaranteed to be operable upon installation. If this condition cannot be met, the part is eligible for return (see RMA section). GUANGZHOU HANGRUN does not guarantee or warrant the condition or airworthiness of a part. All guarantees as to the merchant, fitness or airworthiness of a component are the responsibility of the Customer and the FAA or EASA approved repair station.
- G. Hazmat shipments subject to a minimum \$250USD fee.
- H. Final title transfer of a purchased item occurs upon GUANGZHOU HANGRUN's receipt of payment.
- I. Unless otherwise agreed between Customer and Account Management, any Customer orders that do not ship within 5 business days of the agreed upon ship date, due to Customer induced delays, may be cancelled by GUANGZHOU HANGRUN. Storage costs may be occurred if Customer orders do not ship within 5 business days.
- J. All return parts that are not approved by GUANGZHOU HANGRUN are subject to 15% restocking fee.

II. PRICE

The price quoted by GUANGZHOU HANGRUN for each Sale shall remain valid for acceptance by the Customer for 5 days from date of quotation. If the Customer has not accepted the quoted price within 5 days, GUANGZHOU HANGRUN reserves the right to revise the price quoted. All prices quoted shall be exclusive of any VAT payable.

III. PAYMENTS

All invoicing amounts shall be paid within 5 days without deduction, unless explicitly agreed otherwise in writing. Determinative factor for keeping that due date shall be the date of receipt on the accounts of GUANGZHOU HANGRUN. After the passing of the due date, an annual interest rate for default in the amount of eight percentage points above the applicable prime rate shall be charged. Claiming any additional damages due to default shall be reserved.

IV. WARRANTY

- A. GUANGZHOU HANGRUN shall grant the client a warranty equivalent to the warranties that GUANGZHOU HANGRUN itself is granted by its contracting partners (e.g. usual manufacturer guaranty or repair guaranty).
- B. The delivered part(s) shall be inspected thoroughly by the client immediately after delivery. The delivered part(s) shall be deemed accepted, if GUANGZHOU HANGRUN does not receive a written notification of defect(s) with detail statement(s) and photos that clearly show defects on part(s) within ten(10) working days upon receipt of the part(s), or else within ten(10) working days after discovery of a defect or the period in which the defect would have become apparent to the client without closer inspection upon regular use of the delivered part(s).
- C. Defects, which should or could reasonably have been incurred during inspection/examination after delivery of the part(s) by client, shall not entitle the client to advance a claim against GUANGZHOU HANGRUN.
- D. Warranty shall not apply, if the client modifies the delivered part(s) without authorization by GUANGZHOU HANGRUN or allows a third party to modify them, thus rendering the rectification of the defect impossible or unreasonably more difficult. In any event, the additional costs of rectification of the defect incurred by these modifications shall be borne by the client.

V. RETURN MATERIAL AUTHORIZATION (RMA)

- A. An RMA may be issued for a part(s) if one (or more) of the following occur:
 - 1. The Customer receives the incorrect unit from that which was listed on the Customers purchase order.
 - 2. The Customer receives a damaged or broken unit without prior notification and written consent by Customer.
 - 3. The part(s) ordered is unable to pass FAA, EASA, CAAC and manufacturer repair standards and/or mutually agreed upon to be Beyond Economical Repair (BER).
 - 4. The part(s) ordered is not operational upon installation.
- B. In order to obtain an RMA from GUANGZHOU HANGRUN regarding an issue on a part(s), the Customer must contact GUANGZHOU HANGRUN's sales representative. The Customer is obligated to provide supporting documentation to GUANGZHOU HANGRUN of the issue which must include but is not limited to:

1. Shop Report from an approved FAA certified repair facility.
 2. A report from an airline or appropriate aircraft operator quality control department that the part(s) was not operational upon installation.
 3. A picture of the part(s) showing either visible damage or that the incorrect part(s) was received by Customer.
- C. All RMA requests must be received within 30 days of invoice date. Failure to complete the RMA packet and provide all supporting documentation within 30 days of invoice date will result in the denial of a request.
- D. All part(s) being returned must be received in GUANGZHOU HANGRUN's warehouse within 14 calendar days of RMA issue date.
- E. If part(s) is shipped to a location other than the address supplied on the RMA, Customer is responsible for shipping fees to the correct location. Any shipping charges incorrectly billed to GUANGZHOU HANGRUN will be immediately reimbursed by Customer, along with a 20% administrative fee and payment will be due immediately.
- F. All returns must be pre-approved and cannot be returned without prior receipt of an RMA from GUANGZHOU HANGRUN.
- G. The RMA number must be referenced on all documentation pertaining to the return and must also be clearly marked on the outside of the returned package.
- H. The returned parts must be assembled to the same condition as they were shipped, not dismantled, any part returned to GUANGZHOU HANGRUN altered, damaged or missing subcomponents will nullify Customer's request for RMA.

VI. SHIPPING

- A. All orders are shipped EXWORK from the point of shipment. GUANGZHOU HANGRUN will not be responsible for lost or destroyed shipments that are not insured by the Customer. GUANGZHOU HANGRUN will not reimburse original shipping cost on returned part(s).
- B. All orders will be shipped using Customer's preferred shipping method and respective account. Any shipping costs originally billed to the Customer's account and in turn is re-billed back to GUANGZHOU HANGRUN without prior approval, will incur a 25% handling fee.

VII. ORDER CANCELLATION

In principle, the client shall not be entitled to cancel a purchase order. The client shall only be entitled to cancel a purchase order after express consent by GUANGZHOU HANGRUN in writing. However, any relevant expenditure for cancelation shall be charged to the client.

CUSTOMER HEREBY STATES THAT CUSTOMER HAS READ AND UNDERSTOOD ALL THE ABOVE TERMS AND STATEMENTS, AND WILL BE RESPONSIBLE FOR FULL COMPLIANCE. GUANGZHOU HANGRUN RESERVES THE RIGHT TO

MODIFY AND CHANGE ANY OF THE TERMS AND CONDITIONS SET FORTH ABOVE WITHOUT PRIOR NOTICE TO THE CUSTOMER. CUSTOMER IS STILL RESPONSIBLE FOR COMPLIANCE AND ABIDING BY THE LATEST VERSION OF THE AGREEMENT AT ALL TIMES. BY SIGNING THIS DOCUMENT, THE CUSTOMER ACKNOWLEDGES THAT IT WILL BE RESPONSIBLE FOR ANY VIOLATION OF THE AFOREMENTIONED. IN THE EVENT THERE ARE ADDITIONAL CHANGES TO THE INFORMATION PROVIDED ABOVE, THE CUSTOMER WILL PROVIDE THE NEW INFORMATION TO GUANGZHOU HANGRUN, IN WRITING, IMMEDIATELY.

Company Name

Authorized Signatory Name & Title (Print)

Authorized Signature

Date