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Our reference : GLW /MZHENG /LIQNG /1018011973 1 June 2020
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Your reference :

Aviation Working Group

Dear Sirs

Global Aircraft Trading System (“GATS”)

1. We have acted as your legal advisers in Singapore in connection with:
 - 1.1 the GATS Trust Instrument (Singapore Trust Branch), which incorporates therein the terms of the GATS Trust Instrument Master Terms (Singapore Trust Branch) (the “**GATS Trust Instrument**”);
 - 1.2 the GATS Security Instrument (Singapore Trust Branch), which incorporates therein the terms of the GATS Security Instrument Master Terms (Singapore Trust Branch) (the “**GATS Security Instrument**”);
 - 1.3 the GATS Transfer Instrument (Beneficial Interest) (Singapore Trust Branch);
 - 1.4 the GATS Transfer Instrument (Partial/Residual Beneficial Interest) (Singapore Trust Branch) (the “**GATS Transfer Instrument (Partial / Residual Beneficial Interest)**”);
 - 1.5 the GATS Transfer Instrument (Successor Trustee Transaction) (Singapore Trust Branch);
 - 1.6 the GATS Security Transfer Instrument (Singapore Trust Branch) (the “**GATS Security Transfer Instrument**”);
 - 1.7 the GATS Amendment Instrument (GATS Trust Instrument) (Singapore Trust Branch);
 - 1.8 the GATS Amendment Instrument (GATS Security Instrument) (Singapore Trust Branch);

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- 1.9 the GATS Release and Discharge (Singapore Trust Branch);
- 1.10 the GATS Release and Discharge (Partial Release) (Singapore Trust Branch); and
- 1.11 the GATS Termination Instrument (Singapore Trust Branch).

In this opinion:

- 1.11.1 the term “**Documents**” means the documents referred to in paragraphs 1.1 to 1.11 above; and
 - 1.11.2 the term “**GATS Party**” means each party to a Document.
- 2. This opinion is limited to Singapore law of general application at the date of this opinion, as currently applied by the courts of Singapore, and is given on the basis that it will be governed by and construed in accordance with the laws of Singapore. We have made no investigation of, and do not express or imply any views on, the laws of any country other than Singapore.
- 3. For the purpose of this opinion, we have examined:
 - 3.1 the standard form draft of each of the Documents accessed by us on the date of this opinion at the GATS project page of the Aviation Working Group's website at <http://awg.aero/projects/gats/>; and
 - 3.2 such other documents and records as we have deemed necessary to examine in order that we may render this opinion.
- 4. Terms defined and references construed in the Documents shall, unless otherwise defined herein or the context requires otherwise, have the same meaning and construction in this opinion.
- 5. Except as stated above, we have not examined any contract, instrument or other document entered into by or affecting the GATS Parties or any of the corporate records of the GATS Parties and have not made any other enquiries concerning the GATS Parties.
- 6. We have assumed:
 - 6.1 that each GATS Party is a company duly incorporated and validly existing in accordance with the laws of its jurisdiction of incorporation;
 - 6.2 that each of the Documents, and the electronic execution of the Documents through the GATS electronic platform (i.e. the fully electronic GATS, with e-signatures, e-delivery of documents and use of a secure e-ledger to record transactions), is within the capacity and powers of each party thereto;



- 6.3 that each of the Documents has been validly authorised by or on behalf of each party thereto, including authorisation which permits the electronic execution of the Documents through the GATS electronic platform by that party;
- 6.4 that each of the Documents will be validly executed, delivered by or on behalf of each party thereto and duly dated, electronically through the GATS electronic platform, in the form which we have reviewed;
- 6.5 that the Documents (other than the GATS Trust Instrument) will make reference to a legal, valid, binding and enforceable GATS Trust Instrument and (if applicable) GATS Security Instrument;
- 6.6 that the GATS Transfer Instrument (Partial / Residual Beneficial Interest) will when completed, refer to specific, ascertainable and identifiable asset(s) as the Transferred Beneficial Interests therein;
- 6.7 that the e-signatures applied through the GATS electronic platform are genuine and authentic, that all aspects of the GATS electronic platform used for the electronic execution, delivery, and recordal of the Documents are secure and there is no reason to doubt the integrity of any Documents executed through or available from the GATS electronic platform;
- 6.8 that there are no provisions of the laws of any jurisdiction other than Singapore which would be contravened by the execution or delivery by the GATS Party of each Document to which it is a party through the GATS electronic platform, or which would affect whether the Documents as electronically executed through the GATS electronic platform are legal, valid, binding or enforceable under the laws of that jurisdiction, and that, in so far as any obligation expressed to be incurred under each such Document is to be performed in or is otherwise subject to the laws of any jurisdiction other than Singapore, or where the electronic execution through the GATS electronic platform by a party causes the laws of any jurisdiction other than Singapore to apply, its performance of such obligation will not be illegal and such obligation will be valid and binding on and enforceable against the relevant party by virtue of the laws of that jurisdiction;
- 6.9 that all authorisations, consents, approvals and orders required from any governmental or other authorities outside Singapore and all other requirements outside Singapore for the legality, validity and enforceability of each Document have been duly obtained or fulfilled and are and will remain in full force and effect and that any conditions to which they are subject have been satisfied;
- 6.10 the legal, valid and binding nature of the obligations of each of the parties under the Documents, including the Documents as executed through the GATS electronic platform, under all applicable laws other than the laws of Singapore;
- 6.11 that each GATS Party has not, at the time of entry into the transactions contemplated by the Documents to which it is a party:



- 6.11.1 entered into or initiated any process for any scheme of arrangement or compromise;
- 6.11.2 initiated any corporate voluntary arrangements or entered into any composition agreement with its creditors;
- 6.11.3 been declared insolvent;
- 6.11.4 commenced or been the subject of any winding-up procedure whatsoever;
- 6.11.5 requested or been subject to the appointment of, or any application being made for the appointment of, any receiver (including a receiver and manager), trustee, judicial manager, liquidator, sequestrator, administrative receiver, administrator or similar officer;
- 6.11.6 been in a position where it is otherwise insolvent within the meaning of Section 100(4) of the Bankruptcy Act, Chapter 20 of Singapore or has become insolvent (in each sense of the word used in this paragraph 6.11) by reason of the entering into or completion of the transactions contemplated by the Documents to which it is a party;
- 6.11.7 been unable to pay its debts or has become unable to pay its debts by reason of the entering into or the completion of the transactions contemplated by the Documents to which it is a party (the phrase "being unable to pay its debts" being within the meaning of Sections 254(1)(e) and 254(2) of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**")); or
- 6.11.8 been subject to any event similar to any of the above under the laws of any jurisdiction; and
- 6.11.9 the transactions contemplated in the Documents in connection with any Assets (as defined below) did not involve any undervaluation by it;
- 6.12 that no party to any of the Documents is, or will be, engaging in misleading or unconscionable conduct or seeking to conduct any relevant transaction or associated activity in a manner or for a purpose not evident on the face of the Documents which might render any of the Documents or any relevant transaction or associated activity illegal, void or voidable;
- 6.13 that there are no dealings between the parties that affect any of the Documents or the GATS electronic platform;
- 6.14 that there are no provisions of the laws of any jurisdiction outside Singapore which would have any implication for the opinions we express and, insofar as the laws of any jurisdiction outside Singapore may be relevant, such laws have been or will be complied with or do not affect electronic execution, delivery, or recordal through the GATS electronic platform;



- 6.15 that no director of the GATS Party has an interest in the transactions contemplated by the Documents to which it is a party;
- 6.16 that the relevant GATS Party has good title and rights to the property and assets conveyed or transferred on trust, charged, assigned, mortgaged or otherwise secured or held on trust pursuant to the GATS Security Instrument and/or the GATS Trust Instrument to which it is a party and there are no other existing or future equity interests or rights, direct or indirect, or any claims from third parties which may affect the title and/or rights that the relevant GATS Party has to such property and assets;
- 6.17 that in exercising the power of each GATS Party to enter into each Document to which it is a party, create the security expressed to be created by it thereunder, settle or create the trust and/or hold Assets thereunder, undertake and perform the obligations expressed to be undertaken and performed by it under each Document, its directors and each GATS Party are acting in good faith and in furtherance of its substantive objects and for its legitimate purpose and that the entry into of each of the Documents to which it is a party may reasonably be considered to have been in the interests, and for the commercial benefit, of the GATS Party;
- 6.18 that, other than the security expressed to be created under or pursuant to the GATS Security Instrument to which it is a party, the relevant GATS Party has not:
- 6.18.1 created any security prior to the date of the GATS Security Instrument to which it is a party; nor
- 6.18.2 created any security by way of assignment, notice of which has been given, to the third parties to the agreements or contracts which are the subject of such assignment,
- over the assets expressed to be charged or assigned pursuant to the GATS Security Instrument;
- 6.19 that none of the GATS Parties nor any of their officers or employees had any notice (a) on the date of each Document, (1) of any security interests over, or any other existing equity, interests or right in, any of the assets expressed to be charged, mortgaged, pledged, held on trust or otherwise secured thereby (the “**Assets**”) or (2) that the creation by the relevant GATS Party of any such security or the performance by each GATS Party of each Document to which it is party would give rise to a breach of trust or (b) that the performance, execution or observance by each GATS Party of each Document to which it is party is contrary to any contractual or other obligations binding on it;
- 6.20 that the relevant GATS Party intended to create the trust expressed to be created under the relevant Document and that the relevant GATS Party will comply with any duties to exercise reasonable care and skill in the discharge of any powers, to exercise any discretion properly, and to abide by the directions of the relevant Document;

6.21 that all arrangements set out in the GATS Security Instrument in relation to the creation and perfection of the security expressed to be created under the GATS Security Instrument will be or have been fully carried out; and

6.22 the correctness of all facts stated in each of the Documents (other than those stated below).

7. Based on the foregoing and subject as mentioned herein, we are of the opinion that:

7.1 Each Document is in a form which, when validly executed, delivered by or on behalf of each party thereto and duly dated (including electronically executing through the GATS electronic platform), will be recognised under the laws of Singapore as capable of constituting the legal, valid and enforceable obligations of the GATS Party party thereto under the laws of Singapore.

7.2 Save for:

7.2.1 the registration of each of the GATS Security Instrument and the GATS Security Transfer Instrument with the ACRA within 30 days of execution by the parties thereto if the Beneficiary is either a company incorporated in Singapore or a foreign company registered under Division 2 of Part XI of the Companies Act, Chapter 50 of Singapore; and

7.2.2 the registration of the Trust Company as a licensed trust company pursuant to the Trust Companies Act, Chapter 336 of Singapore,

no registration, filing, consents, licences, approvals and authorisations of, exemptions, orders or similar formalities are required by each GATS Party from any governmental or other regulatory authorities in Singapore for the entry into, performance, execution or delivery of the Documents to which it is a party.

7.3 No stamp duty or documentary tax or similar tax or duty of any kind imposed by any governmental or other regulatory authorities in Singapore is payable in connection with the execution and delivery of each of the Documents, except that stamp duty of S\$10 is payable in respect of the GATS Trust Instrument, within 14 days after it has first been executed in Singapore or, if it is first executed outside Singapore, within 30 days after it has been first received in Singapore.

7.4 Subject to the qualifications below and other provisions of this opinion, the GATS Security Instrument is in a form which would generally be recognised under the laws of Singapore as effective in creating a security interest over the Assets.

Our opinion as regards the enforceability in Singapore of the security (the "**Security**") created by the relevant GATS Party under the GATS Security Instrument is subject to the qualification that certain statutory preferences and other priorities arising by law may rank ahead of the Security.



8. The term “**enforceable**” as used above means that the obligations assumed or to be assumed by a GATS Party under each of the Documents to which it is a party are of a type which the Singapore courts enforce. It does not mean that those obligations will necessarily be enforced in all circumstances in accordance with their terms. In particular:
- 8.1 enforcement may be limited by bankruptcy, insolvency, liquidation, reorganisation and other laws of general application relating to or affecting the rights of creditors;
 - 8.2 enforcement may be limited by general principles of equity - for example, equitable remedies may not be available where damages or equitable compensation are considered to be an adequate remedy;
 - 8.3 claims may become barred under the Limitation Act, Chapter 163 of Singapore or may be or become subject to defences of set-off or counterclaim; and
 - 8.4 where obligations are to be performed in a jurisdiction outside Singapore, they may not be enforceable in Singapore to the extent that performance would be illegal or contrary to public policy under the laws of that jurisdiction.
9. In addition, this opinion is subject to the following qualifications:
- 9.1 a certificate, determination, notification or opinion from or by any GATS Party as to any matter provided for in any of the Documents may be held by the Singapore courts not to be conclusive if it could be shown to have an unreasonable or arbitrary basis or in the event of manifest error;
 - 9.2 provisions in any of the Documents providing for the payment of additional or an increased rate of interest may not be enforceable if any such provisions amount to a penalty under Singapore law;
 - 9.3 any provision in any of the Documents which involves an indemnity for the costs of litigation is subject to the discretion of the Singapore court to decide whether and to what extent a party to the litigation should be awarded the costs incurred by it in connection with the litigation;
 - 9.4 where a party is to perform an obligation in a place other than Singapore, a court will not enforce that obligation to the extent that its performance would be illegal by the laws of that place;
 - 9.5 any term of an agreement may be amended orally by all the parties notwithstanding any provisions to the contrary in any of the Documents;
 - 9.6 any provision in any of the Documents providing for the severance of any provision which is illegal, invalid or unenforceable may not be effective - it depends on the nature of the illegality, invalidity or unenforceability in question;



- 9.7 where under any of the Documents, any person is vested with a discretion or may determine a matter in its opinion, Singapore law may require that such discretion is exercised reasonably or that such opinion is based on reasonable grounds;
- 9.8 except in paragraph 7.3 of our opinion above, we give no opinion on tax matters and in particular give no opinion on the tax consequences of any transaction contemplated by any of the Documents or any related document;
- 9.9 we express no opinion as to whether or to what extent all or any Document or any provision contained therein would be given effect to or be valid binding and enforceable outside Singapore;
- 9.10 duties to enter into negotiations and further agreements (including but not limited to those in relation to the Documents and any other documents which are currently contemplated or which have been entered into but which are incomplete) in due course may not be effectively enforceable;
- 9.11 any provision of any of the Documents providing that certain calculations and/or certifications will be conclusive and binding (a) will not be effective if such calculations and/or certifications are fraudulent, incorrect, unreasonable, arbitrary, or shown not to have been given or made in good faith and (b) will not necessarily prevent judicial enquiry into the merits of any claim by an aggrieved party;
- 9.12 the enforcement in Singapore of the Documents and of foreign judgments will be subject to Singapore rules of civil procedure;
- 9.13 we express no opinion on whether any Document is effective in relation to any Asset outside Singapore;
- 9.14 any provision in any of the Documents providing for the retention of security after payment may not be effective;
- 9.15 it is the essence of a fixed security that the person creating security does not have liberty to deal with the assets which are the subject matter of the security in the sense of disposing of such assets or expending or appropriating the moneys or claims constituting such assets. Accordingly, if a purported fixed security gives the chargor or assignor such rights (or, as the case may be, the chargor or assignor exercised such rights as a matter of fact) then such fixed security might well be classified as, and take effect as, a floating security interest;
- 9.16 a Singapore court may refuse to give effect to any provision in any of the Documents purporting to absolve any GATS Party from exercising a duty of care in relation to the enforcement of its security interest over any of the assets over which any security interest has been created by that document or in relation to any other matter or thing under any of the Documents;

- 9.17 security over certain types of assets will only take effect as legal charges if certain formalities and registrations are complied with and made;
- 9.18 security created by any of the Documents over debts from or other rights against third parties (including contracts and insurance policies) may be subject to rights of those third parties and may be invalid to the extent that charges or assignments of those debts or other rights are prohibited by their terms;
- 9.19 we express no opinion on the priority of any security interest created by any of the Documents, whether any asset in which a security interest is purported to be created pursuant to any of the Documents is now or may become subject to any equities or subject to any right or interest of any person ranking now or in the future in priority to or free of that security, nor whether any such asset could be transferred to any other person free of that security;
- 9.20 we express no opinion on the effect any insolvency, bankruptcy, liquidation reorganisation, restructuring or other similar or analogous procedure, action or process in relation to any GATS Party may have on any Document;
- 9.21 a court in the Republic of Singapore may stay proceedings if concurrent proceedings are brought elsewhere;
- 9.22 except as may be provided for under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, a person who is not a contracting party to an agreement is not entitled to the benefits of the agreement and may not enforce the agreement;
- 9.23 this opinion is of a general nature and is restricted to the form of the Documents only and the electronic execution, delivery, dating and recordal of the Documents through the GATS electronic platform. We do not express any opinion (express or implied, direct or indirect) on any specific transaction, matter, action or proceeding or on any party which must be considered on its own terms and specific legal advice sought where required. For the avoidance of doubt, paragraph 7 does not give any opinion on whether the terms of the Documents are suitable for any party either generally or in the context of any transaction, nor whether such terms represent normal market practice, nor whether any of the Documents could be modified or amended in order to better protect the interests of any of the parties thereto, nor as to the safety, security, integrity or authenticity of any electronic transactions between parties or of any electronic platform. Further than that, we assume no responsibility and do not and have not considered or advised on the commercial terms of any of the Documents. This opinion is strictly restricted to the form of the Documents we have reviewed and any substantive changes made to the form of the Documents shall be strictly excluded from our opinions herein; and
- 9.24 insofar as electronic execution, delivery, dating and recordal of the Documents through the GATS electronic platform is concerned, generally there are no prohibitions or restrictions under Singapore law on the concluding of contracts electronically but it should be noted that:



- 9.24.1 our opinion in paragraph 7.1 is given on the basis that the Documents will be executed electronically under hand, and we do not express any opinion as to whether any of the Documents can be validly executed as a deed by any of the GATS parties (and in this respect we note that none of the Documents are intended to be executed as deeds);
- 9.24.2 our opinion in paragraph 7.1 is in part based on Singapore case law and not Part II of the Electronic Transactions Act, Chapter 88 of Singapore (“ETA”) (the ETA will not apply to all of the Documents but in our opinion the ETA will not disqualify the Documents from being executed electronically under hand) and in this respect, Singapore case law has shown a willingness on the part of Singapore courts to accept electronic documentation and electronic forms of signature as meeting requirements of the law for writing and signature;
- 9.24.3 we do not expect the evidentiary presumptions in Part III of the ETA to be available to the GATS parties, although this does not derogate from our opinion in paragraph 7.1; and
- 9.24.4 whether or not specific electronic records of such Documents or signatures on such Documents are admissible in proceedings before the Singapore court will depend on the specific factual scenario and the Singapore courts have generally been given a wide discretion to call for evidence to authenticate the electronic evidence in any manner that the Singapore courts deem appropriate; that said where the electronic documentation are properly executed, reliable, authentic and properly stored and retrieved, the Singapore courts are generally facilitative in receiving evidence of such electronic documents as to its contents.

This opinion is addressed solely to the Aviation Working Group for information purposes only. It is strictly limited to the matters stated therein and is not to be read as extending by implication to any other matter or document in connection with the Documents, any other document mentioned in the Documents or any other document signed in connection therewith. It may be disclosed to members of the Aviation Working Group on the basis that it may not be relied upon by, nor does it create any legal rights in favour of the Aviation Working Group, any of its members or any other person. We assume no responsibility or liability to any recipient of this opinion (including the Aviation Working Group or any of its members) and we disclaim absolutely all such responsibility and liability.

Yours faithfully



Allen & Gledhill LLP