

STANDARD TERMS OF BUSINESS

of

CHARLES TAYLOR AVIATION (ASSET MANAGEMENT) LIMITED

(April 2018)

1. THE ENGAGEMENT

- 1.1. **The Engagement Terms** – Charles Taylor Aviation (Asset Management) Limited (“CTA”) will be engaged to provide services on the terms of engagement contained in these terms of business to the party or parties named in the the General Terms Agreement (“**Client**”) entered into with CTA in relation to the engagement of CTA (“**the Engagement**”)

Unless otherwise agreed, these terms of business supersede any other agreement or arrangement (whether written or oral) previously agreed between CTA and the Client in relation to such matter. In the case of a conflict between these terms of business and the General Terms Agreement, the General Terms Agreement will prevail.

- 1.2. **The CTA Team** – CTA will make reasonable efforts to ensure that those of its personnel notified to the Client are available to work for the Client on the Engagement. CTA will endeavour to give the Client reasonable notice of any necessary change in such personnel and provide details of their proposed replacements.
- 1.3. **Timetable** – CTA will make reasonable efforts to adhere to any timetable agreed in writing with the Client. In the event that the Client has agreed a fixed price for CTA’s services over a fixed period and the time taken to provide such services exceeds that fixed period due to circumstances beyond CTA’s control, CTA will be entitled to charge its standard daily rates for days worked after that fixed period in order to complete the Engagement. For the avoidance of doubt, time is not of the essence to CTA’s performance of the Engagement, unless CTA has expressly agreed otherwise in writing.
- 1.4. **Reporting** – CTA will report to the Client with appropriate information on the progress of the Engagement as regularly as may be appropriate for the Engagement or as otherwise agreed with the Client. CTA will send its reports to the Client at the address notified to CTA by the Client from time to time.
- 1.5. **CTA Sub-Contractors** – The Client agrees that CTA may engage or use contractors, sub-contractors or other persons to provide the services for which it has been engaged by the Client. Any invoices for the services of contractors, sub-contractors and any other such persons will be incorporated into CTA’s fee.

**Charles Taylor Aviation
(Asset Management) Limited**
Second Floor Office Suite
New House, Market Place,
Ringwood, Hampshire
BH24 1EN

- 1.6. **Third Party Experts** – From time to time third party technicians (such as for borescope inspections), professional advisers or other experts (such as valuation companies) may be appointed in connection with the Engagement (a “Third Party Expert”). Where the Client appoints a Third Party Expert, or requests CTA to appoint such a Third Party Expert on its behalf, the Client hereby expressly authorises CTA to instruct, liaise and share information with any such Third Party Expert to the extent CTA considers it reasonably necessary in connection with the Engagement. Where CTA appoints a Third Party Expert as a sub-contractor, clause 1.5 applies.

2. THE CLIENT’S RESPONSIBILITIES

- 2.1. **Support** – If CTA is required to work at the Client’s or a third party’s premises, the Client will obtain all consents and / or approvals required for CTA personnel to access such premises and shall ensure that CTA’s personnel are provided with such facilities and equipment as are reasonably necessary to enable them to perform the Engagement efficiently and in safety.
- 2.2. **Information** – The Client will provide or procure for CTA all information, instructions and assistance reasonably necessary to enable CTA to perform the Engagement and the Client will ensure that its appropriate personnel are available to CTA for such purposes. The Client hereby acknowledges that CTA will rely on such information, instructions and assistance when performing the Engagement.
- 2.3. **Payment** – The Client will pay CTA’s fees, disbursements, expenses and applicable local taxes including value added tax (VAT) where appropriate (hereinafter "applicable taxes") in respect of the Engagement in accordance with clause 3 below or as otherwise agreed with the Client.

3. FEES AND PAYMENT

- 3.1. **Method of Calculation** – Unless otherwise agreed in writing, CTA’s fees will be charged to the Client on the basis set out in Appendix II of the General Terms Agreement (“**Appendix II**”) plus VAT or other applicable taxes.
- 3.2. **Disbursements** – Unless agreed in writing or CTA appoints a Third Party Expert as a sub-contractor to which clause 1.5 applies, CTA’s fees will exclude any fees payable by the Client for Third Party Experts. All fees for such Third Party Experts will be payable directly by the Client to the relevant Third Party Expert. Upon receipt of an invoice, the Client agrees to pay all disbursements and expenses incurred by CTA (including all disbursements and expenses for sub-contractors) in connection with the Engagement as Variable Price Elements at the rates set out in the General Terms Agreement, including charges for travel, subsistence, accommodation, communications and out of office or on site expenses such as telephone calls and internet access on an at cost plus applicable taxes basis.
- 3.3. **Taxes including VAT** – Insofar as any fees, disbursements and expenses are liable to any applicable taxes which CTA may be liable under applicable local law to pay or collect in respect of the Engagement, the Client agrees to pay all such taxes and reimburse CTA accordingly upon receipt of CTA’s invoice in respect of such taxes
- 3.4. **Fee Changes** – All of CTA’s fees and charges will be subject to annual increments of 3% (three percent) per year applied on 1 January of each year or in accordance with the General Terms Agreement.
- 3.5. **Payment** – Unless otherwise agreed, all CTA’s invoices (whether interim or final) are due for payment in full on receipt by the Client and the Client is liable for their

payment to CTA. If payment in full is not received by CTA within 30 (thirty) days of the Client's receipt of an invoice, CTA will have the right, in addition to any statutory rights available to it, to suspend the provision of its services and / or to terminate its Engagement in accordance with clause 4.1 below and / or to exercise a lien in accordance with clause 4.4.2 below, regardless of whether the Engagement has been terminated or not.

If arrangements are made for a third party to pay any of CTA's fees or disbursements, the Client shall remain primarily responsible for the payment of any remaining fees or disbursements and any charges that CTA may incur to the extent that the third party does not pay CTA's invoice in full, or CTA is unable to accept payment from it.

4. TERMINATION

4.1 **Duration** – As specified in the General Terms Agreement (unless otherwise agreed by both parties).

4.2 **The Client's Right to Terminate** – The Client may terminate the Engagement at any time by giving not less than 30 (thirty) days' notice in writing to CTA (except where services are charged on a monthly or regular fee basis where an agreed notice period will be set out in the General Terms Agreement) whereupon all charges for CTA's services performed up to and on the date of termination will become immediately due for payment in full by the Client. For the avoidance of doubt, this includes the full amount of all Fixed Price Elements of CTA's fees and charges for services performed prior to termination, and all out of pocket expenses incurred by CTA up to and on the date of termination, including the cost of return flights for all CTA personnel involved overseas on the Engagement and their reasonable out of pocket expenses incurred as a result of any delay in obtaining such return flights.

4.3 **CTA's Right to Terminate** – CTA may terminate the Engagement immediately by giving written notice to the Client if:

4.3.1. the Client fails to pay any of CTA's invoices when due or fails to advance to CTA any funds requested by CTA in accordance with clause **Error! Reference source not found.** above;

4.3.2. the Client is unable to pay its debts or has a receiver, administrator or liquidator appointed;

4.3.3. any conflict of interest arises in accordance with clause 5 below;

4.3.4. CTA is prohibited from performing the Engagement due to applicable laws and regulations, including sanctions; or

4.3.5. the Client is in breach of any of these terms of business and having received written notice from CTA to such effect requiring the Client to remedy such breach within the time reasonably specified in such notice, the Client has failed to remedy such breach in such time.

4.4 **Costs and Lien** – On termination of the Engagement for any reason:

4.4.1 the Client shall pay to CTA forthwith all fees, disbursements and expenses due to CTA up to and including the day of termination incurred in connection with the Engagement upon delivery of CTA's invoice to the Client; and

4.4.2 until CTA has received payment in full for such invoice, CTA shall have a lien over and be entitled to retain all the Client's money, records, documents, deeds, storage media, books, papers and any other information in hard copy or stored electronically in CTA's possession relating to the Engagement and CTA's services or otherwise in CTA's control.

5 CONFLICTS OF INTEREST

5.1 **Possible Termination** – In circumstances where there is or may be a conflict of interest between CTA and another party involved in the Engagement or any matter to which it relates CTA may be precluded from acting or may have to cease acting for the Client unless all parties involved in the Engagement agree in writing that CTA shall continue acting in connection with the Engagement. CTA will make every reasonable effort to identify any such conflict and advise the Client accordingly prior to accepting an Engagement or if identified subsequently, then immediately. In the event that CTA subsequently discovers a conflict and is obliged to withdraw from acting for the Client, CTA shall be entitled to invoice the Client and be paid in full by the Client for any fees, disbursements, expenses and applicable taxes incurred in the Engagement prior to such withdrawal.

5.2 **Acting for Other Clients** – CTA will not be prevented or restricted by anything contained in these terms of business from acting for other clients in connection with the Engagement or a matter to which it relates, unless otherwise agreed in writing with the Client.

6 LIMITATION OF LIABILITY

6.1 **Skill and Care** – CTA will exercise reasonable care and skill in the performance of the Engagement. Opinions expressed by CTA will be given in good faith, however CTA does not and shall not be taken to warrant their accuracy. All other such warranties and representations, whether express or implied by law, are excluded to the extent permitted by law.

6.2 **Limit of Liability** – CTA's liability to the Client in respect of any claim for breach of contract, negligence, breach of trust or statutory duty or any other claim made against CTA or its personnel in connection with the Engagement is limited as follows:

6.2.1 in respect of any claim for personal injury or death caused by CTA's negligence, no limit shall apply;

6.2.2 in respect of any claim which results from any fraudulent act (including theft or conversion) by CTA, no limit shall apply;

6.2.3 in respect of any other claim, CTA's total liability in respect of all liability arising in connection with the Engagement or a matter to which it relates shall be limited in the aggregate to the lesser of £1,000,000 (One Million Pounds) or 10 (ten) times the value of CTA's fees excluding disbursements, expenses and applicable taxes incurred in respect of the Engagement, and

6.2.4 in any claim made against CTA where parties other than CTA also share liability for such claim, CTA's liability for such claim shall be limited to that proportion of any loss or damage so claimed for which it would be just and equitable for CTA to contribute having regard to the extent of CTA's factual responsibility for such loss or damage, on the basis that those parties shall be deemed to have provided an undertaking in terms no less onerous than this clause.

- 6.3 **Excluded Liability** – Subject to the application of clauses 6.2.1 and 6.2.2 above CTA shall have no liability for:-
- 6.3.1 any indirect or consequential loss or damage including, without limitation, loss of profits, loss of revenue, loss of opportunity and loss of contracts;
- 6.3.2 any claim for breach of contract, negligence, breach of trust or statutory duty or other claim in respect of any delay or failure by CTA to perform any of its obligations under these terms of business or the Engagement where such failure results directly or indirectly from any negligent or wilful act of the Client or a third party;
- 6.3.3 any loss or damage arising from CTA's reliance on any information, instruction or assistance given by the Client or resulting from the Client's failure to give any relevant information, instructions or assistance in connection with the Engagement or the services to which it relates;
- 6.3.4 any and all claims the Client may have against CTA in respect of which proceedings are not brought within 12 (twelve) months of the date when the Client's cause of action arose.
- 6.3.4 any loss, direct or indirect, occasioned by delays beyond CTA's control, howsoever such delays may arise unless such delays arise as a consequence of CTA's own negligence or default.
- 6.3.5 any loss or damage resulting from reliance or alleged reliance on a CTA report by a third party to whom that report is not addressed – for the avoidance of doubt - unless otherwise agreed by CTA in writing, any report produced by CTA shall be confidential and for the sole use of the Client to whom it is addressed therefore no third party will be entitled to rely on it or any part thereof and CTA shall be under no liability to any third party arising from a third party's reliance or alleged reliance on that report or any part thereof.
- 6.3.6 any liability to a third party arising out of the performance of the Engagement or any liability resulting from the act or failure to act of the Client to whom a CTA report is addressed as a result of the third party's reliance or alleged reliance on the contents of that report or any part thereof.
- 6.4 **Liability for Third Party Experts** – CTA will have no liability to the Client or any third party either for the instructing or performance of, or any opinions, statements, acts or omissions of, any Third Party Expert which is appointed by the Client or by CTA on the Client's behalf, nor in respect of its own opinions, statements, acts or omissions insofar as these depend upon, are based upon, are derived from or are a consequence of opinions, statements, acts or omissions of any such Third Party Expert. Further, CTA makes no representation or recommendation to the Client as to any Third Party Expert's experience, suitability or competence.
- 6.5 **Liability of CTA Personnel** – The Client acknowledges that CTA has an interest in limiting the liability of all its personnel involved in the Engagement and any matter to which it relates. Accordingly, the Client agrees not to bring any claim of any kind in connection with the Engagement or any matter to which it relates against any individual employee of CTA, any person seconded to CTA or any agent, correspondent, subcontractor or self-employed consultant engaged by CTA (together "personnel").

- 6.6 **Third Parties** – These terms of the Engagement set out the rights and obligations of the Client and CTA only. For the purpose of the Contracts (Rights of Third Parties) Act 1999, nothing in the terms of the Engagement other than clause 6.5 above shall confer or purport to confer any benefit or right to enforce any of the terms of the Engagement on any such third parties.
- 6.7 **Force Majeure** – Neither CTA nor the Client will be liable to the other for their failure to fulfil their respective obligations under these terms of business or the Engagement caused by circumstances outside their reasonable control.
- 6.8 **Reasonableness** – The Client agrees that the foregoing limitations and exclusions of CTA's potential liability are reasonable based on:
- 6.8.1 the amount of any likely liability to the Client if a breach by CTA occurs
 - 6.8.2 the current and future availability and cost to CTA of professional indemnity insurance
 - 6.8.3 the amount of fees payable to CTA, and
 - 6.8.4 the level of risk assumed by CTA in connection with its obligations

in connection with the Engagement. Should any limitation or provision contained in this clause 6 be held to be invalid under any applicable statute or rule of law, it shall only to that extent be deemed omitted from the terms of business and all other limitations and provisions of such terms shall remain in force.

- 6.9 **Claims** – If a claim is made against the Client as a result of, or in connection with, a liability incurred to, or a dispute with, any third party, CTA will give the Client all reasonable facilities and co-operation to investigate such claim and will provide the Client with such information and assistance as the Client may reasonably require in connection with such claim, liability or dispute.
- 6.10 **Indemnity** – Unless the subject matter of the indemnity provided for by this clause 6.10 has been caused by CTA's breach of these terms of business, the Client undertakes to indemnify CTA and keep it indemnified fully at all times against all liability that may arise from time to time, and against all claims, demands, actions, proceedings, damages, losses, costs and expenses which are made, brought or claimed against or incurred by CTA in connection with the Engagement or CTA's appointment by the Client.

7 **Miscellaneous**

- 7.1 **Compliance with Applicable Laws** – Both parties will comply with all legal and regulatory requirements applicable to them and/or their activities in the jurisdictions in which they operate, including without limitation, any laws or regulations relating to financial crime, bribery and corruption, sanctions and anti-trust. Further, both parties shall maintain adequate policies and procedures to prevent breaches of any such applicable laws or regulations by their employees, representatives and agents.
- 7.2 **Third Parties** – The terms of business set out the rights and obligations of the Client and CTA only. For the purpose of the Contracts (Rights of Third Parties) Act 1999, nothing in the terms of engagement other than clause 6.5 above shall confer or purport to confer any benefit or right to enforce any of the terms of business on a third party.
- 7.3 **Confidentiality** – CTA will keep confidential all information obtained from the Client, except insofar as CTA is required by law, regulation, a court of competent jurisdiction or any regulatory or governmental authority to disclose such information. This clause does not apply to documents or information which CTA obtains or

develops independently of the Engagement or other work done for the Client, which it receives from a third party which as far as it is aware is not under a duty of confidentiality to the Client or which are already in the public domain.

- 7.4 **Waiver and Amendment** – No waiver of or amendment to any of these terms of business will be effective unless it is made or confirmed in writing and signed by both CTA and the Client.
- 7.5 **Soliciting Personnel** – Without CTA's approval, the Client shall not, during the Engagement or within twelve (12) months after its termination or expiry, offer employment to or otherwise solicit any CTA personnel or sub-contractors involved in the Matter.
- 7.6 **Record Retention** – Unless the Client instructs otherwise in writing beforehand, CTA will be at liberty to destroy all records, files and papers including electronic records, to the extent technically and legally permissible, but excluding title deeds relating to the Engagement, following expiry of 6 (six) years from the end of the Engagement.
- 7.7 **E-mail and the Internet** – CTA and the Client recognise that e-mail transmissions and the Internet cannot be guaranteed as a 100% secure or error-free communications medium, as information may be intercepted, corrupted, lost, destroyed, arrive late, be incomplete, or contain viruses or other malware. CTA monitors the contents of e-mails sent and received via its network for viruses or other malware and unauthorised use of email is controlled through access and delegation controls. E-mail messages sent to or from CTA's systems are not confidential to any named individual at CTA and CTA reserves the right to read them without prior notice. CTA recommends that recipients should also check e-mail messages for viruses or other malware in accordance with good IT practice.
- 7.8 **Data** – It is acknowledged that at the time of entering into these terms and conditions, the European General Data Protection Regulation (GDPR) has been published but does not come into force until 25 May 2018. The GDPR is prescriptive in relation to Data Processing provisions and therefore this clause of the terms and conditions will require renegotiation prior to 25 May 2018. In the interim, and to the extent that CTA receives any personal data in the course of the Engagement, it shall be deemed to be a data processor in respect of such data. The Client confirms that it has obtained all necessary consents to allow CTA to process any such data so received by CTA and consents to the transfer of such data outside of the EEA where necessary for the performance by CTA of the Engagement. CTA shall maintain appropriate technical and organisational measures to protect any such data it receives in the course of the Engagement.
- 7.9 **Software** – All software programs used by CTA, or made available to the Client by CTA, in the course of the Engagement (including any modifications, enhancements or upgrades thereto) shall remain at all times the property of CTA. To the extent that Client provides CTA with access to any of its software programs in the course of the Engagement, these shall remain at all times the property of the Client.
- 7.10 **Complaints Procedure** – If the Client has any complaint to make about CTA's performance of the Engagement, the Client should first raise it with its primary CTA contact, Chris Brennan (e-mail: Chris.Brennan@ctplc.com) and, if the complaint is still not resolved to the Client's satisfaction, with CTA's Chief Executive Officer at Charles Taylor Adjusting Limited, 88 Leadenhall Street, London EC3A 3BA (e-mail: complaints@ctplc.com) who will investigate the complaint and seek to resolve it with the Client.

7.11 **Governing Law and Jurisdiction** – These terms of business (and any non-contractual obligations arising out of or in connection with them) will be governed by and interpreted in accordance with the laws of England and Wales and the parties to such terms agree that any unresolved dispute or difference arising in connection with these terms of business (and any non-contractual obligations arising out of or in connection with them) will be subject to the exclusive jurisdiction of the Courts of England and Wales.

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