

AGREEMENT BETWEEN THE GOVERNMENT OF CANADA AND THE GOVERNMENT OF MALAYSIA CONCERNING THE PROVISION OF MILITARY TRANSPORT AIRCRAFT TO MALAYSIA.

The Government of Canada and the Government of Malaysia, hereinafter referred to as "Canada" and "Malaysia" respectively,

Considering that Malaysia has requested the assistance of Canada in developing its defensive capability,

Have agreed as follows:

ARTICLE I

Canada agrees to purchase, as a gift for Malaysia, four DHC-4 Caribou military transport aircraft, hereinafter referred to as "the aircraft", and an agreed proportion of such special support equipment and spare parts, hereinafter referred to as "related equipment", as may be required by Malaysia for the aircraft during their first year of operation.

ARTICLE II

Malaysia will assume title to the aircraft when duly authorized representatives or agents of Malaysia accept these aircraft following their arrival in Malaysia. Malaysia will assume title to the related equipment when duly authorized representatives or agents of Malaysia accept this equipment at the supplier's plant in Canada.

ARTICLE III

Canada will pay the cost of transporting the aircraft from Canada to an agreed destination in Malaysia. Malaysia will pay the cost of transporting the related equipment from the supplier's plant in Canada to Malaysia.

ARTICLE IV

(A) Subject to (C) below Canada will be responsible, in accordance with the general principles of international law respecting liability, for any claims arising during the period between acceptance of the aircraft by Canada from the supplier and transfer of ownership to Malaysia.

(B) Malaysia will be responsible, in accordance with the general principles of international law respecting liability, for any and all claims arising after the ownership of the aircraft is transferred to Malaysia.

(C) Notwithstanding (A) and (B) above, Malaysia shall

- (i) waive all claims against Canada for any loss or damage to property owned by Malaysia and for death, injury or property damage suffered by any of its officers, servants, or employees, including members of its armed forces, which are in any manner occasioned by, or attributable to, the operation of the aircraft during the period between acceptance of the aircraft by Canada from the supplier and the transfer of ownership to Malaysia;
- (ii) at all times indemnify and save harmless Canada, its officers, servants, employees, and members of its armed forces from and against all claims for death, injury, or property damage suffered by Malaysian citizens, residents, and legal entities, which are in any manner occasioned by, or attributable to, the operation of the aircraft during the