

## I. AREA OF APPLICATION

These General Terms and Conditions for Maintenance and Repair ("GTC") of ABS Jets, a.s., the company duly incorporated and validly existing under the law of the Czech Republic, with its registered seat at K Letisti 549-Hangar C, Prague 6 Ruzyne, 161 00, Czech Republic, registered in the Company Register of the Municipal Court Praha, section B 9421 ("ABS Jets") shall be applied, unless otherwise agreed in writing, to all works performed upon aircrafts or equipment or parts by ABS Jets itself in its maintenance base in Prague and Bratislava ("Base Maintenance") or subcontracted by ABS Jets to the third parties.

## II. CONTRACT PROCEDURE: ORDERS, QUOTATION AND ACCEPTANCE

- Any Order issued by the Customer (the "Purchase Order" or the "Work Order") shall be made in writing and must clearly specify the scope of work and services required as well as the desired maintenance period. Based on this request ABS Jets shall prepare a preliminary Quotation with estimated price, estimated required manpower, proposed maintenance slot and payment terms and condition (the "Quotation"). Both parties are aware that all such ordered maintenance and support are subject to slot, spare, tool & manpower availability.
- The Quotation, incl. GTC, as a contract offer, is bindingly approved and accepted by the Customer when it is signed by the Customer's representative and sent to ABS Jets via registered mail or electronically via e-mail. Upon receipt of binding accepted Quotation the Maintenance contract is legally concluded and ABS Jets acknowledges receipt of it to the Customer and confirms to him the booked maintenance slot for the performance of the ordered work.

## III. PRICES AND RATES

- Prices set up in the accepted Quotation shall refer exclusively to agreed works, services and supplies. Any additional works, services and supplies, not agreed in the accepted Quotation shall be ordered, accepted and charged separately in accordance with the above mentioned Contract procedure. If no fixed price is mutually agreed in the accepted Quotation, ABS Jets shall apply the prices valid and applicable at the time of performance for the type of works, services and supplies involved. Prices and other costs shall be invoiced in Euro. All prices are net ex-works (or ex performance site) and are exclusive of VAT, of any other taxes, levies, imposts, fees, withholding taxes and any similar or dissimilar taxes as well as duties as may be imposed on such amounts.
- If the Customer purchases components required for the desired service and delivers these parts to ABS Jets for installation, ABS Jets shall charge a handling fee as per the current ABS Jets price list (note: for Aircrafts enrolled under special programs refer to special program or specific warranty clauses and conditions). Should ABS Jets fails to provide the Customer with the required components and to perform maintenance work and services within the agreed schedule, the Customer is entitled to purchase components required for maintenance directly without any mark-up charge from ABS Jets or/and its' Subcontractor.

## IV. PAYMENT TERMS AND CONDITIONS

- ABS Jets shall be entitled at its own discretion to ask for initial down payment, progress payment and pre-departure payment either partial or in full to procure the material spare part and/or for the performance of works and services. The amount of initial down payment, progress payment and pre-departure payment is subject to the mutually agreed Quotation.
- All invoices shall comply with all requirements of the tax document under the Act No.235/2004 Coll., as amended ("VAT Act").
- The proforma invoices (initial down payment, progress payment and pre-departure payment) shall be due and payable on the dates fixed in the proforma invoices even in the event of delivery postponement by the Customer. If the Customer fails to pay proforma invoices in time, ABS Jets is entitled to withhold fulfilment of its obligations (i.e. not to start or not to continue the commenced works) until proforma invoices shall be fully paid.
- The final invoice shall be due and payable within 14 days as of the date of delivery of invoice to the Customer for Line Maintenance support and within 30 days as of the date of delivery of invoice to the Customer for base Maintenance event.
- If the Customer fails to pay the invoice in time, the contractual late payment interest in the amount of 12.5% p.a. of the due amount shall be applied.
- Legitimate and rational complaints concerning final invoice or its disputed part shall be submitted by the Customer within 10 days of the receipt of the invoice with written detailed specification of good reason of complaint / dispute ABS Jets to the following electronic address: [maintenance@absjets.com](mailto:maintenance@absjets.com). Nevertheless, the Customer is obliged to pay properly and on time the undisputed part of the final invoice. Failure to comply with this condition and procedure shall result in deemed acceptance by the Customer of the correctness of the invoice in question.
- All payments made by any third party in good faith on behalf of the Customer and/or the Customer benefit shall be fully accepted by ABS Jets as if they have been made by the Customer.
- The Customer shall be responsible at its sole expense for the costs and expenses arising directly with the performance of the work and services as is, but not limited to: all third-party charges incl. the aircraft fuel, landing and navigation charges; all banking charges, all taxes, customs duties, governmental impositions and Civil Aviation Authority charges.

## V. RETENTION RIGHT

- ABS Jets is entitled to lawfully retain a movable thing of the Customer to secure the Customer's due debt.

- Not yet due Customer's debt may also be secured by retention right:
  - if the Customer failed to secure the debt otherwise,
  - if the Customer declares that he will not discharge the debt,
  - if it becomes otherwise evident that the Customer will fail to discharge the debt as a result of a circumstance which occurred in relation to the Customer, and of which ABS Jets was not and could not have been aware at the time the debt was incurred.
- In such case ABS Jets shall inform the Customer in written about the retention and the reasons for it.

## VI. MATERIAL, TOOLING AND EQUIPMENT

- All spare parts, material, tools and equipment shall be provided via ABS Jets, which is entitled to charge the Customer with the prices of such spare parts, material, tools and equipment. Should ABS Jets be unable to provide the Customer with the required spare parts, material, tools and equipment on time in the agreed schedule, this entitles the Customer to purchase relevant spare parts, material, tools and equipment directly.
- ABS Jets shall undertake the responsibility of the customs clearance, packing and handling of components at the Maintenance Base.
- If the Customer is supplied with exchange parts, the Customer shall return the off-core parts to ABS Jets within ten (10) days of the receipt of such exchange parts. The costs of exchange shall be determined in advance by the manufacturer of the parts or ABS Jets. If the expense of repairing the returned off-core parts exceeds the cost of the exchange, the Customer shall be charged with the difference by supplementary invoice.
- If for any reason whatsoever the Customer returns a part remitted to him by ABS Jets without having use it, such part shall be accepted only if the part is delivered with a release certificate (e.g. EASA form 1). If a returned part is defective, the Customer shall pay the cost of repair and if the part is not repairable, the Customer shall pay the full list price.
- If ABS Jets lent part to the Customer, such loaned part must be returned by the Customer in serviceable state (delivered with an EASA Form 1 certificate). In the case the part is not returned with an EASA form 1 or found defective, the Customer will bear the cost of repair or the part recertification and should the repair be beyond economical repair, the Customer shall pay to ABS Jets the replacement costs.
- The Customer shall be in addition charged with restocking fee of 10% of the current part's list price.
- Components supplied by the Customer not consumed during the provisions of the Services shall be returned to the Customer in as good a condition as delivered and ABS Jets shall exercise due care in their storage and handling. All expenses in respect of return of unused components shall be borne by the Customer.
- During the provision of work and services ABS Jets undertakes to provide the Customer with a segregated and secure storage area for the storage of the Customer's components.
- All materials used by ABS Jets in the undertaking of the work and services shall be from approved sources. ABS Jets shall ensure that the warranty, which has been obtained from its vendor / subcontractors for Parts, Components and/or Services furnished by any of its vendor / subcontractors holding approved repair certificates, be assigned to Customer. In such case, ABS Jets shall handle the warranty directly with its vendor / subcontractors on behalf of Customer and shall regularly inform Customer of any development in connection with warranty claims. Nevertheless, the above-mentioned warranty does not apply to failures, defects or non-conformities attributable to the failure to preserve, install, operate, maintain, repair, replace or alter the Part or Component in respect of which warranty is claimed in accordance with the applicable manufacturer's recommendations or attributable to the Customer's misuse, abuse, neglect or accident, together with foreign object damage, weather in operation, in transit or in storage.
- All unserviceable items replaced by ABS Jets a.s. during repair or maintenance work shall be retained by ABS Jets a.s. during a period of 30 days awaiting for disposition instructions from the Customer. Thereafter the remaining items shall become the property of ABS Jets a.s.

## VII. CUSTOMER'S RESPONSIBILITY

- The Customer shall be responsible for all shipping, packaging and transportation costs, import and export charges incidental to or arising out of the transport of Aircraft, Materials, or any part of any thereof, or any other equipment provided by the Customer in connection with the services to or from the Maintenance Base or any other location where the Services are to be performed and the Customer shall retain all risk of loss or damage thereto during any such transportation.
- The Customer is responsible to provide ABS Jets with the following information:
  - all required information for planning,
  - comprehensive Work order or Purchase Order for the maintenance to be performed on the Aircraft,
  - customized maintenance data,
  - means of compliance for Airworthiness directives, Service Bulletins and STC incorporation,
  - airworthiness data required to issue the Certificate of Release to Service as required by the Part 145 regulations such as but not limited to Aircraft Flight hours and flight cycles, Engine Time & Cycle since new.
- The Customer may have one representative on-site in Prague during the whole base maintenance event in order to be able to agree on any non-routine works and other issues as these arise. This Customer's representative shall be entitled to take decisions up to EUR 5'000 for non-routine works in order to ensure the normal conduct of the maintenance event.

**VIII. ABS Jets' RESPONSIBILITY**

1. ABS Jets shall maintain all its licenses and approvals for providing services to the Customer valid and effective during the duration of the Contract.
2. ABS Jets shall provide the Customer with written report including details of the works performed.
3. ABS Jets shall be responsible for the quality of works provided to the Customer, including quality of works performed and services rendered by the Subcontractors ordered by ABS Jets.
4. ABS Jets obligation to complete any services in respect of an Aircraft within the agreed timeframe will be excused in the event that:
  - a) the parties mutually agree in writing that the subject Aircraft requires extraordinary or abnormal Non-Routine maintenance services; or
  - b) the Customer has not complied with its obligations and such failure is the primary cause of the delay; or
  - c) a major structural defect that is beyond the limits as defined in the Aircraft's structural repair manual is found or design approval for the repair thereof must be obtained from the OEM and is the primary cause of the delay; or
  - d) modification kits, components and peculiar spares required from the Customer by terms of the specific Work Order or Additional Work Request in order for ABS Jets to perform the work on a particular Aircraft are not delivered to ABS Jets by the Arrival Date specified in the Work Order; or
  - e) between the Arrival Date and the Delivery Date in respect of an Aircraft or a part, there is any change in the manufacturer's specifications or the regulatory requirements of EASA relating to the services required in respect of the Aircraft; or
  - f) a defect, finding, or unforeseen or beyond expectation work is required to be done or rectified in order to meet the Type Certificate-holder design approval limits or such defect or work require spare parts not procurable within the agreed time (each event, being an "Excusable Delay").
5. Upon the occurrence of an Excusable Delay ABS Jets shall promptly notify the Customer of the estimated additional time to complete the services for the Aircraft affected by phone or by e-mail. ABS Jets shall be permitted additional time to perform the services as agreed by the parties or if the parties fail to reach agreement on such additional time. The Customer shall have the right to engage other suppliers at his own cost to assist ABS Jets in completing the services in a more expeditious manner.

**IX. WARRANTY**

1. ABS Jets warrants that all works and services performed by ABS Jets at time of such work:
  - a) complies with manufacturer's maintenance manual,
  - b) complies with EASA Part 145 No. EASA- CZ.145.0039 Approval,
  - c) complies with scope of work specified in the Customer's order,
  - d) be free from defective workmanship, or defective design from the part of ABS Jets,
  - e) be performed with all due skill and care in accordance with usual aviation practice,
  - f) in addition, all spare parts, material, tools and equipment supplied to the Customer shall be fit for their intended purpose.
2. ABS Jets' liabilities under this warranty shall be limited to defects which:
  - a) occur within one hundred and fifty (150) flight hours or one hundred (100) days, whichever occurs first, from the release to service date of the Aircraft by ABS Jets to the Customer in respect of which the work package was undertaken (for Aircrafts enrolled under special programs refer to special programs or specific warranty clauses), and
  - b) are notified in writing to ABS Jets within five working days (5) of the date of its discovery; and
  - c) are not a direct result of maintenance and/or refurbishment work undertaken by the Customer or by the third party prior to or following the work package undertaken by ABS Jets; and
  - d) are not as a result of fair wear and tear, or from operation of the Aircraft outside the flight manual limitations, or from willful damage or misuse of the Aircraft (other than where caused or perpetrated by ABS Jets or its Subcontractors or agents), or from its use in development or experimental flying; and
  - e) are not damages, faults or failures resulting from faulty parts and components supplied by the Customer unless it can be demonstrated that the said part or component has failed due to abuse handling or incorrect installation procedure by ABS Jets.
3. If the Customer fails to notify the ABS Jets in written about the deficiency within five (5) working days from the date of discovery of the defect, the claim under the warranty shall cease to exist.
4. If any item of a work package performed by ABS Jets is defective and subject to the terms of this warranty or any other right of the Customer in law or otherwise ABS Jets shall at the option of the Customer:
  - a) as soon as reasonably practicable agree a schedule for the prompt repair or rectification of the defect without charge (man-hour wise); and/or
  - b) promptly replace any defective parts with similar parts (with no less time remaining; and of at least equivalent mod status) such replacement parts becoming the property of the Customer upon installation on the Aircraft and replaced parts becoming the property of ABS Jets upon the removal from the Aircraft; and/or
  - c) in respect of defects in design, promptly replace any parts which have a defective design without charge with modified parts and supply such modified parts without charge in respect of all the work packages undertaken for the Customer which is in warranty and subject to the same design defect.

5. If the damage cannot be rectified by ABS Jets within a reasonable amount of time to be agreed between the parties, ABS Jet's is entitled to contract a third party who shall rectify the damage.
6. The parts, equipment and materials covered by manufacturer and/or parts supplier's warranty installed on Customer's Aircraft which are proven to be defective shall be replaced by ABS Jets. The Customer shall pay to ABS Jets all expenses which are not covered by the terms of the relevant warranty provided by the manufacturer and/or by the part supplier.
7. In the case the warranty repair is performed in outstation by ABS Jets or by ABS Jets' contracted third party, the transportation, labor, material and accommodation charges shall be borne by ABS Jets. The Customer shall use his reasonable endeavors to offer preferential air fares or accommodation rates that are available.
8. In the event that the Customer or the defect requires that the Aircraft has to return to the Maintenance Base to repair or to rectify a defective part, the Customer shall bear all expenses to ferry the Aircraft to and from Prague.
9. Subject to ABS Jets' prior written approval, provided that such consent is not unreasonably withheld, the Customer may carry out rectification by himself of any defect within the terms of this warranty. In that event:
  - a) ABS Jets shall reimburse to the Customer the direct labor and material costs of such rectification (including the costs of removal and installation of the parts in question) which shall not exceed the current list price or such materials and the product of ABS Jets substantiated normal direct man hours for such rectification and ABS Jets current direct labor rate,
  - b) ABS Jets shall be under no liability whatsoever in respect of workmanship or material in such rectification.
10. ABS Jets shall adhere to with the best aviation and engineering practices and in accordance with the EASA and CAA requirements shall maintain data and records as are appropriate for the provision of the Services under this Agreement and shall permit inspection of such data and records at redelivery or as reasonably requested by the Customer. Such data and records shall be made available to the Customer in the format reasonably required by the Customer. Such data shall be made available no later than within thirty (30) days of redelivery.

**X. LIABILITY, INDEMNITY**

1. Each Party shall be liable towards the other Party for damage to or loss of any property and for the injury to or death of any person caused by the gross negligence or the willful misconduct of its directors, officers, employees, agents or subcontractors in connection with or as a result of the rendered works and services.
2. ABS Jets shall indemnify, defend and hold harmless the Customer from and against any and all losses, costs, damages and expenses of every kind and nature including legal expenses arising out of any claim or cause of action in respect of death or injury to or sickness or disease of any person or loss of or damage to any property out of or in connection with the performance or non-performance of the services by ABS Jets, to the extent that such death or injury is due in whole to any willful misconduct or gross negligence of the Customer. However, under no circumstances shall the liability include any indirect, incidental or consequential damages such as but not limited to loss of profit or loss of revenue.
3. The Customer shall indemnify, defend and hold harmless ABS Jets from and against all claims of third parties related to damages, loss, injury or death unless such damage, loss, injury or death is caused in whole by the gross negligence or the willful misconduct of ABS Jets.
4. All references to ABS Jets and/or the Customer shall include their respective directors, employees, shareholders and affiliates and subcontractor.
5. ABS Jets is not liable for any breach of its obligations caused by the circumstances excluding liability (i.e. "Force Majeure"). Circumstances excluding liability comprise of all preclusions which occur independently on conduct of ABS Jets and prevents ABS Jets from performance of its obligation, provided that ABS Jets could not foresee preclusion or its consequences and could not overcome the same.
6. Circumstances excluding liability include but are not limited to acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophes); lockouts or other industrial disturbances, war, terrorist acts, riot, or other civil disturbance, epidemics, or other similar cause beyond the reasonable control of either party.
7. ABS Jets shall immediately notify the Customer when any of the events of Force Majeure occur or are likely to occur which prevents or hinders its performance of works and services and shall give an estimate of the delay likely to be occasioned by and all details of the said event.
8. In the event that ABS Jets has not taken reasonable and appropriate steps to overcome the delay or likely delay, the Customer may elect to have such services effected by a third-party company or organization or individual conforming to EASA Part 145 regulations in order to overcome the delay or likely delay. ABS Jets shall only be responsible for reimbursement of the money prepaid to ABS Jets by the Customer for the services and work under this Agreement.

**XI. GOVERNING LAW AND ARBITRATION**

1. This GTC and the rights and obligations resulting from its execution or in connection therewith shall be governed by the laws of the Czech Republic, in particular by Act No. 89/2012 Coll., the Civil Code, as amended.
2. Any and all disputes and vagueness shall be predominantly solved by an amicable settlement. In case the party's amicable settlement cannot be reached, the disputes shall be finally decided by the Arbitration Court attached to the Economic Chamber of the Czech Republic and Agricultural Chamber of the Czech Republic, in accordance with the Rules by three (3) arbitrators.