

**ROYAL AERO GENERAL TERMS AND CONDITIONS OF BUSINESS  
FOR SUPPLY OF TECHNICAL SERVICES**

These Conditions govern the relationship between the Customer and the Supplier in relation to the Services. In the event of any conflict between the Conditions and the Specification, then the terms of the Specification shall prevail.

**1 INTERPRETATION**

1.1 Definitions. In these Conditions, the following definitions apply:

<b>"Authorised Service Recipient(s)"</b>	shall be any entity that may be nominated by the Customer to receive the Services hereunder as may be approved and accepted by the Supplier.
<b>"Business Day"</b>	a day (other than a Saturday, Sunday or public holiday) when banks in London are open for business.
<b>"Charges"</b>	the charges payable by the Customer for the supply of the Services in accordance with Condition 5 and the Specification.
<b>"Commencement Date"</b>	has the meaning set out in Condition 2.2.
<b>"Component"</b>	any self-contained component, accessory, instrument, device, module, parts or other item of equipment, combination of parts, subassemblies or units, which perform a distinctive function necessary to the operation of a system.
<b>"Conditions"</b>	these terms and conditions as amended from time to time in accordance with Condition 11.7.
<b>"Contract"</b>	the contract between the Supplier and the Customer for the supply of Services in accordance with these Conditions and the Specification.
<b>"Customer"</b>	the person, company or firm who purchases Services from the Supplier as identified in the Preamble.
<b>"Engine"</b>	a basic engine assembly and its accessories.
<b>"Fixed Price"</b>	a predetermined price for a single service or event.
<b>"Maintenance Program"</b>	a maintenance program that has been approved by the authority of the country of aircraft registration.
<b>"Order"</b>	the Customer's order for Services evidenced by the Customer's written acceptance of the Specification.
<b>"Services"</b>	the aircraft and engine related technical services, supplied by the Supplier to the Customer as set out in the Specification.
<b>"Specification"</b>	the description or specification of the Services as set out.
<b>"Supplier"</b>	Royal Aero GmbH registered in Germany with company number HRB145410 or any of its Group Companies from time to time or R Aero UK Limited registered in the UK with company number 05374863

1.2 Construction. In these Conditions, the following rules apply:

- a. a **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality); a reference to a party includes its personal representatives, successors or permitted assigns; a reference to a statute or statutory provision is a reference to such statute or statutory provision as amended or re-enacted. A reference to a statute or statutory provision includes any subordinate legislation made under that statute or statutory provision, as amended or re-enacted;
- b. any phrase introduced by the terms **including, include, in particular** or any similar expression, shall be construed as illustrative and shall not limit the sense of the words preceding those terms; and
- c. a reference to **writing** or **written** includes faxes and e-mails

**2 BASIS OF CONTRACT**

- 2.1 The Order constitutes an offer by the Customer to purchase Services from the Supplier in accordance with these Conditions and the Specification.
- 2.2 The Order shall only be deemed to be accepted when the Customer executes the Specification at which point and on which date the Contract shall come into existence ("**Commencement Date**").
- 2.3 The Contract constitutes the entire agreement between the parties. The Customer acknowledges that it has not relied on any statement, promise or representation made or given by or on behalf of the Supplier which is not set out in the Contract.
- 2.4 These Conditions apply to the Contract to the exclusion of any other terms that the Customer seeks to impose or incorporate, or which are implied by trade, custom, practice or course of dealing.

**3 SUPPLY OF SERVICES**

- 3.1 The Supplier shall supply the Services to the Customer and the Authorised Service Recipients in accordance with the Specification in all material respects. The Customer shall be liable for the acts

- and omissions of the Authorised Service Recipients as though they were the acts and omissions of the Customer. Where an Authorised Service Recipient is in receipt of Services hereunder, reference to the Customer throughout these Conditions shall also refer to such Authorised Service Recipients, as applicable.
- 3.2 The Supplier shall use all reasonable endeavours to meet any performance dates specified in the Specification, but any such dates shall be estimates only and time shall not be of the essence for performance of the Services.
- 3.3 The Supplier shall have the right to make any changes to the Services which are necessary to comply with any applicable law or safety requirement, or which do not materially affect the nature or quality of the Services, and the Supplier shall notify the Customer in any such event.
- 3.4 The Supplier warrants to the Customer that the Services will be provided using reasonable care and skill to be expected of properly qualified and competent aircraft technical managers in accordance with best industry practice.

#### 4 CUSTOMER'S OBLIGATIONS

- 1.1 The Customer shall:
- a. co-operate with the Supplier in all matters relating to the Services;
  - b. provide the Supplier, its employees, agents, consultants and subcontractors, with access to the Customer's premises, office accommodation and other facilities as reasonably required by the Supplier;
  - c. provide the Supplier with such information and materials as the Supplier may reasonably require in order to supply the Services, and ensure that such information is accurate in all material respects;
  - d. if requested by the Supplier, prepare the requisite premises and any site access for the supply of the Services; and
  - e. obtain and maintain all necessary licences, permissions and consents which may be required before the date on which the Services are to start;
- 4.2 If the Supplier's performance of any of its obligations under the Contract is prevented or delayed by any act or omission by the Customer or failure by the Customer to perform any relevant obligation ("**Customer Default**"):
- a. the Supplier shall without limiting its other rights or remedies have the right to suspend performance of the Services until the Customer remedies the Customer Default, and to rely on the Customer Default to relieve it from the

- b. performance of any of its obligations to the extent the Customer Default prevents or delays the Supplier's performance of any of its obligations;
- b. the Supplier shall not be liable for any costs or losses sustained or incurred by the Customer arising directly or indirectly from the Supplier's failure or delay to perform any of its obligations as set out in this Condition 4.2; and
- c. the Customer shall reimburse the Supplier on written demand for any costs or losses sustained or incurred by the Supplier arising directly or indirectly from the Customer Default.

#### 5 CHARGES AND PAYMENT

- 5.1 The Charges for the Services shall be on a time and materials basis:
- a. the Charges shall as set out in the Specification; and
  - b. the Supplier shall be entitled to charge the Customer for any expenses reasonably incurred by the individuals whom the Supplier engages in connection with the Services including, but not limited to, travelling expenses, hotel costs, subsistence and an associated expenses each of the foregoing costs and expenses having been incurred for travel away from main/home base strictly for the purpose of carrying out the Services, and for the cost of services provided by third parties and required by the Supplier for the performance of the Services and agreed in advance with the Customer, and for the cost of any materials.
- 5.2 The Supplier reserves the right to increase its rates, provided that such charges cannot be increased more than once in any 12 month period. The Supplier will give the Customer written notice of any such increase three months before the proposed date of the increase. If such increase is not acceptable to the Customer, it shall notify the Supplier in writing within two weeks of the date of the Supplier's notice and the Supplier shall have the right without limiting its other rights or remedies to terminate the Contract by giving three weeks' written notice to the Customer.
- 5.3 The Supplier shall invoice the Customer in accordance with the Specification.
- 5.4 The Customer shall pay each invoice submitted by the Supplier:
- a. As per payment terms as set out and
  - b. in full and in cleared funds in the currency stipulated in the Specification to

a bank account nominated in writing by the Supplier and time for payment shall be of the essence of the Contract.

5.5 All amounts payable by the Customer under the Contract are exclusive of amounts in respect of value added tax chargeable for the time being ("VAT"). Where any taxable supply for VAT purposes is made under the Contract by the Supplier to the Customer, the Customer shall, on receipt of a valid VAT invoice from the Supplier, pay to the Supplier such additional amounts in respect of VAT as are chargeable on the supply of the Services at the same time as payment is due for the supply of the Services.

5.6 Without limiting any other right or remedy of the Supplier, if the Customer fails to make any payment due to the Supplier under the Contract by the due date for payment ("Due Date"), the Supplier shall have the right to charge interest on the overdue amount at the rate of 5 per cent per annum above the then current HSBC Bank plc's UK base lending rate accruing on a daily basis from the Due Date until the date of actual payment of the overdue amount, whether before or after judgment, and compounding quarterly.

5.7 The Customer shall pay all amounts due under the Contract in full without any deduction or withholding except as required by law and the Customer shall not be entitled to assert any credit, set-off or counterclaim against the Supplier in order to justify withholding payment of any such amount in whole or in part. The Supplier may, without limiting its other rights or remedies, set off any amount owing to it by the Customer against any amount payable by the Supplier to the Customer.

## 6 INTELLECTUAL PROPERTY RIGHTS

6.1 All Intellectual Property Rights in or arising out of or in connection with the Services shall be owned by the Supplier.

6.2 The Customer acknowledges that, in respect of any third party Intellectual Property Rights, the Customer's use of any such Intellectual Property Rights is conditional on the Supplier obtaining a written licence from the relevant licensor on such terms as will entitle the Supplier to license such rights to the Customer.

6.3 All Supplier Materials are the exclusive property of the Supplier.

## 7 CONFIDENTIALITY

A party ("Receiving Party") shall keep in strict confidence all technical or commercial know-how, specifications, inventions, processes or initiatives which are of a confidential nature and have been disclosed to the Receiving Party by the other party ("Disclosing Party"), its employees, agents or subcontractors, and any other confidential information concerning the Disclosing Party's

business or its products or its services which the Receiving Party may obtain. The Receiving Party shall restrict disclosure of such confidential information to such of its employees, agents or subcontractors as need to know it for the purpose of discharging the Receiving Party's obligations under the Contract, and shall ensure that such employees, agents or subcontractors are subject to obligations of confidentiality corresponding to those which bind the Receiving Party. This Condition 7 shall survive termination of the Contract.

## 8 LIMITATION OF LIABILITY, INDEMNITY AND INSURANCE

8.1 Nothing in these Conditions shall limit or exclude the Supplier's liability for:

- a. death or personal injury caused by its negligence, or the negligence of its employees, agents or subcontractors;
- b. fraud or fraudulent misrepresentation; or
- c. breach of the terms implied by section 2 of the Supply of Goods and Services Act 1982 (title and quiet possession).

8.2 Subject to Condition 8.1:

- a. the Supplier shall not be liable to the Customer, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, for any loss of profit, or for any indirect or consequential loss arising under or in connection with the Contract including any losses that may result from the Supplier's repudiatory breach of the Contract; and
- b. the Supplier's total liability to the Customer in respect of all other losses arising under or in connection with the Contract, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, including losses caused by the Supplier's deliberate personal repudiatory breach OR a deliberate breach of the Contract by the Supplier, its employees agents or subcontractors shall not exceed the greater of (a) the fees paid in relation to the specific project undertaken, to which the claim relates and (b) US\$1,000,000.

8.3 Except as set out in these Conditions, all warranties, conditions and other terms implied by statute or common law are, to the fullest extent permitted by law, excluded from the Contract.

8.4 Customer will indemnify and hold harmless Supplier, its directors, officers, employees, agents and subcontractors from and against all claims of

third parties related to damage, loss, injury or death caused by Customer's breach of the Contract, negligence, fraud or wilful misconduct of the Customer, its directors, officers, employees, agents or subcontractors.

8.5 During the term of the Contract, or any specification, the Customer will effect (or procure that the aircraft owner or operator effects) suitable aviation liability insurances, as may be specified in the Specification, with the Supplier listed as an additional insured.

8.6 This Condition 8 shall survive termination of the Contract.

## 9 TERMINATION

9.1 Without limiting its other rights or remedies, each party may terminate the Contract with immediate effect by giving written notice to the other party if:

- a. the other party commits a material breach of the Contract and (if such a breach is remediable) fails to remedy that breach within 30 days of that party being notified in writing of the breach;
- b. the other party suspends, or threatens to suspend, payment of its debts or is unable to pay its debts as they fall due or admits inability to pay its debts or (being a company) is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 or (being an individual) is deemed either unable to pay its debts or as having no reasonable prospect of so doing, in either case, within the meaning of section 26 of the Insolvency Act 1986 or (being a partnership) has any partner to whom any of the foregoing apply;
- c. the other party commences negotiations with all or any class of its creditors with a view to rescheduling any of its debts, or makes a proposal for or enters into any compromise or arrangement with its creditors (other than (where a company) for the sole purpose of a scheme for a solvent amalgamation of that other party with one or more other companies or the solvent reconstruction of that other party);
- d. a petition is filed, a notice is given, a resolution is passed, or an order is made, for or in connection with the winding up of that other party (being a company) other than for the sole purpose of a scheme for a solvent amalgamation of that other party with one or more other companies or the solvent reconstruction of that other party;
- e. the other party (being an individual) is the subject of a bankruptcy petition or order;

- f. an application is made to court, or an order is made, for the appointment of an administrator or if a notice of intention to appoint an administrator is given or if an administrator is appointed over the other party (being a company);
- g. a floating charge holder over the assets of that other party (being a company) has become entitled to appoint or has appointed an administrative receiver;
- h. any event occurs or proceeding is taken with respect to the other party in any jurisdiction to which it is subject that has an effect equivalent or similar to any of the events mentioned in Condition 9.1b to Condition 9.1g (inclusive);
- i. the other party suspends or ceases, or threatens to suspend or cease, to carry on all or a substantial part of its business.

9.2 Without limiting its other rights or remedies, the Supplier may terminate the Contract with immediate effect by giving written notice to the Customer if the Customer fails to pay any amount due under this Contract on the due date for payment.

9.3 Without limiting its other rights or remedies, each party shall have the right to terminate the Contract or the Services under a Specification by giving the other party 3 months' written notice.

9.4 Without limiting its other rights or remedies, the Supplier shall have the right to suspend provision of the Services under the Contract or any other contract between the Customer and the Supplier if the Customer becomes subject to any of the events listed in Condition 9.1b to Condition 9.1h, or the Supplier reasonably believes that the Customer is about to become subject to any of them, or if the Customer fails to pay any amount due under this Contract on the due date for payment

## 10 CONSEQUENCES OF TERMINATION

On termination of the Contract or a Specification for any reason:

- a. the Customer shall immediately pay to the Supplier all of the Supplier's outstanding unpaid invoices and interest and, in respect of Services supplied but for which no invoice has been submitted, the Supplier shall submit an invoice, which shall be payable by the Customer immediately on receipt;
- b. the accrued rights, remedies, obligations and liabilities of the parties as at expiry or termination shall not be affected, including the right to claim damages in respect of any breach of the Contract which existed at or before the date of termination or expiry; and

- c. Conditions which expressly or by implication have effect after termination shall continue in full force and effect.
- 11 GENERAL**
- 11.1 Force Majeure:**
- a. For the purposes of this Contract, "**Force Majeure Event**" means an event beyond the reasonable control of the Supplier including but not limited to strikes, lock-outs or other industrial disputes (whether involving the workforce of the Supplier or any other party) failure of a utility service or transport network, act of God, war, riot, civil commotion, malicious damage, compliance with any law or governmental order, rule, regulation or direction, accident, breakdown of plant or machinery, fire, flood, storm or default of suppliers or subcontractors.
- b. The Supplier shall not be liable to the Customer as a result of any delay or failure to perform its obligations under this Contract as a result of a Force Majeure Event.
- c. If the Force Majeure Event prevents the Supplier from providing any of the Services for more than 60 days, the Supplier shall, without limiting its other rights or remedies, have the right to terminate this Contract immediately by giving written notice to the Customer.
- 11.2 Assignment and subcontracting:**
- a. The Supplier may at any time assign, transfer, charge, subcontract or deal in any other manner with all or any of its rights under the Contract and may subcontract or delegate in any manner any or all of its obligations under the Contract to any third party or agent.
- b. The Customer shall not, without the prior written consent of the Supplier, assign, transfer, charge, subcontract or deal in any other manner with all or any of its rights or obligations under the Contract.
- 11.3 Notices and Liaison:**
- a. Both Supplier and Customer will each nominate a person or persons responsible for liaison in connection with each Specification on all matters relating to the Services, details of which shall be set out in the Specification.
- b. Any notice or other communication required to be given to a party under or in connection with this Contract shall be in writing and shall be delivered to the other party personally or sent by prepaid first-class post, recorded delivery or by commercial courier, at its registered office (if a company) or (in any other case) its principal place of business, or sent by fax to the other party's main fax number.
- c. Any notice or other communication shall be deemed to have been duly received if delivered personally, when left at the address referred to above or, if sent by pre-paid first-class post or recorded delivery, at 9.00 am on the second Business Day after posting, or if delivered by commercial courier, on the date and at the time that the courier's delivery receipt is signed, or if sent by fax, on the next Business Day after transmission.
- d. This Condition 11.3 shall not apply to the service of any proceedings or other documents in any legal action.
- 11.4 Waiver**
- a. A waiver of any right under the Contract is only effective if it is in writing and shall not be deemed to be a waiver of any subsequent breach or default. No failure or delay by a party in exercising any right or remedy under the Contract or by law shall constitute a waiver of that or any other right or remedy, nor preclude or restrict its further exercise. No single or partial exercise of such right or remedy shall preclude or restrict the further exercise of that or any other right or remedy.
- b. Unless specifically provided otherwise, rights arising under the Contract are cumulative and do not exclude rights provided by law.
- 11.5 Severance:**
- a. If a court or any other competent authority finds that any provision of the Contract (or part of any provision) is invalid, illegal or unenforceable, that provision or part-provision shall, to the extent required, be deemed deleted, and the validity and enforceability of the other provisions of the Contract shall not be affected.
- b. If any invalid, unenforceable or illegal provision of the Contract would be valid, enforceable and legal if some part of it were deleted, the provision shall apply with the minimum modification necessary to make it legal, valid and enforceable.

11.6 **No partnership:** Nothing in the Contract is intended to, or shall be deemed to, constitute a partnership or joint venture of any kind between any of the parties, nor constitute any party the agent of another party for any purpose. No party shall have authority to act as agent for, or to bind, the other party in any way.

11.7 **Entire Agreement and Variation:**

- a. This Contract and any document annexed to it constitutes the entire agreement between the parties and supersedes and extinguishes all previous drafts, arrangements, understandings between the parties whether written or oral, relating to the subject matter of this Contract.
- b. Any variation, including the introduction of any additional terms and conditions, to the Contract, shall only be binding when agreed in writing and signed by the Supplier. Any such variation shall form part of this Contract for the purposes of Condition 11.7a.

12 **GOVERNING LAW**

This Contract, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), shall be governed by, and construed in accordance with, English law.

13. **JURISDICTION**

13.1 With respect to any suit, action or proceedings relating to this Contract ("**Proceedings**"), each party irrevocably:

- a. submits to the non-exclusive jurisdiction of the English courts; and;
- b. waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum, waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such Party, and further waives any right to assert sovereign immunity with respect to jurisdiction or enforcement;
- c. agrees that nothing herein shall affect the right to effect service of process in any manner permitted by Law.

13.2 Nothing in this Contract shall preclude the Supplier from taking proceedings in any other courts with jurisdiction. To the extent allowed by Law, the Supplier may take concurrent proceedings in any number of jurisdictions.

14 **ARBITRATION**

14.1 Subject to Condition 13 the Supplier may at its absolute discretion elect to have any dispute arising out of or in connection with this Contract (including a dispute regarding the existence, validity or termination of this Contract or the consequences of its nullity) referred to and finally resolved by arbitration under the Arbitration Rules (the "Rules") of the London Court of International Arbitration.

14.2 The arbitral tribunal shall consist of one arbitrator. The seat of arbitration shall be London, England and the language of the arbitration shall be English.

14.3 The Supplier may at any time by notice in writing to the Customer require that all disputes or a specific dispute be heard by a court of law. If the Supplier gives such notice, the dispute to which that notice refers shall be determined in accordance with Condition 13.

15. **THIRD PARTIES**

15.1 For the purpose of this Condition 15.1, **Rights** shall refer to the benefit of any of the following:

- a. a right of the Customer under this agreement; or
- b. an obligation on the Supplier under this agreement; or
- c. a warranty or other representation by the Supplier under this agreement.

15.2 This Contract shall confer the Rights on each Authorised Service Recipient without, in each case, any additional charge to the Customer or any Authorised Service Recipient. Subject to the prior written consent of the Customer (such consent to be provided in its absolute discretion), an Authorised Service Recipient may enforce in its own capacity such Rights pursuant to this Contract. Notwithstanding Condition 15.2, it is expressly agreed that the parties may rescind or vary this Contract without the consent of any other person who has the right to enforce the terms of this Contract notwithstanding that such rescission or variation may extinguish or alter that person's entitlement under that right.

15.4 Subject to Condition 15.2, this Contract does not create, and shall not be construed as creating, any right under the Contracts (Rights of Third Parties) Act 1999 which is enforceable by any person who is not party to this Contract.