



## VALLAIR INDUSTRY – MAINTENANCE, REPAIR & OVERHAUL TERMS & CONDITIONS

This Maintenance, Repair & Overhaul Terms & Conditions (the "Agreement") is entered into by and between **VALLAIR INDUSTRY SAS**, having its principal place of business at Aéroport Montpellier-Méditerranée, Avenue de Mauguio, 34130 Mauguio, France, hereinafter referred to as the "Contractor" and the "Customer".

The Contractor and the Customer may also be referred to in the singular as "Party" and in the plural as "Parties".

### RECITALS:

**WHEREAS**, the Customer wishes to purchase certain services at the prices provided herein and subject to agreed-upon terms and conditions; and

**WHEREAS**, the Contractor wishes to provide certain services to the Customer on the terms set out herein.

**NOW THEREFORE**, in consideration of the mutual promises and covenants hereinafter set forth, the Parties hereto agree as follows:

### I – GENERAL DISPOSITIONS

#### 1. Purpose

- 1.1 The present Terms define the general terms and conditions under which the Contractor, commits to provide the Services entrusted to it by the Customer. These Terms along with the Commercial Offer shall constitute the Agreement between the Contractor and the Customer. The Contractor and the Customer constitutes the Parties to the Agreement.
- 1.2 By ordering Services from the Contractor, the Customer shall be deemed to have accepted these Terms, irrespective of whether Customer has accepted them by a written acknowledgment. The Agreement shall prevail on any other contractual documents. The transmission of the Customer's general terms and conditions to the Contractor with its purchase order or any other document shall not be considered as a valid acceptance of them without the Contractor's express written consent.

#### 2. Definitions

Any capitalised words, terms or abbreviations used in the Agreement shall – unless they are specially or specifically assigned to a different meaning – have the meaning set forth in the Glossary attached hereto as Attachment 1.

### II – PERFORMANCE OF SERVICES

#### 3. Description of Services

- 3.1 Customer has requested, and Contractor has accepted, to provide the Services described in the Commercial Offer and any other Service(s) that may be entrusted from time to time by the Customer to the Contractor during the Term.
- 3.2 The Customer shall, pursuant to this Agreement, Deliver and accept Redelivery of the Aircraft, after Maintenance Documentation Check and completion of the Services to and from this location, unless agreed upon otherwise. The Services shall be performed under the Ground Time defined in the Commercial Offer, in consideration of its financial provisions and under the supervision of the Representative Team appointed, if any.

#### 4. Compliance documentation

Unless the Parties have agreed otherwise, Contractor shall, upon completion of the Services (i) deliver to Customer the documents

attesting the performance of the Services in accordance with the relevant applicable Part 145 and/or Aviation Authority's regulations and, if necessary, (ii) issue the relevant release documentation within 10 Business Days after the Redelivery of the Aircraft.

#### 5. Documents, Items and Materials

- 5.1 Customer shall, at its own cost, supply and deliver to the Site all documents and Items necessary to accomplish the Services at least ten (10) days before the date scheduled for the beginning of the Services. If Customer is unable to supply the necessary document(s) and/or Item(s) as scheduled, all delay shall be construed as Excusable Delay and the Ground Time for the performance of the Services shall be extended as such.
- 5.2 Contractor may be requested by Customer to supply such document(s) and/or Item(s). In such case, Contractor shall assess whether it is able to provide such documents and/or Item(s) and (i) if Contractor is able to provide the document(s) and/or Item(s), all reasonable and direct costs, based on a time and material basis pursuant to these Terms for this provision, shall be borne by the Customer; (ii) however if Contractor is not in good faith able to provide such elements, Articles 5.1 and 5.3 shall apply.
- 5.3 If the Customer does not comply with the request according to Article 5.1, the Contractor is entitled to terminate the Agreement with immediate effect. In such case, the Contractor shall be entitled to receive payment for the Services to the extent it was performed prior to the date of termination as well as all costs incurred in preparation of the provision of Services.
- 5.4 Contractor shall – at the cost of the Customer, unless the Services for which the consumable Material is needed is to be provided under a flat rate basis – supply all the consumable Materials, necessary to accomplish the Services.
- 5.5 Items not owned by the Contractor which are the object of Services and which pursuant thereto are in the Contractor's custody will not be insured by the Contractor and shall remain entirely at the risk of the Customer.
- 5.6 Contractor shall store all Items delivered by the Customer under an Agreement, and which are not or no longer installed on a Flight Equipment, in a dedicated, segregated and appropriately controlled location and shall safeguard and clearly mark such Items as belonging to Customer until such Items are reinstalled on such Flight Equipment or returned to Customer. Such Items will be handled, insured and treated with care in accordance with industry practice and the requirements of the relevant Aviation Authority.

#### 6. Engineering

- 6.1 Unless otherwise specified, Customer is responsible for all engineering matters coming up during the performance of the Services, including – when applicable – checks, ground checks and test flights.
- 6.2 For assistance purposes only and when possible, Contractor shall get in direct contact with the Aircraft manufacturer and propose repair solutions to Customer.
- 6.3 Reports on performance of approved repairs and corresponding appropriate forms shall be transmitted to Customer.
- 6.4 Compliance with Service Bulletins, Airworthiness Directives, modifications or Additional Work requested by Customer shall only be performed by Contractor upon the specific written request of Customer and subject to the Agreement.



**6.5** Customer shall have the sole responsibility for ensuring that the Services requested and performed under the Agreement satisfy the requirements of the relevant Aviation Authority. However, and when possible, Contractor shall assist and support Customer with all reasonable means in its relationship with such Aviation Authority regarding the compliance to the said requirements.

## **7. Personnel**

Contractor agrees to ensure that authorisations of specialised personnel participating to the performance of the Services are kept up to date. If Contractor is unable to provide authorised personnel as requested by Customer, Contractor shall inform Customer immediately.

## **8. Aircraft Delivery**

**8.1** The Delivery Date shall be agreed upon by both Parties and set forth in the Commercial Offer.

**8.2** If the Aircraft is not under the custody of the Contractor prior to Delivery, Customer shall, at its sole cost and expense, but with the assistance of Contractor if requested, arrange for technical landing permit at the Site including fly over clearance of the Aircraft and deliver, or cause to be delivered, the Aircraft to the Site on the Delivery Date.

**8.3** Delivery of the Aircraft shall only be deemed achieved between the Parties, after the Aircraft was delivered to Contractor and the Maintenance Documents have been provided by Customer.

**8.4** Immediately following the Delivery, Contractor's representative shall perform an inspection and inventory of the Aircraft. Upon completion of satisfactory inspection and inventory, a delivery and acceptance receipt provided by the Contractor shall be completed and signed by both Parties.

## **9. Duration of Services**

**9.1** The Ground Time for the performance of the Services under the present Agreement shall be determined in the Commercial Offer and shall be equal to the duration between the scheduled Delivery Date and the scheduled Redelivery Date.

**9.2** The Ground Time shall be extended if:

- i. Customer has agreed to an Additional Work or a Non-Routine Work for which Contractor has planned for an additional delay.
- ii. Contractor is hindered from carrying out the Services by reason of an Excusable Delay or for any reason directly attributable to a breach of this Agreement by either the Customer, its assignee or its designee.
- iii. Customer is unable to deliver or cause to deliver the Aircraft on the Delivery Date while the Redelivery Date was already agreed upon.
- iv. in which case, such extension of the Ground Time shall be equal to the period during which Contractor was hindered from performing the Routine Works, and the Redelivery Date, shall be postponed accordingly.

**9.3** If, pursuant to Section 9.2. 9.1, the Ground Time is extended by more than fifteen (15) Days, Contractor shall be entitled to request from Customer, an additional fee for the hangar slot occupation.

## **10. Excusable Delay**

**10.1** Contractor shall not be liable, nor deemed to be in default under the Agreement, on account of any delays in performance of its obligations due to an Excusable Delay. Contractor shall immediately advise Customer, in writing, of the existence of an Excusable Delay, the consequences regarding the performance of the Services. Contractor shall further advise Customer of the cessation of such cause.

**10.2** The Excusable Delay shall not, however, release Contractor from its obligation to use its best efforts to avoid or remove the causes of Excusable Delay and resume performance of the Services without

further delay, unless such Excusable Delay is due to a default or abstention of Customer.

**10.3** If Contractor is prevented by an Excusable Delay from performing the Services for a continuous period of thirty (30) Days or more, Customer may terminate the Agreement ipso jure by giving a written notice to such effect to the Contractor, unless such Excusable Delay is due to a default or abstention of Customer.

## **11. Additional Work**

**11.1** If Customer requests an Additional Work on the Aircraft or if Contractor discover while performing the Services a Non-Routine Work, Contractor shall provide Customer with a preliminary estimate quotation, including as applicable but not limited to:

- estimated number of man-hours and the costs thereof.
- estimated amount of necessary Material, with OEM-number for necessary Component, with the outline of Material to be provided by Customer and Material that will be purchased by Contractor, and an estimate of the costs thereof.
- estimated delay incurred on Redelivery.

**11.2** Written approbation by the Customer Representative of the preliminary estimate, issued pursuant to Article 11.1, is compulsory before Contractor shall start the performance of such Non-Routine or Additional Work. Failure from the Customer Representative to approve the preliminary estimate in due time shall authorize the Contractor to either (i) terminate the Agreement and invoice the amounts of Services already provided as well as all costs already incurred for provision of the Services or (ii) extend the Ground Time by construing any delay from the Customer Representative to approve the preliminary estimate as Excusable Delay.

## **12. General Aircraft Redelivery Terms**

**12.1** Unless they have been explicitly and in writing declared as binding, redelivery dates indicated by Contractor are provisional, non-binding, and shall serve as general information only.

**12.2** Contractor will make its best efforts to minimize any delays in the performance of its Services. It shall promptly notify Customer if a delay in Redelivery is expected and Redelivery may not take place on the Redelivery Date.

**12.3** Redelivery shall be performed EXW Vallair Industry (Incoterms 2010) at the Site.

**12.4** The Contractor certifying staff shall enter in the Aircraft Technical Logbook and the Aircraft Cabin Logbook, the performed work reference, and sign it to release the Aircraft and shall provide a Certificate for Return to Service if necessary.

**12.5** The Contractor shall submit Deferred Maintenance Items. Justifications and approved data shall be required for substantiation; otherwise the proposal will be rejected. The Contractor shall also submit the MEL items for approval.

**12.6** Before Redelivery, Contractor will provide the Customer representative with the Contractor signed tally sheet, the works task list, the customer tally sheet duly signed, the scheduled/unscheduled replaced component list, the structural repair report list and an aircraft redelivery report filled by the Contractor.

**12.7** Upon delivery of such documentation, a redelivery and acceptance Receipt provided by the Contractor shall be completed and signed by both Party and Contractor will return the Aircraft to Customer on the Site.

**12.8** The Maintenance Documentation and all records produced by Contractor in relation to the performance of the Services as required by the Aviation Authority and/or applicable law will be completed in accordance with the requirements of the Aviation Authorities and the Maintenance Documents will be returned to Customer within seven (7) days following Redelivery.



### **13. Aircraft Maintenance Documentation Check prior to before Redelivery**

- 13.1 Prior to Redelivery, Contractor shall perform with the Customer Representative a Maintenance Documentation Check in order to determine if the Services were completed to the satisfaction of the Customer.
- 13.2 After completion of the Maintenance Documentation Check, and provided such check was satisfactory and if Customer does not require for a ground check as per Article 14.1 and/or a test flight as per Article 14.2 to be performed, the Aircraft shall be deemed by both Parties to be ready for Redelivery.
- 13.3 If the Agreement is terminated due to a breach of an obligation under this Agreement by either the Customer, its assignee or its designee, before the Maintenance Documentation Check could take place, the Aircraft will be deemed by both Parties to have been redelivered to Customer, in "as is / where is" condition, to its complete satisfaction.

### **14. Specific Aircraft inspection prior to before Redelivery in case of Maintenance Services**

- 14.1 Following Maintenance Documentation Check and before Redelivery, Customer can require, at its sole cost and expense, for Contractor to proceed with a ground check of the Aircraft, under the supervision of the Customer Representative. The rectification of any discrepancy arising directly from the Services performed by Contractor that would be revealed during the ground check shall be considered as part of the Workslope to be rectified before Redelivery and the cost of any subsequent ground check that may be required by Customer shall be borne by Contractor. After completion of a positive ground check and rectification of all discrepancies, and if Customer does not require for a test flight to be performed as per Article 14.2, the Aircraft shall be deemed by both Parties to be ready for Redelivery.
- 14.2 Following Maintenance Documentation Check and, if required, the ground check as per Article 14.1 and before Redelivery, Customer can arrange for a test flight of the Aircraft, at its sole cost and risk, with the assistance of Contractor. The rectification of any discrepancy arising directly from the Services performed by Contractor that would be revealed during the test flight shall be considered as part of the Workslope to be rectified before Redelivery and the cost of any subsequent test flight that may be required by Customer shall be borne by Contractor. After completion of a positive test flight and rectification of all discrepancies, the Aircraft shall be deemed ready for Redelivery.

### **15. Representation of Customer**

- 15.1 During the performance of the Services, Customer can, at its own costs and expenses, appoint and maintain a Representative to be based on the Site.
- 15.2 Contractor shall grant Customer Representative with unrestricted access to the relevant areas of the Site and offices during Contractor's normal working hours. Customer undertakes that its Representative shall comply with all updated safety and security regulations in force at the Site and which shall be expressly communicated to Customer and its Representative on the day the latter's appointment.
- 15.3 The Customer Representative will be the only technical contact between Contractor and Customer, he/she shall assist and advise Contractor and shall be the only authorized person to inspect and approve the Services performed. Contractor shall provide the Customer Representative on a regular basis with check planning chart (showing main tasks/critical path), check progression (showing performed tasks/GFS percentage), defects found and progress (spare parts, components, structural repairs), kits needed from the Customer and additional costs (MH & Material for Additional works and rectifications).

### **16. Subcontracting of Services**

Contractor shall have the right to subcontract the performance of all or part of the Services it normally subcontracts as described in its relevant MOE. Any further subcontracting, if required, shall be made

in accordance with relevant Part 145 specifications, in consultation with Customer and after obtaining his written approval which shall not be unreasonably withheld. Contractor remains responsible for all Services rendered by and all actions of its subcontractors, as if they had been rendered by Contractor itself.

## **III – FINANCIAL DISPOSITIONS**

### **17. Invoicing**

- 17.1 Invoices shall be sent by to the address specified in Article 37.2, and by e-mail to the same address on the date of invoice. They shall be drawn up exclusive of VAT, and indicate:
- References of the Agreement.
  - Customer's purchase order number and/or references (if any).
  - Date of Aircraft Redelivery, Customer's intercommunity VAT registration number (if any).
  - Name of the Parties and their addresses.
  - Description of the Services provided in relation with the invoice.
  - Breakdown between services provided under flat rate and under time and Material basis, when applicable.
  - Breakdown of fees, handling charges and subcontractor costs, if applicable.
- 17.2 All amounts and sums of the Agreement shall be stated in euros and all purchase orders, invoices and payments shall be made in euros. Any payment made in any currency other than contractually agreed shall be exchanged at the exchange rate on the date the payment is valued to the Contractor account. Customer remains liable for any shortfall to the amount owed resulting from such exchange.
- 17.3 Customer will notify Contractor of any dispute regarding an invoice promptly following identification of the disputed charge and maximum ten (10) Business Days after the receipt of the relevant invoice. Each notification of dispute shall set forth the disputed amount(s), the invoice number to which the amount relates and, in reasonable detail, the basis of the dispute. Any non-disputed amount of an invoice shall be paid in accordance with the terms of payment set out in Article 17. After this period has lapsed, Customer shall not be entitled to assert any such claims.

### **18. Terms of Payment**

- 18.1 Payment by Customer to Contractor of the Services performed pursuant to the Agreement shall be made through wire transfer to the Contractor's Bank Account indicated on the Contractor's invoices.
- 18.2 Any invoice issued by Contractor as per Article 17 shall be paid within ten (10) Business Days after its notification to Customer, unless otherwise agreed by both Parties. For each invoice not paid within the agreed period as mentioned in Article 17, Contractor shall be entitled to ask for an interest calculated at Libor rate per annum + 2% for the period from the due date to the date of payment.
- 18.3 The Contractor reserves its ownership rights on all items delivered, work, product and other services provided under this Agreement until full payment of all due invoices, if any, is made and simultaneously with the payment, such ownership rights shall be deemed transferred to the Customer free and clear of any lien or other encumbrances.
- 18.4 In case of delay or dispute of payment of an invoice, Contractor shall be entitled to compensate any payments that may already have been made for the performance of a Service with any amount owed for the performance of another Service including under a separate commercial offer.

### **19. Cancellation of Services**

In the event the Customer cancel the agreed Services, the Contractor will endeavour to source an alternative aircraft from another customer. In the event of the Contractor being unable to do so, the Contractor reserves the right to apply cancellation charges as follow:



- Cancellation within 28 Days of the agreed Delivery Date: 30% of value
- Cancellation within 20 Days of the agreed Delivery Date: 40% of value
- Cancellation within 10 Days of the agreed Delivery Date: 50% of value

## 20. Taxes

- 20.1** In addition to the price for the Services, Customer shall, upon presentation of Contractor's justification, pay any taxes (including, if applicable, sales, use or value added taxes), duties, fees, charges, imposts, tariffs or assessments of any nature (but excluding any tax in respect of or imposed by reference to Contractor's income, gains or corporation tax), assessed or levied in connection with Contractor's performance under this Agreement. Customer remains liable for any shortfall to the amount owed resulting from such taxes.
- 20.2** If a claim is made against Contractor for any such tax, in connection with the Services, Contractor shall immediately notify Customer. Except under protest, Contractor shall refrain from paying any such taxes until obtaining Customer's written consent and, if payment is made, Contractor shall use all reasonable efforts to obtain a refund thereof. If all or any part of any such taxes is refunded, Contractor shall repay to Customer such part thereof as he shall have paid. Contractor agrees that it shall make all reasonable efforts to mitigate and minimize the liability of Customer pursuant to this Article 20.

## IV – WARRANTIES, LIABILITIES AND INSURANCE

### 21. Representations and Warranty

- 21.1** By entering into an Agreement, each Party represents that:
- It is a corporation duly organized, validly existing and in good standing under the laws of its place of incorporation with full corporate power and authority to carry on its business as it is being conducted.
  - It has the full power and authority to enter into this Agreement and consummate the transactions contemplated hereby; and
  - Its execution, delivery and performance of this Agreement (i) does not violate or conflict with any agreement to which such Party is a party to and (ii) is not prohibited or restricted by any legal obligations (including applicable aviation regulations) to which such Party is or may be subject.
- 21.2** Contractor warrants that the Services performed will conform to the relevant Part 145 requirements, and, if applicable, relevant Part M requirements, and aviation standards. The Aircraft, the Items and/or the Services will be free from any workmanship defect or defect in material manufactured or provided by Contractor or any of its subcontractors according to the relevant regulations and Contractor's MOE. Consequently, it is understood that Contractor will not be held liable for defects in material which was provided and/or received according to the relevant regulations and Contractor's MOE.
- 21.3** Contractor will use its best endeavours to obtain from its suppliers a minimum of a twelve (12) month warranty in respect of Items supplied by it. Contractor will either assign such warranty to or, otherwise, enforce such warranties for the benefit of Customer, its assignee or designee. If the Parties do not reach an amicable agreement on whether or not a defective Item is subject to the above warranty, the Parties, acting reasonably, will appoint an independent technical expert who will give its advice on the application of the warranty as described herein. The Parties hereby accept to be bound by the advice of such expert, the costs of which shall be shared equally between the Parties, regardless of his advice.
- 21.4** Customer may assign the warranty offered by Contractor and/or any of its subcontractors in relation to the Services to the owner or any lessee or Contractor of the Aircraft without Contractor's consent, but with prior written notice.

### 22. Warranty Claim

- 22.1** A defect shall only be subject to warranty specified in the commercial offer.
- 22.2** A warranty claim must be raised by Customer within thirty (30) Days after the defect has or could have become reasonably apparent and the Contractor must be provided at the Site with the defective part for inspection and repair within additional thirty (30) Days after the warranty claim has been raised. If a defect arises on a non-removable part of the Aircraft, the Parties shall in good faith agree how to remedy such defect in a way convenient for customer and reasonably acceptable for the Contractor.
- 22.3** The Contractor shall correct any defect covered by this warranty at its own cost and expense at the Site or at any other place Customer and Contractor may agree upon from time to time. If the Customer requests the Contractor to correct the defect of a Component at another location as the Site, the Customer shall arrange at its own risk and expense for the removal and transport of the defective Components to and from the location where the repair shall be made and for the reinstallation of the respective Component.
- 22.4** If the Customer, after prior written authorization of the Contractor, have the defects subject to this warranty repaired or rectified by a third party, the Contractor:
- Will reimburse all direct costs (labour and accessories) and expenses reasonably incurred by Customer in connection with any such repair or rectification; and
  - Shall be authorized by the maintenance organisation responsible for such repair or rectification, to have a representative on site who will have access to any documentation established in relation to such repair or rectification; and
  - Will not be liable in relation to the workmanship of such repair or rectification.
- 22.5** The works performed by the Contractor are exclusively warranted against any defect attributable to the labour which appears within twelve (12) months or one thousand five hundred (1500) operating hours (whichever is reached first) after the date VALLAIR INDUSTRY returns the equipment to the Customer.
- 22.6** Regarding Maintenance Services, Contractor's warranty shall be excluded (i) if the defect has been caused because the Maintenance Object has been altered, overhauled or repaired during the warranty period by any party other than the Contractor, or (ii) if the Customer has not taken all reasonable precautions to prevent an aggravation of the defect or damage, or (iii) if the Customer does not comply with operating instructions provided by the Contractor or the respective aircraft of Component design authorization.
- 22.7** Regarding Painting Services, Contractor's warranty shall be excluded for exploitation damages such as nicks and dents and shall be limited to the correction of defects resulting from Contractor's intervention, at no extra cost, excluding but not limited to, any claim for compensation for commercial losses or loss of profit or use. In no event, this limitation or exclusion will be applicable to damage or losses arising out Contractor's gross negligence or wilful misconduct.
- 22.8** If the Customer is in default with its payment obligations, the Contractor may exercise its right of retention and may therefore refuse to meet warranty claims until full payment has been made.
- 22.9** The warranty set forth in this Article 22 shall be the exclusive and sole remedy for Customer in case of, any defect.
- ### 23. Limitation of liability & Exclusive remedies
- 23.1** Save as a result of the gross negligence or wilful misconduct of Contractor, Customer accepts the warranties and remedies specified in the Agreement as its exclusive remedy against Contractor for its performance of the Services, or any of its subcontractors and acknowledges that the Services' price has been agreed on that basis.
- 23.2** Save for the warranty expressly provided in the Agreement, each Party agrees to hold harmless the other Party, its respective affiliates, directors, officers, shareholders, employees, agents, representatives



and subcontractors from all claims, costs and damages (including without limitation, damages to equipment, personnel, properties, Items and/or the Aircraft), arising from bodily injury, death, damages to properties or any loss in accordance with or in consequence of the performance of the Services under this Agreement and arising directly or indirectly, totally or partially from its execution, provided, however, that any such claim, costs or damages were not caused by the wilful misconduct or gross negligence of such Party.

**23.3** Notwithstanding the above, any claims filed against the Contractor cannot exceed the originally contracted price per aircraft for Services performed by the Contractor and shall be limited to direct damages except in case of the Contractor's gross negligence or wilful misconduct. In no event shall the Contractor be liable for any incidental, punitive, indirect, special or consequential damages for loss of profits, use, or revenue in connection with any claim, matter or thing under this agreement, whether in contract, tort, or warranty, and even if a party has been advised of the possibility of such damages or loss.

#### **24. Insurance**

**24.1** Contractor's performance of the Services is subject to insurance coverage in satisfactory form and substance during the duration of the Agreement and any warranties issued pursuant to it, including hangar-keeper, grounding, premises and product liability insurances. Contractor shall inform Customer, with a thirty (30) Day prior notification of any cancellation or material restrictive change in such policy that is scheduled to affect the said insurances.

**24.2** Customer shall, at its sole cost and expense, procure and maintain in full force and effect during the term of this Agreement:

- Hull all risks (including spare parts) insurance policies covering the Aircraft to be serviced under this Agreement, including the time during which the Aircraft is under the care, control and/or custody of Vallair Industry.
- Aircraft Liability, Aviation Third Party Legal Liability, Personal Injury, Products and Completed Operations Liability and Contractual Liability all having a combined single limit of not less than USD 400,000,000 any one occurrence, each aircraft but USD 250,000,000 any one occurrence each aircraft in respect of Turboprop aircraft. Such limit shall be in the aggregate with respects to Products and Completed Operations coverage; and
- AVN 52E - Risk of War, Hijacking and Other Allied Perils covering all paragraphs other than (b) per Lloyd's Standard Wording AVN48B or its equivalent (such limit shall be in the aggregate with respects to third party bodily injury and property damage).

**24.3** The insurances shall name as additional insureds, all with insurers of internationally recognized responsibility, the Contractor, its director, officers, employees, agents and subcontractors. If the Customer has ordered the Maintenance Service from the Contractor on behalf of a third party, the Customer shall ensure that such third party obtains and maintains the insurances specified according to Article 24.

**24.4** The Customer shall provide, upon request of the Contractor, a certificate of insurance evidencing the maintenance of the insurance described hereinbefore, including any renewal thereof.

#### **25. Customs Clearance**

According to applicable laws of the European Union the Customer is obligated to perform the customs clearance for import (to be defined as the entry into the customs territory of the European Union) and export (to be defined as exit from the customs territory of the European Union) of any aircraft (or parts thereof) and any other goods. The Customer is obligated to comply with all existing import and export prohibitions and restrictions of the European Union. If assigned and agreed in writing, the Contractor will perform the necessary customs clearance in the name and on behalf of the Customer or on behalf of the Contractor. In these cases, the Customer is obligated to provide the Contractor with all necessary information and documentation (especially any required licenses regarding prohibitions and restrictions). The Contractor shall not be liable for any delay due to the late delivery of information and documentation by Customer or due to delays in the customs

clearance process. All duties and taxes that may occur due to the importation or exportation (defined above) must be borne by the Customer or will be charged by the Contractor to Customer.

#### **26. Export Clause**

Customer shall comply with all applicable domestic and foreign export compliance requirement including applicable US export laws and regulations (e.g. ITAR, EAR and OFAC sanctions regulations) and those of other relevant foreign jurisdictions, UN and EU. Upon Contractor's request, Customer shall promptly provide the Contractor with appropriate certifications as required by such applicable export laws and regulations, or as necessary to ensure continuing compliance with such laws and regulations. Customer shall provide as requested by Contractor an end user certificate.

#### **27. Termination**

**27.1** Failure by one Party to observe or to perform any of its obligation under the Agreement and failure to cure the same within fifteen (15) Days after written notice by the other Party will constitute a material breach of this Agreement.

**27.2** If the Agreement is terminated prior to Redelivery for any breach whatsoever attributable to Customer, Contractor shall be entitled to obtain in addition to payment for the Services which have already been rendered up to the termination date the payment for all costs and expenses attributable to the performance of the Services and accrued up to the effective date of the cancellation and a fee equal to fifty (50%) percent of the flat rate(s) for the Services not yet provided.

#### **28. Contractor's right of retention**

**28.1** Notwithstanding anything to the contrary herein the Parties acknowledge that Contractor is entitled to exercise a right of retention over Aircraft and Parts and any Material or Component related to such Aircraft and Parts until the complete payment of any invoices related to the Services that is outstanding seven (7) Days prior to Redelivery or transfer of the Aircraft and Parts.

**28.2** This right of retention can be exercised by Contractor against Customer and against any third party, including but not limited to, any new owner of the Aircraft. Therefore, Customer shall inform any new owner prior to the transfer of the Aircraft and Parts of the existence of such right.

**28.3** This right of retention can be exercised by Contractor even if a dispute arises concerning any outstanding invoice, in which case Customer can obtain withdrawal of the right of retention by securing the disputed amount of any such outstanding invoice within an escrow established with a primary international bank institution.

#### **29. Title to the Aircraft and/or Parts**

Title to Aircraft and Parts shall remain at all times with Customer or its assignee or its designee. Title to any Material and/or Components delivered by Customer to Contractor shall remain vested in Customer or its assignee or designee at all times, except in case Contractor proceeds with a Standard Exchange of such Components in which occurrence transfer of title (free of any lien, charge or other encumbrances) shall become effective between Customer or its assignee or designee and Contractor as of the moment of removal of such unserviceable Components and the installation of the serviceable Components. Title to all new or replacement Material and/or Components supplied by Contractor placed or attached to or becoming a part of the Aircraft shall pass to Customer or its assignee or designee at the time of the installation on the Aircraft.

### **V – MISCELLANEOUS**

#### **30. Assignment of Agreement**

**30.1** Except as otherwise provided for herein, neither Party may assign delegate or otherwise deal with any of its rights or obligations under the Agreement, in whole or in part, without the prior written consent of the other Party. Any assignment, delegation or dealing without



such consent shall be void save for subcontracting of the Services by Contractor in accordance with the terms of this Agreement.

**30.2** Subject to the foregoing, the provisions herein will inure to the benefit of, and be binding upon, any such successor, and any permitted assignees of the respective Parties hereto. Consent by either Party to such assignment in one instance will not constitute consent by either Party to any other assignment, delegation or dealing.

### **31. Alteration of the Agreement**

**31.1** The Parties agree that:

- the Agreement embodies their entire agreement with regard to the matters it deals with,
- the Agreement supersedes any previous arrangements between the Parties and,
- no other warranties, representations, understandings or agreements written or otherwise exist between them, except as expressly set out in the Agreement.
- the headings of any sub-articles or Articles are given only for convenience and shall not in any case be interpreted so as to extend or limit the interpretation of such sub-articles or Articles.

**31.2** No change or modification to the Agreement shall be valid unless in writing and signed on behalf of each Party by their authorized representatives.

**31.3** Any failure at any time of either Party to insist upon any of its rights under the provisions of the Agreement shall neither constitute a waiver of such provisions nor prejudice the rights of the Party to insist upon such provisions at any subsequent time.

### **32. Severability**

Nothing contained in the Agreement shall require either Party to take any action contrary to the law, any order or regulation of any government or any permit or authorization granted to either Party by any government. If any of the provisions of the Agreement are held unlawful or otherwise ineffective or unenforceable by any tribunal of competent jurisdiction, the remainder of the Agreement shall remain in full force and the unlawful or otherwise ineffective or unenforceable provision shall be substituted by a new provision mutually agreed upon in writing by Contractor and Customer and reflecting their intent.

### **33. Survival**

Notwithstanding the termination of this Agreement, for whatever reason, the provisions related to "Price", "Warranty", "Liability", "Insurance", "Confidentiality", "Dispute", and any other provision which by its nature will survive expiration or early termination of the Agreement in the conditions as defined in the relevant Articles.

### **34. Commercial promotion**

The Parties undertake not to disclose any information whatsoever concerning the Agreement for commercial purposes and, in particular, not to use the name or trademark of the other Party nor conduct any advertising campaign or promotional operation relative to the Agreement in any publication, document, text, visual and other advertising material without the prior written consent of the other Party. Notwithstanding the foregoing, Customer acknowledges that Contractor may use photographic material of its Site and facilities or of Customer's assets on which Customer's name or trademark appears, provided that the latter are not the main subject of the photographic material. However, Contractor commits to refraining from using any disputed photography upon Customer's request.

### **35. Intellectual property rights**

Title to all intellectual property rights (including, but not limited to copyrights, trademarks, patents, inventions, utility patents registered design rights or design rights) disclosed in documents or data (including but not limited to plans, drawings, patterns or designs) supplied by the Contractor to Customer under the Agreement, shall remain with the Contractor or any third party which is entitled to such IP rights.

### **36. Confidentiality**

**36.1** The Agreement, any document produced as a result of the Agreement and all non-public information obtained by either Party about the other Party are confidential and shared between Contractor and Customer only; they are not to be disclosed by a Party, without the prior written consent of the other Party, to third parties except:

- to its affiliates and its and their respective directors, officers, shareholders, employees, agents, members, partners, representatives, consultants, accountants, experts, legal counsel and other outside professionals,
- in connection with the potential sale, lease or financing of a Flight Equipment for which Services are provided or any assignment of the Agreement or,
- as required by applicable law, regulation or court order or in connection with any legal proceedings.
- to any lessee purchaser of or person providing financing in respect of, the Aircraft but only the provisions relating to warranties.

**36.2** If any disclosure will result in the Agreement becoming publicly available, Contractor and Customer will use commercially reasonable efforts to obtain confidential treatment as to the commercial terms and other material provisions of the Agreement.

**36.3** Notwithstanding any provision of the Agreement to the contrary, the legal obligations of confidentiality hereunder do not extend to any national, federal or state tax authority or the national, federal or state tax treatment of the transaction contemplated the Agreement. If any national, federal or state official tax analyses or materials are provided to any Party, such Party is free to disclose any such analyses or materials without limitation.

### **37. Notifications**

**37.1** Any notification required under the Agreement shall be in writing and shall be deemed given when received by electronic mail or certified, registered or express mail, at the addresses specified below or to such address or email address as a Party may have specified by notice given to the other Party pursuant to the provisions of this Article.

**Address:** VALLAIR INDUSTRY SAS  
Aéroport Montpellier-Méditerranée  
Avenue de Mauguio  
34130 Mauguio, France

**Email :** [malcolm@vallair.aero](mailto:malcolm@vallair.aero)  
[claudef@vallair.aero](mailto:claudef@vallair.aero)

### **38. Anti-Bribery**

**38.1** Both Parties shall:

- Comply with all applicable laws, statues, regulations and codes relating to anti-bribery and anti-corruption, have and maintain in place throughout the term of this Agreement its own policies and procedures to ensure compliance and will enforce them where appropriate.
- Promptly report to the other Party any request or demand for any undue financial or other advantage of any kind received by the Party in connection with the performance of this Agreement.
- Be responsible for the observance and performance by any person associated with it who is performing services in connection with this Agreement with the Anti-Bribery Terms and shall be directly liable to the other Party for any breach by such persons of any of the Anti-Bribery Terms.

**38.2** Breach of Article 38.1 shall be deemed a fundamental breach of this Agreement.

### **39. Data Protection**

Within the context of their contractual relationship, the Parties commit to respect the applicable regulations on data protection, and particularly, the regulation (EU) 2016/679 of the European Parliament and of the Council of April 27th, 2016 on the protection of natural



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persons with regard to the processing of personal data. Each Party represents and warrants that:

- it is responsible of its personal data processing.
- the required declarations have been done and the required processes have been implemented to ensure the confidentiality and protection of these data.

#### 40. Governing law and settlement of dispute

- 40.1 This Agreement and any legal relationship with the Customer that may arise therefrom shall be exclusively subject to and construed exclusively in accordance with the laws of France excluding its conflict of laws rules. The United Nations Convention on the International Sale of Goods (CISG) shall not apply.
- 40.2 In the event of a difference of opinion concerning the interpretation or the performance or the consequences of the Agreement, the Parties undertake to make every effort to reach an amicable settlement. In the absence of an amicable settlement within thirty (30) Days as from receipt of the written notification of the difference of opinion by either of the Parties by registered letter with acknowledgement of receipt, the difference of opinion shall be submitted to the Tribunal de commerce de Paris.
- 40.3 Contractor and Customer hereby agrees that Customer Agreement and any legal relationship that may arise therefrom are commercial transactions and Customer undertakes not to claim any immunity from suit, execution, pre-judgment or post-judgment attachment or other legal process in any jurisdiction.

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#### GLOSSARY

- 1.1 In the Agreement, the following terms shall have the meanings specified below, unless they are specially or specifically assigned to a different meaning:

**"Additional Work"** shall mean any work requested, from time to time, by Customer and agreed on by the Parties that is not included in the Services to be provided under a Flat Rate basis by Contractor. Any Additional Work shall be evidenced by a specific and single written agreement between the Parties to be in a form determined in the Appendix and executed by both Parties.

**"Agreement"** shall mean the Terms, in effect at the time of the Effective Date, including all its Attachments and all its Annexes and Appendices, executed by the Parties, and any future amendment duly signed by the Parties.

**"Airworthiness Directive"** shall mean a mandatory directive issued by an Aviation Authority calling for an inspection or modification of the Aircraft.

**"Aircraft"** shall mean Customer's aircraft as described in the Appendix I, including the airframe, engines, landing gears and Components, apparatus, assembly, accessories attached thereto, temporarily detached there from, incorporated in, or installed on such aircraft at the time of Delivery to Contractor.

**"Article"** shall mean any Article of the Agreement.

**"Aviation Authority"** shall mean, the French Direction Générale de l'Aviation Civile ("DGAC"), the European Aviation Safety Agency ("EASA"), and any such other equivalent national aviation authority as agreed to in writing by Contractor and Customer and identified in

the Workscope, under the jurisdiction of which Services are performed pursuant to this Agreement.

**"Attachment" or "Attachments"** shall mean the relevant attachment or attachments of the General Terms and any future attachment introduced and duly signed by the Parties.

**"Business Day"** shall mean a day from Monday to Friday except public holidays in France.

**"Component"** shall mean all parts serialized for which authorized repair procedures exist.

**"Customer"** shall mean the Party requesting the Service to be performed, including its employees, its successors and assignees and subcontractors as the case may be.

**"Customer Representative"** shall mean the persons designated by Customer and accepted by Contractor as per the Terms, having authority to accept any Work Order Request, to sign the delivery and acceptance receipt and redelivery and acceptance receipt, to carry out the other functions appointed to by Customer and the right to review the Maintenance Documentation.

**"Day"** shall mean one (1) calendar day.

**"Delivery"** shall mean the act by which Customer delivers, or causes to be delivered, the Aircraft and/or the Parts to Contractor for the Services described in the Workscope as evidenced by the Delivery and Acceptance Receipt(s).

**"Delivery Date"** shall mean the planned Aircraft or Part(s) arrival date at the Site such as may be defined by the Parties in the Terms.

**"Euro" or "euro" or "€"** shall mean the lawful currency of the European monetary Union.

**"Excusable Delay"** shall mean delay due to causes beyond the party's control and not occasioned by their fault or gross negligence. Such causes may include:

- act of God such as fire, flood, earthquake, explosion, natural disaster, epidemic, quarantine, riot, insurrection, strike, war or civil war, serious accident, embargoes, restriction or governmental orders affecting this Agreement,
- unusual major defects on airframe systems, engines or components identified after Aircraft induction having to be rectified;
- material and/or documents not being available on time or not complete and such non-availability or incompleteness being attributable to any other party other than the Contractor or its subcontractors
- or any cause beyond reasonable control of the Party which prevents such Party from performing its obligations under this Agreement.

**"Ground Time"** shall mean the agreed time to perform the Services on the Site, such time being initially defined by the period from the Delivery Date to the Redelivery Date but may be extended by the Parties.

**"Item"** shall mean consumable or non-consumable Materials, Component and any other piece of material such as assemblies, subassemblies, data, accessories, raw stock, packing, tools and ground support equipment, irrespective of its level of assembly for the performance of Services.

**"Logbook"** shall mean the logbook carried onboard the Aircraft and which is used to record sectors, discrepancies and action taken.

**"Maintenance Documentation"** shall mean all the documents established by Contractor in relation with the Services provided on



the Aircraft or any single Item, including but not limited to job cards and tally sheets.

**"Maintenance Documents"** shall mean the Aircraft and/or Part manuals and other technical data, including but not limited to any MPDs and any Maintenance Schedule, required for the performance of the Services, and notably, if applicable:

- Approved Maintenance Manuals;
- IPC;
- SRM;
- Wiring Diagrams;
- Minimum Equipment List;
- Schedules component removal list;

**"Maintenance Object"** shall mean any Aircraft or Component delivered to the Contractor by the Customer for Services to be performed by the Contractor.

**"Material"** shall mean all components and supplies, used or consumed only once in connection with the Services performed by Contractor, that are identified by a standard or other specification in the maintenance documentation but not serialized.

**"Non Routine Work"** shall mean any rectification or repair of a discrepancy or damage discovered following the definition of the Workscope and necessary to its fulfilment and that of any related Additional Work, which at the time of its discovery, cannot be performed, under the reasonable appreciation of Contractor, under the Ground Time and/or the Flat Rate.

**"Part"** shall mean any of Customer's item that is not attached or temporarily detached from an aircraft at the time of Delivery to Contractor.

**"Redelivery"** shall mean the act by which Contractor redelivers, or causes to redeliver, the Aircraft and/or the Parts to Customer and Customer accepts such Aircraft and/or such Parts upon completion by Contractor of the Services, as evidenced by the Redelivery and Acceptance Receipt (s).

**"Redelivery Date"** shall mean the planned Aircraft or Part(s) departure date from Site as may be defined by the Parties in the Terms.

**"Routine Work"** shall mean the tasks defined in the Workscope.

**"Service Bulletin"** shall mean a bulletin issued by an OEM, calling for an inspection or a modification of the Aircraft, including any of its Components, or the Part.

**"Serviceable Component"** shall mean Component certified as airworthy by an Airline or by an authorized repair agency.

**"Services"** shall mean the work to be performed by Contractor under the terms and conditions of the Agreement including Routine Works, Non-Routine Works, Additional Works and any other work or services to be performed on the Aircraft or the Part that could be requested from time to time by Customer in writing.

**"Site"** shall mean the place of performance of the Services as set forth in the Commercial Offer.

**"Standard Exchange"** shall mean the replacement of a Component by another equivalent Component of at least identical level as regards remaining lifetime, technical standard, maintenance, airworthiness

eligibility and released with an airworthiness release certificate and appropriate maintenance records or traceability to the manufacturer.

**"US\$", "US Dollars", "Dollars", "\$"** shall mean the lawful currency of the United States of America.

**"Workscope"** shall mean the list of tasks to be performed by Contractor pursuant to the Terms.

**1.2** In the Agreement, the following acronyms shall represent the terms specified below, which meaning shall be construed according to the definition mentioned in the latest edition of the CSDD:

<b>ATL</b>	Aircraft Technical Logs
<b>CRS</b>	Certificate of Release to Service
<b>EASA</b>	European Aviation Safety Agency
<b>IPC</b>	Illustrated Parts Catalogue
<b>MEL</b>	Minimum Equipment List
<b>MME</b>	Maintenance Management Exposition
<b>MOE</b>	Maintenance Organisation Exposition
<b>MPD</b>	Maintenance Planning Document
<b>OEM</b>	Original Equipment Manufacturer
<b>SRM</b>	Structural Repair Manual

**1.3** All technical terms not herein specified shall, where the context allows, be constructed in accordance with the definition mentioned in the latest edition of the CSDD (ATA Common Support Data Dictionary).

