

## 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, identification number 271 63 628, registered in the Company Register of the Municipal Court Praha, section B 9421 ("ABS Jets") are applied, unless otherwise agreed in writing, to all works (e. g. base and line maintenance) performed upon aircrafts or equipment or parts by ABS Jets itself, its employees or subcontracted by ABS Jets to third parties, irrespective of the particular contractual document (Framework Maintenance Contract, Quotation or other document) by which the GTC were incorporated. For the avoidance of doubt these GTC apply also to any ancillary works or services provided in connection with any works performed upon aircrafts or equipment or parts.

## II. CONTRACTUAL PROCESS

- Any order made by the customer ("Customer") shall be made in writing and must clearly specify the scope of work and services required as well as the desired maintenance period. Both parties are aware that all ordered maintenance and support are subject to slot, spare, tool & manpower availability and that ABS Jets is not obliged to accept the order.
- For scheduled maintenance, ABS Jets will prepare a preliminary quotation with an estimated price, estimated required manpower, proposed maintenance slot and payment terms ("Quotation"). 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 the accepted Quotation a specific 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. However, in case of unscheduled or AOG maintenance, no Quotation will be prepared. In that case a specific maintenance contract is legally concluded at the time ABS Jets accepts the Customer's order, either in writing or otherwise (e.g. by commencing the ordered work).
- During maintenance findings can be made. All findings will be classified either as "airworthiness" or "non-airworthiness". No formal order needs to be made for findings rectification, however, the following applies:
  - In case of an airworthiness finding where the initial estimate of rectification price does not exceed EUR 10,000, ABS Jets will proceed with the rectification automatically without the need for a specific consent from the Customer in order to keep smooth progress of works.
  - In case of an airworthiness finding where the initial estimate of rectification price exceeds EUR 10,000, specific consent of the Customer is required. This consent must be given within 24 hours from the moment the Customer is notified about such finding. If the consent is not given in time, the whole maintenance may be delayed, and the Customer will be liable for any damage caused (e.g. prolonged hangar occupation).
  - In case of a non-airworthiness findings, specific consent of the Customer is required. This consent must be given within 48 hours from the moment the Customer is notified about such finding. If the consent is not given in time, ABS Jets will not be obliged to rectify such finding, however, ABS Jets may still do so as long as it does not disrupt smooth progress of works and the Customer has not specifically instructed that such rectification must not be performed.
- The Customer acknowledges that employees of ABS Jets are not authorized to accept the Customer's own general terms & conditions, and such actions would have no effect. The only general terms & conditions governing the works may be these GTC. This does not affect the possibility of agreeing on specific deviations from these GTC.

## III. PRICES AND RATES

- All prices, including those set up in the Quotation, refer exclusively to agreed works, services and supplies. Any additional works, services and supplies, not agreed between the Parties must be ordered, accepted and charged separately in accordance with the above mentioned contract procedure. Price of spare parts, material, tools and equipment is always charged on top of quoted price per actual consumption and is never included in the price of labor, even for planned maintenance tasks as described in the respective Aircraft Maintenance Manual (AMM), unless explicitly stated otherwise. For the avoidance of doubt findings rectifications may be charged, but does not have to be specifically ordered (see clause II.3 of these GTC).
- If no fixed price is agreed, ABS Jets will apply the prices valid and applicable at the time of performance for the type of works, services and supplies involved as specified in the applicable ABS Jets pricelist.
- All prices are net ex-works (or ex performance site) and are net 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. For the avoidance of doubt if such taxes or levies apply, they will be borne by the Customer.

- If the Customer purchases components required for the desired service and delivers these parts to ABS Jets for installation, ABS Jets will charge a handling fee as per the current ABS Jets price list (note: for Aircraft enrolled under special programs refer to special program or specific warranty clauses and conditions). Should ABS Jets fail 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 is entitled at its own discretion to ask for initial down payment / slot reservation fee to procure costs of slot and human resources reservation, etc., progress payment and pre-departure payment either partial or in full to procure the material spare parts and/or for the performance of works and services. Initial down payment is a non-returnable earnest in accordance with the law. The amount of initial down payment, progress payment and pre-departure payment is usually subject to the agreed Quotation.
- Payments will be settled preferably by bank transfer. Credit/debit cards are accepted.
- All invoices will 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/ slot reservation fee, progress payment and pre-departure payment) will 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 will be fully paid.
- The final invoice will 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 0,1 % per day of the due amount will be applied.
- Any complaints concerning final invoice or its disputed part must be submitted by the Customer within 15 working days of the receipt of the invoice with written detailed specification of good reason of complaint / dispute 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. Later complaints will not be assessed and the Customer is obliged to pay the invoice in full.
- All payments made by any third party in good faith on behalf of the Customer and/or the Customer benefit will be fully accepted by ABS Jets as if they have been made by the Customer.
- The Customer is 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. REFUSAL OF PERFORMANCE AND DEBT SECURITY

- ABS Jets is entitled to refuse to perform its obligations and suspend the provision of works if:
  - there are contractual obligations of the Customer to be fulfilled prior to the provision of services (e.g. the obligation to make a prepayment), and such obligations have not been fulfilled by the Customer,
  - during the Customer's default with payment of any due debt, until the amount due is paid in full, or
  - it is necessary for justifiable operational or safety/security reasons, but only in the extent and for the time necessary.
- Refusal and/or suspension of performance under paragraph 1 shall not be deemed a breach of ABS Jets contractual obligations and will not impose any liability on ABS Jets for any potential damages caused by such non-performance.
- ABS Jets is entitled to retain the aircraft or any other movable thing which should otherwise be released to the Customer to secure the Customer's due debt in accordance with the laws of the Czech Republic.
- Not yet due Customer's debt may also be secured by retention right:
  - if the Customer failed to secure the debt otherwise, although he was obliged to do so,
  - if the Customer declares that he will not pay the debt,
  - if it becomes otherwise evident that the Customer will fail to pay 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 will inform the Customer in writing about the retention and the reasons for it.

## VI. MATERIAL, TOOLING AND EQUIPMENT

1. All spare parts, material, tools and equipment will be provided via ABS Jets, which is entitled to charge the Customer with the prices of such spare parts, material, tools and equipment. For the avoidance of doubt, price of spare parts, material, tools and equipment is always charged separately per actual consumption and is never included in the price of labor, even for scheduled maintenance tasks as described in the respective Aircraft Maintenance Manual, unless explicitly stated otherwise. 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.
2. ABS Jets undertakes the responsibility of the customs clearance, packing and handling of components at the maintenance base.
3. If the Customer is supplied with exchange parts, the Customer must return the off-core parts to ABS Jets within ten (10) days of the receipt of such exchange parts. The costs of exchange will 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 will be charged with the difference by supplementary invoice.
4. If for any reason whatsoever the Customer returns a part remitted to him by ABS Jets without having used it, such part will 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 must pay the cost of repair and if the part is not repairable, the Customer must pay the full list price.
5. 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 must pay to ABS Jets the replacement costs.
6. The Customer must be in addition charged with restocking fee of 10% of the current part's list price.
7. Components supplied by the Customer not consumed during the provisions of the Services will be returned to the Customer in as good a condition as delivered and ABS Jets must exercise due care in their storage and handling. All expenses in respect of return of unused components will be borne by the Customer.
8. 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.
9. All materials used by ABS Jets in the undertaking of the work and services will be from approved sources. ABS Jets will 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 will handle the warranty directly with its vendor / subcontractors on behalf of Customer and will 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.
10. All unserviceable items replaced by ABS Jets a.s. during repair or maintenance work will be retained by ABS Jets a.s. during a period of 30 days awaiting for disposition instructions from the Customer. Thereafter the remaining items will become the property of ABS Jets a.s.

## VII. CUSTOMER'S RESPONSIBILITY

1. The Customer is 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 will retain all risk of loss or damage thereto during any such transportation.
2. The Customer is responsible to provide ABS Jets with the following information:
  - a) all required information for planning,
  - b) comprehensive Work order or Purchase Order for the maintenance to be performed on the Aircraft,
  - c) customized maintenance data,
  - d) means of compliance for Airworthiness directives, Service Bulletins and STC incorporation,
  - e) 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.
3. The Customer is entitled to 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.

4. Without prejudice to Article II, paragraph 3(i), this Customer's representative is also entitled to take decisions up to EUR 10,000 on behalf of the Customer for non-routine works in order to ensure the normal conduct of the maintenance event. The time limits for approval and the consequences of delay shall apply mutatis mutandis as set out in Article II, paragraph 3.

## VIII. ABS JETS' RESPONSIBILITY

1. ABS Jets must maintain all its licenses and approvals for providing services to the Customer valid and effective during the duration of the contract.
2. ABS Jets must provide the Customer with written report including details of the works performed.
3. Without prejudice to clause X. of these GTC, ABS Jets is 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 excluded inter alia 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;
  - 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"); or
  - g) the Customer does not give consent with rectification of an airworthiness finding in time.
5. Upon the occurrence of an Excusable Delay ABS Jets must 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 is 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 will 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 must be fit for their intended purpose.
2. ABS Jets' liabilities under this warranty is limited to defects which are clearly associated with the services performed by ABS Jets and 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 Aircraft 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 ceases 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 must 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 time to be agreed between the parties, ABS Jets is entitled to contract a third party who will 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 will be replaced by ABS Jets. The Customer must 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 will be borne by ABS Jets. The Customer will 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 will 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 must 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 may not exceed the current list price of 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 will be under no liability whatsoever in respect of workmanship or material in such rectification.
10. ABS Jets must adhere to the best aviation and engineering practices and in accordance with the EASA and CAA requirements must maintain data and records as are appropriate for the provision of the services and must permit inspection of such data and records at redelivery or as reasonably requested by the Customer. Such data and records must be made available to the Customer in the format reasonably required by the Customer. Such data must be made available no later than within thirty (30) days of redelivery.

### X. LIABILITY

1. ABS Jets shall be liable towards the Customer for any damage to or loss of any property and / or for injury to or death of any person caused by a breach of ABS Jet's contractual obligations or applicable law.
2. Notwithstanding the above, ABS Jets shall only be liable to compensate directly caused actual damage (in Czech skutečná škoda); any compensation of loss of profit (in Czech ušlý zisk) non-property harm, loss of market value of the aircraft, or any related, consequential, punitive or other similar type of damages is excluded.
3. The Customer shall indemnify, defend and hold ABS Jets and/or its employees, directors and shareholders harmless against any and all third-party (especially, but not limited to aircraft owner's) claims, demands, costs and expenses of any nature arising out of or in connection with the provided services.
4. ABS Jets' liability shall be limited to the amount of the insurance limit specified in the insurance policy of PPH Liability insurance.
5. When ABS Jets acts as an agent only (i.e. procuring that a third party provides services to the Customer), its liability only extends to exercising due care in selecting the provider.
6. If the services are provided to multiple parties, the liability limits apply to all such parties in aggregate.
7. ABS Jets is not liable inter alia for damages resulting from:
  - a) incorrect, untrue or incomplete information provided by the Customer;
  - b) failure of the Customer to provide requested cooperation or to comply with ABS Jets instructions or advice;
  - c) risks notified to the Customer beforehand;
  - d) towing of aircraft by the Customer itself or any third party.

8. ABS Jets shall be released from its obligation to compensate damages if it proves that the damages could not have been averted despite making all reasonable efforts it could have been reasonably requested to make; this includes Force Majeure events.
9. The Customer must notify ABS Jets without undue delay of any event that may give rise to liability of ABS Jets. ABS Jets is not obliged to compensate damages, if it has not been notified of its potential liability within 30 days after the damages have occurred.
10. Any claims by the Customer against ABS Jets for damages shall be time-barred one year from the date on which the Customer could have first exercised its right for compensation of damages.

### XI. CONFIDENTIALITY OF INFORMATION

1. Acquiring audio-visual records of hangars or their parking areas, without prior approval of ABS Jets is strictly FORBIDDEN.
2. The Customer is bound to consider all information gained or accessible as a result of provision of services ("Information") to be confidential and subject of trade secret. The Customer is bound to keep all information confidential, unless they become public record in a way other than by breach of duty of confidentiality by the Customer.
3. Information which is considered to be secret and confidential especially includes:
  - a) the names of customers of ABS Jets;
  - b) the aircraft fleet of customers of ABS Jets;
  - c) the names of passengers of the company of ABS Jets or their customers;
  - d) contractual prices and conditions;
  - e) unauthorised audio-visual records related to the company of ABS Jets or their customers;
  - f) all information that isn't explicitly stated above, but which could potentially have a negative impact for the company of ABS Jets or its customers if made public, or which could attract the unwanted attention of the media.
4. The Customer is required to abide by its responsibility to maintain the secrecy and confidentiality of information, take all necessary measures for the purpose of preventing the leak of information to third parties, not to share information with any third party and prevent any third party from gaining such information.
5. The Customer is required to immediately inform ABS Jets in the case it discovers a violation of its responsibility to keep the confidentiality and secrecy of information.
6. ABS Jets is entitled to demand payment of a contractual penalty of EUR 100 000 for any and each breach of the obligation to maintain the confidentiality of information as provided above. This contractual penalty has a preventive and punitive character.
7. Payment of the contractual penalty does not exclude the Customer's obligation to compensate for damages.

### XII. GOVERNING LAW AND ARBITRATION, FINAL PROVISIONS

1. The parties' contractual relationship and rights and obligations arising from it or in connection therewith are governed by the laws of the Czech Republic, in particular by the Act No. 89/2012 Coll., the Civil Code, as amended.
2. In addition to the statutory provisions excluded by a deviating clause in these GTC or any other party agreement, the following provisions of Act No. 89/2012 Coll., the Civil Code, as amended, do not apply: Section 557 (interpretation against the draftsman), Section 1740(3) (modified acceptance), Section 1765(1) and Section 1766 (hardship clause) and Sections 1799 and 1800 (adhesion contracts).
3. The parties wish to solve any and all disputes and vagueness predominantly by an amicable settlement. In case the parties are unable to reach an amicable settlement, disputes arising from the parties contractual relationship or in connection therewith will 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 its Rules by three arbitrators.
4. Any deviating provisions agreed in a written contract take precedence over the wording of these GTC.
5. ABS Jets is entitled to change or modify these Terms & Conditions. The Customer will be notified in writing by e-mail. If the Customer does not agree with the change, the Customer is entitled to refuse it and to terminate this contract with a notice period of 3 months.
6. The current version of these Terms & Conditions is available to the Customer at <http://www.absjets.com/en/documents/general-terms-and-conditions> or in writing on request from ABS Jets handling.