

## **Aeroresponse Ltd.**

### **STANDARD TERMS AND CONDITIONS AGREEMENT for the SALE OF AIRCRAFT ENGINE SERVICES**

**AERORESPONSE LTD** registered in England and Wales (Company Number: 4389398) whose registered office is at Venture House Office G5 & G6, Navigation Park Abercynon, Mountain Ash, Mid Glamorgan CF45 4SN (hereinafter called “AERORESPONSE LTD”)

**AND**

#### **2. Customer**

##### **Whereas**

Customer is a leasing company, engine support shop service provider, airline or low cost airline whose operating ethos is to enhance its low cost structure and to maximise aircraft engine utilization. Customer desires to obtain engine maintenance services from Aeroresponse Ltd; and

Aeroresponse Ltd is willing to provide aircraft maintenance services for Customer’s engine to support its commitment and service.

**It is hereby agreed as follows:**

#### **1. Definitions**

In this Agreement unless the context otherwise requires, the following expressions shall have the following meanings:

“Equipment”	means Aircraft Engines, Engine Modules, assemblies, Engine APU, or parts thereof;
“Services”	means work performed on the Customer’s Equipment, comprising, without limitation, Borescope Inspection and High Pressure Compressor Blade Blend repair or expressions of opinion/giving of advice;
“Delivery”	means “writing” including letters, electronic mail, facsimile transmission and comparable means of communication;

- “Designated area” means area within the Customer’s designated facility (Hanger or Engine Shop) set out to be for the use of AERORESPONSE LTD during the duration of the Services performed;
- “Force Majeure Event” means any cause affecting the performance of this Agreement arising from or attributable to any acts, events, conditions, omissions or accidents beyond the reasonable control of the party to perform and in particular but without limiting the generality of the foregoing shall include strikes, lock-outs and industrial action if not relating to AERORESPONSE LTD’s personnel, Acts of God or public enemy, war, warlike conditions, inability to secure parts, material or transportation, insurrection, riot, explosions, fires, flood, natural disasters, accident, epidemic, quarantine, restrictions, embargoes, government acts or failure to act, government priorities, acts or failure to act of civil or military authorities, the failure of Airworthiness Authorities to act in a reasonable and timely manner;
- “Receipt” means deemed to have been given on the date of delivery or refusal if delivered by hand, on the date of dispatch, if faxed correctly and legibly and the day after the day of posting if sent by first class post for Notices in writing or as otherwise agreed in the Proposal;
- “Proposal” means Proposal of Service.

The headings in this Agreement are for convenience only and shall not affect its interpretation.

This Agreement, together with any Proposals of Service, Schedules and Approved Workscope signed and agreed between the parties, shall be the only terms and conditions applicable between AERORESPONSE LTD and the Customer for the provision of aircraft engine services and shall be in lieu of all other representations whether written oral or otherwise.

In the event of any inconsistency or conflict between this Agreement, any Proposals of Service, Schedules and Workscope, this Agreement shall prevail to the extent of any such conflict or inconsistency.

## 2. Service Provision

- 2.1 AERORESPONSE LTD undertakes to provide the Services with all reasonable skill, care and diligence and in a good and professional manner in accordance with the provisions of this Agreement for the duration of the Agreement.
- 2.2 Following delivery of the Equipment to the designated area, AERORESPONSE LTD shall perform its inspection for engines or modules, AERORESPONSE LTD shall notify Customer of any damage found during the inspection.
- 2.3. Following inspection of the Equipment, AERORESPONSE LTD shall provide the Customer with a confirmation of the Proposal and any other findings that may impact the estimated redelivery date.
- 2.4 Should AERORESPONSE LTD discover any additional work to be performed after approval of Workscope by the Customer, AERORESPONSE LTD shall as soon as practical notify the Customer to perform such additional work at the customers expense (*i.e. High Pressure Compressor Blade Blend Repair*), if so confirmed by the customer in writing of receiving such notification. This additional work shall then be embodied in the Services to be undertaken. Aeroresponse Ltd shall not be deemed to be at fault under this Agreement for any delay arising because of any such unforeseen or unscheduled repairs, extensive additional work as mutually agreed upon by both parties.
- 2.5 All work performed by AERORESPONSE LTD on Equipment operated by Customer shall be performed in accordance with Customer's approved Maintenance Manuals, and associated publications AD's and Service bulletins published by the respective manufacturer or other technical data approved by the relevant National Airworthiness Authority

## 3. Costs and Fixed costs

Service prices are stated in "GBP" UK pounds sterling and shall be as quoted by AERORESPONSE LTD to Customer in the Proposal or, if not set forth in the Proposal, as published by AERORESPONSE LTD.

Prices include AERORESPONSE LTD, Engine inspection, and certification\*. (\*Pending satisfactory Inspection).

Customer shall pay for any additional inspection and *High Pressure Compressor Blade Blend Repair* requirements, to the extent not specified in the Proposal, the prices shall be subject to adjustment and a new proposal submitted.

### 3.1 Invoices and Payment

AERORESPONSE LTD will prior to commencement of Services and from time to time as appropriate provide the Customer with a budgetary estimate of the total costs of work to be undertaken and, unless otherwise stated in the Proposal, any quotation or cost estimate provided and accepted by the Customer be only as a budgetary estimate, solely for the purpose of guidance and not for reliance.

3.2 AERORESPONSE LTD shall issue a final invoice for Services as soon as practicable after completion of work. The final invoice shall reflect the total charges owed including any additional charges or credits to the preliminary/other invoices incurred (if any), based on actual charges to complete the Services. Unless otherwise stated in the Proposal, the unpaid balance for Services shall be paid within thirty (30) calendar days of receipt of any invoice received.

3.3 The Customer shall pay all payments under this Agreement in UK [GBP] Pounds Sterling via wire transfer to the bank account designated in the Proposal. Such payment shall be immediately available for use and without any right to withhold or to make any deduction whatsoever unless accepted by AERORESPONSE LTD or affirmed by a competent court. If any payment date falls on a day that is not a business day, the payment that is otherwise due shall instead be due the next business day.

3.4 Timely payment by Customer shall be of the essence of this Agreement and AERORESPONSE LTD reserves the right to require different terms of payment or other commercially acceptable assurances of payment in the event Customer fails to make timely payments.

3.5 If Customer is in default of any payment obligation, AERORESPONSE LTD is without reminder and prejudice to any other rights, entitled to charge interest at a rate of 8 percentage points (8%) above the base rate of the Bank of England for any outstanding sum, beginning with any due date of payment until receipt of cleared funds.

#### **4. Titles and Governmental Authorisation**

- 4.2. If the Equipment cannot be made serviceable and returned to customer due to any cause referred to in Section 6 "Excusable Delay" below, AERORESPONSE LTD may hold such items at Aeroresponse Ltd's designated area in the customer's facility until agreement between the parties to resume service has been agreed. The Customer shall reimburse AERORESPONSE LTD for all expenses incurred by AERORESPONSE LTD, including, but not limited to, preparation for and placement of the said items into the designated area prior to resumption of the service.
- 4.3. AERORESPONSE LTD shall not be liable if any authorization to access or access is delayed, denied, revoked, restricted or not renewed, and Customer shall not be relieved of its obligation to pay AERORESPONSE LTD for Services and any other charges which are the obligation of the Customer hereunder. All items shall at all times be subject to and applicable to customs regulations. The Customer agrees not to dispose of items [tooling] furnished by AERORESPONSE LTD under this Agreement other than in and to the country of ultimate destination, as specified in the Customer's purchase order, approved government license(s) or authorisation(s), except as said laws and regulations may permit.

#### **5. Taxes**

- 5.1 AERORESPONSE LTD's prices do not include sales, use, excise, or similar taxes, customs duties and related customs charges. Consequently, in addition to the prices specified herein, the Customer agrees to pay the amount of any present or future sales, use, excise or other similar taxes (other than a tax upon or measured by the income of AERORESPONSE LTD) ("Taxes"), customs duties and related customs charges assessed or levied in connection with AERORESPONSE LTD's performance under this Agreement. If a claim is made against AERORESPONSE LTD for any such Taxes, AERORESPONSE LTD shall immediately notify the Customer and, if requested by Customer, AERORESPONSE LTD shall not pay except under protest, and, if payment is made, AERORESPONSE LTD shall use all reasonable efforts to obtain a refund.
- 5.2 If all or any part of any such Taxes is refunded, AERORESPONSE LTD shall repay to Customer such part, as Customer shall have paid. The Customer shall pay to AERORESPONSE LTD, upon demand, all expenses (including penalties, interest and reasonable legal fees) incurred by AERORESPONSE LTD in protesting this payment and in endeavoring to obtain such refund.

#### **6. Excusable Delay**

- 6.1 Neither AERORESPONSE LTD or Customer shall be liable for its failure to perform any of its obligations under this Agreement if such failure arises from a Force Majeure Event if it gives prompt written notification thereof to the other party, specifying the matters constituting the Force Majeure Event together with such evidence of the same as it reasonably can give.
- 6.2 If delay resulting from any of the foregoing extends for more than six (6) months and the parties have not agreed upon a revised basis for continuing the Service, including an

adjustment of the price, then upon thirty (30) days written notice to the other, either party may terminate their performance in respect to the Service delayed and/or AERORESPONSE LTD shall have the right to invoice the Customer for all completed Service, to be paid by the Customer within thirty (30) days. In the event of the Service Agreement is terminated the Customer shall pay AERORESPONSE LTD's termination charges upon receipt of AERORESPONSE LTD's invoice(s).

## **7 Delays/Cancellations/Waiting time/Penalties**

7.1 Aeroresponse Ltd. shall accept no liability, nor deemed to be in default under this agreement with respect to delays caused by:

- Failure of the customer/operator in making decisions, to deliver as agreed the equipment to the place of work, the required materials or data, execution of the payment terms in due time.

7.2 Each party shall advise the other party in as soon as reasonably practical of the existence of any of the above-mentioned causes of delay and shall further advise of the cessation of such cause or causes. The date of completion for the work shall be extended for a period at least equal to the time lost by reason of the delay.

7.3 Delays/Waiting time charged as per Proposal of Services, maximum of 8 hours per day Per engineer. Cancellation within 48 hours of a work being commenced will be subject to a penalty of the full borescope cost.

## **8. Warranty**

**8.1** AERORESPONSE LTD warrants and undertakes:

8.1.1 that it will perform all services under the Agreement with due skill and care and to the highest applicable standard relevant to such service.

8.1.2 the employees who carry out the Services shall be duly authorised in accordance with applicable Airport and governmental regulations, appropriately experienced, qualified and trained for the provision of the Services;

8.1.3 that it has acquired (and shall continue to hold throughout the term of this Agreement) all rights, consents and licenses necessary for the provision of the Services in accordance with the terms of this Agreement, and

8.1.4 to inform customer promptly, giving details of the circumstances, reasons and likely duration, in the event it becomes aware of anything of whatever nature, whether or not the result of any act or omission on the part of AERORESPONSE LTD or its employees or subcontractors, which may prevent AERORESPONSE LTD from fulfilling its obligations in accordance with this Agreement.

8.2 Each party warrants and undertakes to the other that:

8.2.1 it has the requisite corporate power to enter into this Agreement and has obtained all necessary approvals to do so;

8.2.2 it shall comply with all relevant laws, regulations and any requirements of any regulatory, governmental or quasi-governmental body or agency;

8.2.3 as at the date of this Agreement it had sufficient information to perform its obligations under this Agreement save to the extent as set out in the Agreement information is to be supplied by either party after the date of the Agreement;

8.2.4 Not perform its obligations under this Agreement in any manner which is inconsistent with this Agreement and which in the reasonable opinion of the other party is prejudicial to the image of the other party; and

8.2.5 Not make any representation or give any warranty on behalf of the other party without the prior written consent of the other party.

D, IMPLIED OR STATUTORY (INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE). This warranty is not assignable without the written consent of AERORESPONSE LTD; such consent will not be unreasonably withheld or delayed. This warranty is applicable only if: the Equipment (1) has been maintained and repaired in accordance with the then-current recommendations of the Equipment manufacturer(s) as stated in its manuals, Airworthiness Directives, Service Bulletins or other written instructions; (2) the sections that AERORESPONSE LTD performed the Services on have not been altered, modified or repaired by anyone other than AERORESPONSE LTD; and (3) has not been subjected to improper installation, accident, misuse, abuse or neglect.

8.3 AERORESPONSE LTD warrants to customer that AERORESPONSE LTD will convey good title to all goods sold or exchanged by AERORESPONSE LTD hereunder. AERORESPONSE LTD's liability and Customer's sole remedy under the warranty set forth in this Section 8.3 are limited to the removal of any title defect or, at the election of AERORESPONSE LTD, to the replacement of any such goods that are defective in title.

8.4 AERORESPONSE LTD makes no warranty and disclaims all liability for goods or services, whether supplied by AERORESPONSE LTD or not, that were not originally manufactured or performed by or on behalf of AERORESPONSE LTD, though AERORESPONSE LTD shall, to the extent it has a right to do so, make available to the Customer benefit of any warranty provided by such original manufacturer.

8.5 Each of the warranties, representations and undertakings in this clause 8 shall be construed as a separate and independent warranty representation and undertaking and shall not be limited or restricted by reference to any other warranty.

9. Limitation of Liability.

9.1 The following provisions set out that AERORESPONSE LTD's entire liability (including any liability for the acts and omissions of its employees, officers, agents or sub-contractors) to Customer in respect of

9.1.1 any breach of its contractual obligations arising under this Agreement; and

9.1.2 any representation statement or tortuous act or omission including negligence arising under or in connection with this Agreement.

9.2 Neither party:

9.2.1 excludes or limits its liability to the other party for death or personal injury caused by its negligence;

9.2.2 excludes or limits its liability to the other Party for any breach of any obligations implied by Section 12 of the Sale of Goods Act 1979 or Section 2 of the Supply of Goods and Services Act 1982; or

9.2.3 Excludes its liability to the other party for fraud or fraudulent misrepresentation.

9.3 The Customer shall defend, indemnify and hold harmless AERORESPONSE LTD for and against any and all losses including claims for consequential loss, incidental, resultant, punitive or exemplary damages, loss of use, revenue, image, profit or goodwill, claims, suits, judgments, costs and expenses, including but not limited to reasonable legal fees and all associated costs which may be incurred by, charged to, recoverable from or which may accrue against AERORESPONSE LTD by virtue of a claim by a third party damage to property as a result of the negligence performance or non performance by AERORESPONSE LTD of its obligations under this Agreement, except to the extent that that such damage is determined to be due solely and directly to AERORESPONSE LTD's recklessness or willful misconduct.

9.4 AERORESPONSE LTD shall defend, indemnify and hold harmless Customer for and against any and all losses including claims for consequential loss, incidental, resultant, punitive or exemplary damages, loss of use, revenue, image, profit or goodwill, claims, suits, judgments, costs and expenses, including but not limited to reasonable legal fees and all associated costs which may be incurred by, charged to, recoverable from or which may accrue against Customer by virtue of a claim by a third party damage to property as a result of the negligence performance or non performance by Customer of its obligations under this Agreement, except to the extent that that such damage is determined to be due solely and directly to Customer's recklessness or willful misconduct.

9.5 Neither party shall not in any event, howsoever arising, be liable for any claims for consequential loss, incidental, and resultant, punitive or otherwise.

9.6 For the purpose of this Clause the term “AERORESPONSE LTD” is deemed to include AERORESPONSE LTD and its subcontractors and suppliers of the Services furnished hereunder, and the directors, officers, employees, servants and representatives of each. For the purpose of this Clause the term “Customer” is deemed to include Customer and its subcontractors and suppliers of the Services furnished hereunder, and the directors, officers, employees, servants and representatives of each.

## 10. Confidentiality

10.1 Unless otherwise specifically agreed upon in a proprietary information agreement signed by the parties, any knowledge or information which the Customer has disclosed or may hereafter disclose to AERORESPONSE LTD, incident to the Service or Equipment, shall not be deemed to be confidential or proprietary information, and, accordingly, shall be acquired free from any restriction on use or disclosure.

10.2 The existence of this Agreement and its general purpose may be stated to others by either of the parties without approval from the other, except that the terms of this Agreement and any knowledge or information which AERORESPONSE LTD may disclose to the Customer, with respect to pricing, design, manufacture, sale, use, repair, overhaul or Service of Equipment, shall be deemed to be proprietary information and shall be held in confidence by the Customer. Such information shall not be reproduced, used or disclosed to others by the Customer without AERORESPONSE LTD's prior written consent, except to the extent required by government agencies or as ordered by the courts for official purposes. In the event this Agreement is terminated this Clause shall remain in effect.

10.3. The preceding paragraph shall not apply to information which (1) is or becomes part of general public knowledge or literature otherwise than as a result of breach of Customer's obligations hereunder, or (2) was, as shown by written records, known to the Customer prior to receipt from AERORESPONSE LTD, or (3) is disclosed without restriction to Customer by a third party having the right to do so.

10.4. Nothing contained in this Agreement made at arm's length shall convey to either party the right to use the trademarks of the other, or convey or grant to Customer any license under any patent owned or licensed by AERORESPONSE LTD.

10.5 AERORESPONSE LTD is a totally Independent company. The existence of this agreement is solely applicable to AERORESPONSE LTD Aircraft Engine Maintenance Repair Organization. UK.145.00828

## 11 Duration

This Agreement shall become effective at its signature date by both parties and shall remain in effect for a period of one (1) year only unless mutually agreed otherwise by the parties.

## **12. Termination**

- 12.1 Either party may terminate this Agreement upon thirty (30) days written notice to the other for failure to comply with any material provision of this Agreement, unless the failure shall have been cured, or the party in breach has substantially effected all acts required to cure the failure, prior to such thirty (30) days. AERORESPONSE LTD may immediately terminate this Agreement if Customer (1) fails to make any of the required payments when due, unless cured within ten (10) days of such payments due date, (2) makes any agreement with creditors due to its inability to make timely payments of its debts, (3) enters into liquidation whether compulsory or voluntary, (4) becomes insolvent, or (5) becomes subject to the appointment of a receiver of all or a material part of its assets.
- 12.2 In the event of any termination under the terms of this Agreement arising Aeroresponse Ltd shall be entitled to demand all monies owing under this Agreement whether outstanding or otherwise to be payable in accordance with the terms of this Agreement.

## **13. Dispute Resolution / Indemnities/Arbitration**

- 13.1 All disputes arising in connection with this Agreement may be exclusively referred by any party involved in the dispute, to the exclusion of any competent court, to binding arbitration. If so referred, it shall be fully and finally resolved under the Rules of Conciliation and Arbitration of the International Chamber of Commerce (the “Rules”) by one or more arbitrators appointed in accordance with said rules. The place of arbitration shall be in England or Wales, the arbitration shall be in English and the opinion shall be rendered in English. The arbitration award may be presented and enforced by any party in any court of competent jurisdiction.
- 13.2 Each of the parties intends that the dispute resolution process shall be the parties’ exclusive remedy for any dispute. All statements made in connection with the dispute resolution process shall not be disclosed to any third party except as required by law or subpoena.
- 13.3 Any party may at any time, subject to this Clause, seek from a court of England and Wales any equitable, interim, or provisional relief to avoid irreparable harm or injury.
- 13.4 AERORESPONSE LTD and the Customer mutually agree to protect, defend, indemnify, and hold harmless each other from and against all claims, demands, causes of action every type and character, arising out of or related to negligent or willful acts or omissions of the other or its subcontractors, officers, directors, assigns or employees in connection with the performance of work under this agreement.

## 14 General Provisions

- 14.1 The assignment of all or any portion of this Agreement, or any purchase order or any right or obligation hereunder, by either party, without the prior written consent of the other party shall be void.
- 14.2 To the extent that Customer or any of its property becomes entitled at any time to any immunity on the grounds of sovereignty or otherwise from any legal action, Customer hereby irrevocably waives the application of such immunity insofar as such immunity relates to Customer's rights and obligations in connection with this Agreement.
- 14.3 If any provision of this Agreement and associated documents shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.
- 14.4 Except as expressly provided to the contrary, no person who is not a party to this Agreement (including any employee, officer, agent, representative or subcontractor of either party) shall have the right (whether under the Contracts (Rights of Third Parties) Act 1999 or otherwise) to enforce any term of this Agreement which expressly or by implication confers a benefit on that person without the express prior agreement in writing of the parties, which agreement must refer to this clause.
- 14.5 This Agreement has been agreed and prepared in the English language. In the event of any translation of this Agreement or any part thereof into other language, the same shall continue to be construed and interpreted according to the English language version, which will therefore prevail in the event of any conflict.
- 14.6 Any notices under this Agreement shall be in writing and shall become effective upon receipt, to the addresses set forth on the Proposal or Agreement, which may be changed by written notice to the other party.

## 15. Non-Waiver

Any failure by either party to enforce any of the provisions of this Agreement or to require at any time performance by the other party of any of the provisions hereof shall in no way affect the validity of this Agreement or any part hereof, or in the right of the parties thereafter to enforce each and every such provision; nor shall the parties actual performance, whether or not under this Agreement, be deemed in any way indicative of the scope of the obligations of the parties under this Agreement.

## 16. Counterparts

This Agreement may be executed by the parties in separate counterparts, each of which shall be deemed to be an original and all of which, when taken together, shall constitute one and the same document. Delivery of an executed counterpart of a signature page to this Agreement by fax shall be as effective as delivery of a manually executed counterpart.

17. Insurance

AERORESPONSE LTD represents that, at all times throughout this Agreement, it has and will maintain such insurance coverage as is appropriate and adequate (having regard to its obligations and liabilities and best industry practice) under this Agreement.

18. Equipment Release to Service

The Equipment will be serviceable only for the work carried out IAW The Applicable Maintenance Manual. The EASA Form 1/ EASA Dual Release Certificate issued will only certify the work carried out by AERORESPONSE LTD Authorised personnel, and will only apply to that work carried out.

19. Governing Law

This Agreement and any dispute arising under or connecting with it shall be exclusively governed by and interpreted in accordance with the substantive laws of England and Wales, that are applicable to contracts made and to be performed in that country. Each party hereto irrevocably waives any objection which it might at any time have to the Courts of England and Wales, being nominated as the forum to hear and determine any surety, actions or proceedings and agrees not to claim the courts of England and Wales are not a convenient or appropriate forum.