

General Terms and Conditions – ACMI Lease

These General Terms and Conditions – ACMI Lease constitute the terms on which ASCEND AIRWAYS LIMITED (the **Lessor**) will from time to time provide the services described below to the Lessee (as defined below).

These General Terms and Conditions shall apply to all Contracts entered into from time to time between the Lessor and the Lessee into which they are expressly incorporated by reference and shall be deemed to be so incorporated into such Master Agreement as if set forth in full therein except to the extent, if any, modified by the terms of such Master Agreement. In the event of a conflict between the terms of these General Terms and Conditions and the terms of a Master Agreement, the latter shall prevail. No Contract shall be deemed to existing unless and until a Master Agreement has been signed for Flights between the Lessor and the Lessee.

1 DEFINITIONS

- 1.1. Capitalized terms in each Contract shall have the following respective meanings, unless the context otherwise requires:

Additional Costs means any costs, fees, taxes or surcharges whatsoever that are incurred by the Lessor in respect of the provision of Flights but which are not expressly noted as being included in the Fee in accordance with clause 5.1 hereof, or any other relevant terms of the Contract;

Aircraft means any aircraft operated by the Lessor for any Flight as detailed in the relevant Master Agreement;

Baggage means all articles and personal property of a Passenger and includes both checked and hand baggage, unless explicitly specified otherwise;

Beneficiary means any end-user individual or entity (shipper/consignee) for whose benefit the Lessee requests the Flights;

Block Hour means each hour or part thereof that the Aircraft is operated, elapsing from the moment the chocks are removed from the wheels of the Aircraft until the chocks are next again returned to the wheels: such hours include fractions thereof measured to two decimal places;

Cancellation Fees means fees charged by the Lessor in case the Lessee cancels the Flight as more particularly described in Clause 6 hereof and any further applicable clauses of the Master Agreement;

Confidential Information means any written or oral information provided by or through the Lessor and received by the Lessee in connection with the execution and performance of the Contract, which has not been brought by the Lessor into public use, including the contents of the Contract. However, Confidential Information does not include any information which was: 1) generally known or available to the public, through no act or omission on the part of the Lessee; 2) provided to the Lessee by a third party without any restriction on disclosure and without breach of any obligation of confidentiality to the Lessee; 3) independently developed by the Lessee without use of the information provided hereunder;

Contract means a binding agreement between the Lessor and the Lessee which is comprised of the Master Agreement and these General Terms and Conditions, together with all annexes, appendices or amendments thereto;

Data Breach means each unauthorized intentional or unintentional release, destruction, loss, alteration, disclosure of, or access to, personal data transmitted, stored or otherwise processed as further described in article 32 of the GDPR, and that is likely to have a negative impact on the rights and freedoms of natural persons or a negative impact on the protection of personal data that is processed by processor;

Demurrage means the amounts specified in Clause 5.4;

Departure Airport means the departure airport of a Flight as specified in the applicable Master Agreement;

Deposit means any amount payable by the Lessee to the Lessor as security for the performance of Lessee's obligations under the Contract, as specified in the applicable Master Agreement.;

Destination Airport means the destination airport of the Flight as specified in the applicable Master Agreement;

Excluded Country means any country in, to or over which Lessor is or may at any future time be prohibited from operating flights by virtue of any applicable law or regulation or countries for which Lessor's or Lessee's policies of insurance do not provide appropriate coverage;

Fee means the fee payable by the Lessee to the Lessor for Flights as specified in the applicable Master Agreement;

Flights means air transport services provided to the Lessee by the Lessor on a case-by-case basis in accordance with the terms of the Contract and as specified in the applicable Master Agreement;

FME means force majeure events being unforeseen events, including but not limited to, war, warlike events, infringements of a country's neutrality, insurrection, civil war, civil unrest, riots, sabotage, strikes, blockades, lockouts, quarantine, hijacking, terrorist actions, requisition, confiscation, expropriation, seizure, adverse weather conditions or other force majeure of any nature, foreign object damage, government action, detention or similar measures, accidents with Aircraft, or other factors beyond the Lessor's actual control, or when the safety of the Lessee or Passengers or the crew of the Aircraft can reasonably be assessed to be in danger, at the discretion of the pilot in command or of the Lessor's personnel;

Gross Negligence means any intentional or conscious action or decision or failure to act with reckless disregard for the consequences of such action or failure to act;

GDPR means General Data Protection Regulation, i.e. the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC;

Lease Term means the period of time identified as such in the applicable Master Agreement being the period of time commencing with Aircraft delivery to Aircraft redelivery, inclusive;

Lessee means the entity listed as the "Lessee" in the relevant Master Agreement

Liability Regulations means: (i) Regulation (EC) No 2027/97 of 9 October 1997 on air carrier liability in the event of accidents as amended by Regulation (EC) No 889/02; (ii) Convention for the Unification of Certain Rules for International Carriage by Air of 28 May 1999; or (iii) the Convention for the Unification of Certain Rules relating to International Carriage by Air of 12 October 1929 as amended by the Hague Protocol of 28 September 1955 and the Convention supplementary to the

Warsaw Convention done at Guadalajara on 18 September 1961, depending which legal instrument applies to Flight in particular case as well as any other applicable regulation of similar nature;

Master Agreement means any Master Agreement entered into from time to time between the Lessor and a Lessee explicitly incorporating by reference these General Terms and Conditions and pursuant to which such Parties agree upon on the specific terms and conditions of each Flight, including, without limitation, Aircraft, Departure Airport, Destination Airport, Fee, Flight dates and times.

Minimum Guaranteed Block Hours means the Minimum Guaranteed Block Hours that the Lessee commits to pay the Lessor for the Lease Term as identified in the applicable Master Agreement;

Notice means written notification provided by one Party to the other in accordance with the contact details specified in the applicable Master Agreement (or to such other contact details as any Party hereto may have last specified by written notice to the other Party) in any of the following ways: (i) in person against signature, (ii) via email, (iii) registered mail or (iv) courier (postage prepaid and return receipt requested);

Other Agreement means any agreement or contract entered into by, on the one hand, the Lessor or any of its affiliated entities and, on the other, the Lessee or any of its affiliated entities;

Party means the Lessor or the Lessee individually;

Parties means the Lessor and the Lessee collectively;

Passenger means any person, except crew members, being carried or to be carried on the Flight pursuant to a Contract;

Shippers means any entities transporting their cargo on Flights; and

Ticket means a document or electronic record, which confirms that a Passenger is entitled to a seat on a Flight;

- 1.2. Unless otherwise specified, words indicating the singular include the plural, words indicating any gender include every gender, words indicating persons include bodies and references to the whole include the part; and (in each case) *vice versa*.
- 1.3. Terms “including” or “includes” shall mean “including without limitation” or “includes without limitation”, i.e. “including” or “include” is used as introducing an illustrative and non-exclusive list.
- 1.4. The headings of sections are inserted for convenience only and shall not affect interpretation of these General Terms and Conditions.

2. SUBJECT-MATTER OF THE CONTRACT

- 2.1. Subject to the terms and conditions of the Contract, the Lessor undertakes to perform the Flights and the Lessee undertakes to pay the Fee for such Flights and to perform all of its other obligations provided for therein.
- 2.2. If prior to the date of the first Flight, the Aircraft shall have suffered a total loss or major damage, or the Lessor is unable to comply with its obligations under the Contract by reason of a FME, then the Lessor shall not be deemed to be in default for delay. In the event that the Lessor is unable to find a substitute aircraft within seven (7) days of such total loss or the event constituting such FME, then all payments made by Lessee as at the time thereof shall be promptly returned and the Contract for such Aircraft shall be deemed cancelled.

2 DELIVERY AND REDELIVERY OF THE AIRCRAFT

- 2.1 Aircraft shall be delivered to airport specified in the Master Agreement on Lessee’s flight numbers at Lessee’s cost.

- 2.2 Aircraft shall be delivered:
 - 2.2.1 in configuration specified in the Master Agreement;
 - 2.2.2 clean and serviceable by international commercial airline standards, compliant with applicable law, and airworthy with all equipment fully functional and operating within limits established by manufacturer; and
 - 2.2.3 in white livery, unless agreed otherwise.but otherwise "AS IS WHERE IS" .
- 2.4 The Lessee shall have the right to brand the interior and exterior of the Aircraft with its livery, logo and other signs (at the Lessee's cost) provided that upon Redelivery the Aircraft shall be redelivered to the Lessor in a livery paint scheme as it was delivered (white livery), unless agreed otherwise. Removal of any of the Lessee's livery, logo or other signs shall be at the Lessee's cost.
- 2.5 Redelivery shall take place on the redelivery date at the airport as specified in the Master Agreement or any such other European airport designated by Lessor within a similar distance from the base. Redelivery flight shall be on Lessee's flight numbers at Lessee's cost.
- 2.6 Upon arrival of the airport as referred to above in clause 2.1, the Lessee shall perform an inspection of the Aircraft and, and acting reasonably, either (i) where the Aircraft is delivered in a condition satisfying the requirements of clause 2.2 above, accept the Aircraft (use of the Aircraft by the Lessee after such inspection shall constitute irrevocable evidence that the Aircraft is in satisfactory condition, and accordingly, that the Lessee unconditionally accepts the Aircraft for lease under this Contract and that delivery has occurred), or (ii) where the Aircraft is not delivered in a condition satisfying the requirements of clause 2.2 above, notify the Lessor of the same, in which case the Lessor shall use its best efforts to promptly rectify any such discrepancy or discrepancies.
- 2.8 At Redelivery the Aircraft shall be in such condition as to demonstrate that Lessee has in all respects complied with its obligations contained in this Contract.

3. LESSOR'S RESPONSIBILITIES

- 3.1. ***The Lessor shall:***
 - 3.1.1. provide the Aircraft in an airworthy and operational condition for performance of Flights;
 - 3.1.2. at all times when performing the Flights, retain full operational control and possession of the Aircraft. In particular, the Pilot in Command of Aircraft shall for the purpose of safe performance of Flights have absolute discretion in all matters concerning flight operation, preparation of Aircraft for Flight, the load carried and its distribution. The Lessee shall have no rights in Aircraft other than those expressly granted herein;
 - 3.1.3. ensure that the Aircraft is properly equipped, maintained, insured and manned as required for Flights;
 - 3.1.4. carry out the Flights in accordance with the standards and practices of the Lessor as set out in the Lessor's flight operations manuals;
 - 3.1.5. throughout the duration of any Flight, maintain Insurance as specified in Clause 7;
 - 3.1.6. maintain all logs and records pertaining to Aircraft in accordance with the rules and regulations of the Lessor's Aviation Authority.
 - 3.1.7. with the assistance and cooperation of the Lessee (at the Lessee's cost) as required, prepare and file all documents and reports with any Government Entity whatsoever concerning the operation of Flights hereunder, except for obtaining traffic rights, flight permissions. These files and reports will be provided to Lessee upon request;

- 3.1.8. not be liable for any violation of slots or for payment of any fines or penalties imposed by the relevant authorities for such violation of allocated slots due to commercial and planning reasons beyond Lessor's control. Lessee fully indemnifies Lessor of any fines or penalties accrued so, unless such fines or penalties directly result from the gross negligence or willful misconduct of the Lessor.

3.2. ***The Lessor shall be entitled:***

- 3.2.1. to use, at its own discretion, the free Aircraft capacity that the Lessee does not fill for carrying Lessor's employees, representatives and/or cargo.
- 3.2.2. to substitute the Aircraft (provided that the substitute aircraft shall be in airworthy conditions in accordance with the applicable regulations and of the same type) specified in the applicable Master Agreement at its own discretion, provided that no other material terms of the Contract are changed, by giving a Notice to the Lessee. The Parties agree and confirm that the change of the Aircraft shall not result in any adverse consequences to the Lessor and shall be without any liability whatsoever of the Lessor. In the event of such substitution, all references to the "Aircraft" in the Contract shall be deemed to be references to the substitute aircraft.
- 3.2.3. to change the schedule (i.e. time of departure and/or arrival) of the Flights by giving a Notice to the Lessee. The Parties agree and confirm that such change of schedule of the Flights shall be without any adverse consequences and/or liabilities whatsoever to the Lessor. All changes of schedule are subject to the Lessee's confirmation (which shall not be unreasonably withheld or delayed).

4. **THE LESSEE'S RESPONSIBILITIES**

4.1. ***The Lessee shall:***

- 4.1.1. make all payments specified in these General Terms and Conditions and/or the applicable Master Agreement in a full, timely and proper manner;
- 4.1.2. unless otherwise stated in the applicable Master Agreement, arrange, be liable for, and will pay for (or will reimburse the Lessor on demand for, as the case may be), all Additional Costs. Any Additional Costs paid for by the Lessor shall be recharged to the Lessee and the Lessor with a 10% disbursement fee;
- 4.1.4. provide the Lessor with all and any true, accurate and comprehensive information and/or documents necessary for receiving all licenses and approvals for the operation of Flights;
- 4.1.5. not exceed the limits of available Aircraft payload set by the Lessor and specified for each Flight in the applicable Master Agreement;
- 4.1.6. observe and ensure that in all cases Passengers have been familiarized with and strictly observe all applicable conditions of carriage;
- 4.1.7. ensure that Tickets are duly issued and all data indicated in Tickets or/and other Passengers' documents is correct;
- 4.1.8. ensure that (i) the representatives of the Lessee participate in the check-in of the Passengers at Departure Airport and Destination Airport of the Flights and (ii) the Passengers properly follow all and any applicable requirements during the registration to the Flights at Departure Airport and Destination Airport, as well as instructions of officers of Departure Airport and Destination Airport and the representatives of the Lessor;

- 4.1.9. ensure that the Passengers properly follow all instructions of the Pilot in Command of the Aircraft related to the flight safety and hold the Lessor forever harmless from all and any damages and costs incurred as a result of or related to the Passenger's failure to properly follow such instructions;
- 4.1.10. pay or, as the case may be, reimburse Lessor for all costs arising from a delay in a Flight caused by or through Lessee or arising out of a refusal of Lessor, in accordance with the terms of the Contract, to carry a Passenger;
- 4.1.11. indemnify and hold harmless the Lessor and its agents against any and all costs resulting from a diversion during the Flight due to any reasons related to the Lessee, its agents, the Passengers, their baggage and/or cargo;
- 4.1.12. indemnify and hold harmless the Lessor against any and all physical loss or damage to the Aircraft caused by the Lessee, Passengers or/and its agents;
- 4.1.13. indemnify and hold harmless the Lessor and its agents against any and all Passenger claims under Regulation 261 (or any equivalent thereof) or other denied boarding/delayed compensation and other Passenger loss or damage claims except to the extent resulting from willful misconduct or Gross Negligence of the Lessor;
- 4.1.14. pay (or, as the case may be, reimburse) to the Lessor all and any costs and expenses resulting from damage to the Aircraft caused by the Lessee or the Lessee's Passengers or agents while performing the Contract;
- 4.1.15. inform the Passengers, Shippers and ensure that the Lessee's partners inform the Passengers, Shippers on travel requirements of the Departure Airport and Destination Airport countries and other countries, from which, to which and through which the Flights are operated, including, but not limiting to, the requirements for travel documentation, visas, insurance, baggage and cargo transport, and other terms and restrictions (customs, migration, and etc.);
- 4.1.16. observe and ensure that the Passengers, Shippers and the Lessee's partners observe the requirements related to travel of the Departure Airport and Destination Airport countries and other countries, from which, to which and through which the Flight is operated, including, the requirements pertaining to migration, border control, customs, cargo packing, transport or delivery, passenger travel documents, public health, visas, insurance, etc.;
- 4.1.17. ensure and assume all and any liability that all Passengers and Shippers have all required documents (including, but not limited to, travel documents and visas). For avoidance of any doubt, the Lessor shall not be liable to the Lessee, Passengers, Shippers, consignees or third persons and shall be fully exempt from all and any liability arising out of or related to such circumstances that the Passenger and/or Shipper does not have the required documents (including, but not limited, travel documents), visas, insurance or does not comply with the requirements of the Departure Airport and/or Destination Airport countries and other countries, from which, to which and through which the Flight is operated, including requirements regarding board crossing, transition, immigration, import, export, and etc.;
- 4.1.18. ensure and guarantee that the Passengers and Shippers fully comply with all and any requirements set and related to the approvals and/or confirmations given by the foreign countries to operate the Flight. In case the Lessor considers that the Passenger or Shipper has violated or may violate such requirements, the Lessor is entitled to refuse to carry such Passenger or/and cargo without any consequences and liability whatsoever to the Lessor;

- 4.1.19. in case of change of schedule of the Flight, ensure that Passengers are immediately and always within the same day of receipt of Notice on schedule change from the Lessor, are notified and informed in writing of such schedule change. The Lessee shall be fully responsible and shall compensate the Lessor any and all damages and costs (including expenses related to payment of compensation to the Passengers in accordance with Regulation 261 or any equivalent thereof) incurred by the Lessor due to failure to notify the Passengers, improper or untimely notification. Upon Lessor's request, the Lessee shall provide evidence that Passengers were notified in writing of the Flights' schedule change;
- 4.1.20. properly complete the Lessor's Know-Your-Customer form and attach required documentation for successful performance of the Lessee's on-boarding procedure by the Lessor as indicated in clause 11;
- 4.1.21. provide all necessary assistance to Lessor and will be responsible to obtain all necessary documents including but not limited to multiple entry visas, working visas, airside passes, certificates required in connection with the operation of Aircraft, all at Lessee's cost. For avoidance of doubt and notwithstanding anything to the contrary in the Contract, Lessor's revenue will not be dependent on Lessee's ability or inability to obtain traffic rights on routes Lessee intends to operate, access passes to facilities permitting maintenance of the Aircraft and similar;
- 4.1.22. be responsible for in-flight sales (if any); and
- 4.1.23. properly and in a timely manner execute all and any other obligations assumed by the Lessee under these General Terms and Conditions and the applicable Master Agreement.
- 4.2. The Parties agree that the Lessee shall perform its obligations under the Contract in favour of the Passengers and other third parties independently and not on behalf of the Lessor.
- 4.3. Flights will be operated under Lessee's flight code and designated flight numbers.
- 4.4. Commercial control of Aircraft during Lease Term shall be vested in Lessee. Lessee shall, subject to operational and technical considerations, be entitled to cancel, delay or re-route a Flight for commercial reasons and after written confirmation of the Lessor. For avoidance of doubt, Lessor's Crew is not obliged to operate Aircraft into airports where they deem facilities insufficient for proper servicing of the Aircraft, Lessor in this case being indemnified of loss of revenue. Notwithstanding the provisions in this Clause 4.4 or any other provision to the contrary, in no event shall there be operations involving flights to or over an Excluded Country (for insurance purposes and/or embargoes) as advised by the Lessor to the Lessee.
- 4.4. Lessee guarantees that all Lessor's applicable manuals (such as GOM, DIM etc.) received will be distributed to Lessee's handlers and service providers. Lessor's manuals shall not be disclosed to any other party during or after Lease Term. Lessee guarantees that all copies of manuals shall be destroyed at the conclusion of the Contract.
- 4.5. All revenue derived from the operation of Flights (including but not limited to passenger, cargo, excess baggage, duty free sales etc.) is for the sole account of Lessee.

5. FEE AND PAYMENT TERMS

- 5.1. The Fee for each particular Flight or for full Flight program is specified in the applicable Master Agreement and unless otherwise so stated therein, is without any Value Added Tax, which Value Added Tax shall be payable by the Lessee in addition at the rate then prevailing. The Lessee shall indemnify the Lessor from and against all present and future taxes, duties, payments, fees, surcharges or other charges of whatsoever nature in relation to the Flights or the Contract (except

tax imposed on the overall net income of the Lessor) which may be levied or imposed by any government entity or other authorities. The Fee includes the following:

- i. Hire of Aircraft
- ii. Crew remuneration,
- iii. All Aircraft Maintenance costs
- iv. Aircraft Insurance as per Clause 3.1.5.

Except to the extent specified in the applicable Master Agreement, the Fee excludes, and the Lessee shall pay (or will reimburse the Lessor for, as the case might be), all Additional Costs, including but not limited to:

- i. fuel and lubricants;
- ii. passenger use Co2;
- iii. government taxes, charges or levies
- iv. replenishment (if used) of onboard emergency medical kit or equipment for passenger use;
- v. airport landing and departure, terminal navigation, noise and parking fees;
- vi. aircraft ground handling, including cabin and flight deck cleaning, removal of waste, ramp services, potable water, toilet service, the provision of tow-bar, tug and pushbacks and aircraft marshalling;
- vii. ground handling out of hours and extension surcharges;
- viii. empty handling charges;
- ix. passenger handling services including check-in, baggage handling and PRM handling;
- x. overflight fees, other air navigation and air traffic control charges including Eurocontrol charges;
- xi. EU ETS and CORSIA carbon emission charges and levies;
- xii. airport extension and out of hours, weekend and public holiday surcharges;
- xiii. passenger and crew in-flight catering, catering and galley equipment and beverages. For the avoidance of doubt the Lessor will not be obliged to provide any catering trolleys, bar trolleys and other equipment associated with in-flight catering, all of which will be provided by the Lessee. If the Lessor agrees to provide any catering equipment, the Lessee will be responsible for all costs associated with the loss, repair, repatriation or replacement of such equipment. ;
- xiv. passenger taxes, duties, security charges, immigration, customs fees and other airport passenger related fees;
- xv. any charges in relation to passenger and crew APIS data transmission;
- xvi. all other airport levied charges including infrastructure fees;
- xvii. day to day operational support, including flight planning and slot management;
- xviii. de-icing;
- xix. licence fees, traffic right applications, royalties and no objection fees;
- xx. crew per diems and expenses charged at the Crew Per Diem Rate per Crew member per day USD \$98 or part thereof; and
- xxi. crew hotel accommodation and transfers required for the performance of the flights (on a bed and breakfast basis). Crew Accommodation must meet appropriate 4* international hotel standards with 24-hour food and reception available and free hi-speed Wi-Fi available in rooms. Crew duty travel and transport, and any air fares required for crew rotations where travel is by commercial service (as reasonably directed by the Lessor but always on fully confirmed basis with direct flights where available and checked in luggage).

- 5.2. The Lessee shall pay the Fee within the terms specified in the Master Agreement. The Lessee shall also make all other payments (including but not limited to Additional Costs, reimbursement of damages, costs or fines) hereunder within 5 (five) calendar days after receipt of the Lessor's invoice.
- 5.3. The Lessee shall pay a Deposit (if applicable) within the period specified in the Master Agreement. Upon the Lessor's receipt of the final invoice for the services provided under the Contract, and so long as the Lessee has complied with its obligations under the Contract the Lessor shall either promptly refund the overpayment to the Lessee or provide an invoice to the Lessee for additional Block Hours and / or Additional Costs incurred in excess of the Deposit, which shall be reimbursed by the Lessee to the Lessor within 5 (five) calendar days after receipt of the Lessor's invoice.
- 5.4. The Lessee undertakes to pay the Lessor a demurrage (the "Demurrage") of USD \$2,500 (two thousand five hundred US Dollars) payable for each additional hour or part thereof, after for any Flight delayed past the end of the last day of the Lease Term. The Parties acknowledge that Demurrage shall be deemed as compensation of minimal pre-agreed losses of the Lessor, which shall: i) not require any additional proof by the Lessor; ii) be deemed to have been suffered by the Lessor; iii) be unconditionally payable by the Lessee to the Lessor. The Parties expressly agree that all the amounts of Demurrage stipulated in this clause 5.4. are regarded as fair and reasonable and not subject to reduction.
- 5.5. Each payment to be made by the Lessee hereunder shall be payable in US Dollar (USD), unless otherwise agreed in applicable Master Agreement, and shall be made without set-off, counterclaim, reduction, withholding or diminution of any kind or nature howsoever imposed by any jurisdiction. To the extent any such deductions or withholdings are required by applicable law, the Lessee shall pay such amounts to the relevant authorities but shall pay to the Lessor such additional amount as shall result in the Lessor receiving the full amount which it would have received had such deduction or withholding not been required to be made. If the Lessor will be required to pay any taxes or duties on behalf of the Lessee, the Lessee shall reimburse the Lessor forthwith immediately upon its written demand.
- 5.6. All and any amounts payable by the Lessee under the Contract shall be considered as paid when such are credited in the Lessor's bank account indicated in the applicable Master Agreement or in such other bank account of the Lessor as the Lessor may have last specified to the Lessee by Notice duly signed by the Lessor's authorized representative.
- 5.7. The Party remitting any payment under the Contract shall assume and cover any bank transfer charges (e.g. SWIFT payment).
- 5.8. All and any payments received by the Lessor under the Contract (including its annexes and amendments) or under any Other Agreement may be applied by the Lessor to payment obligations of the Lessee in any manner or order as the Lessor may determine in its sole discretion, notwithstanding any instructions, directions or notice given by the Lessee or any other person with respect to the application of such payments.
- 5.9. The Lessor shall be entitled to unilaterally set-off any amounts payable by the Lessee to the Lessor against the respective amounts outstanding from the Lessor to the Lessee (i.e. to exercise the set-off of the uniform counterclaims).
- 5.10. Lessee's obligation to make all payments under the Contract shall be absolute and unconditional under any and all circumstances, notwithstanding any breach of any term, warranty or condition in this Contract by the Lessor and no payment to be paid by the Lessee under the Contract shall be subject to any right of set-off, counterclaim, recoupment, defense, abatement, withholding, suspension, deferment or reduction, for any reason whatsoever.
- 5.11. Time shall be of the essence in respect of any payments due from the Lessee to the Lessor under the Contract.

6. CANCELLATION OF THE FLIGHTS

- 6.1. If the Lessee cancels any Flight for any reason, it shall pay to the Lessor the Cancellation Fees indicated in the applicable Master Agreement. If the Lessee made any advanced payments for the Flight, the Lessor may set-off unilaterally Cancellation Fees with any advanced payments. In addition to Cancellation Fees, the Lessee shall, on demand, reimburse the Lessor for all and any costs and expenses incurred by the Lessor in connection to such cancellation (including, but not limited to, expenses related to the performance of the Lessor's obligations under the Regulation 261 or any equivalent thereof), as well as damages, expenses and costs incurred by its agents and representatives.
- 6.2. Situations when the Lessee: i) fails to perform its obligations hereunder, which results in inability to perform the Flight; ii) decides to suspend or refuses to perform the Flight; iii) fails to pay the Fee, Deposit or any other amount due under the Contract in a timely manner, shall be deemed unilateral cancellation of the Flight by the Lessee and shall therefore be subject to consequences described in clause 6.1. above.
- 6.3. The Parties acknowledge that Cancellation Fees shall be deemed as compensation of minimal pre-agreed losses of the Lessor, which shall: i) not require any additional proof by the Lessor; ii) be deemed to have been suffered by the Lessor; iii) be unconditionally payable by the Lessee to the Lessor. The Parties expressly agree that all the amounts of Cancellation Fees stipulated in this clause 6 are regarded as fair and reasonable and may not be reduced.
- 6.4. If the Lessee cancels or is considered to have cancelled a Flight, the Lessor shall not be liable to the Lessee, Passengers and/or any third persons for non-performance of the Flight and the Lessee shall indemnify and hold harmless the Lessor against all and any claims related thereto.
- 6.5. The Lessor reserves the right to cancel any Flight in case of mechanical difficulties, damage to the Aircraft or operational or commercial considerations. In case of such cancellation, (a) the Lessor shall bear no liability to the Lessee, Beneficiary, Passengers or Shippers or any other third persons for any consequences resulting from such cancellation and (b) the Lessor shall reimburse the Lessee the Fee paid to the Lessor by the Lessee for the relevant Flights not performed by the Lessor save for costs and expenses incurred by the Lessor in respect to the organization of the Flight/Flights. The Lessee shall indemnify the Lessor and its agents against any and all passenger claims under Regulation 261 except resulting from the Gross Negligence of the Lessor. For the avoidance of doubt, nothing in the Contract shall entitle the Lessee to recover any consequential losses or damages.

7. LIABILITY

- 7.1. The Lessor shall have not be liable for any Passenger claims for compensation under Regulation 261 (or any equivalent thereof) or other denied boarding or delay compensation except resulting from the Gross Negligence of the Lessor. The Lessee shall indemnify and hold harmless the Lessor and its agents from any Passenger claims.

Subject to clauses 7.2-7.7 below, a Party breaching the Contract shall bear the liability against the other Party as arising out of and in relation thereto. The Lessee shall defend, indemnify and hold the Lessor harmless against any and all liability, claims, suits, demands, action, losses and costs suffered by the Lessor and (a) arising out of any claims for death of or injury to persons and for loss of or damage to any cargo, baggage or mail arising out of the Gross Negligence or willful misconduct of the Lessee, its directors, shareholders or employees; and (b) the breach by the Lessee of any of its obligations under the Contract.

- 7.2. Notwithstanding anything to the contrary contained in the Contract, the Lessor shall be fully exempt from, and the Lessee shall indemnify and hold the Lessor harmless from, any obligations and liability towards the Lessee and the Passengers and such liability shall be borne entirely by the Lessee:

- 7.2.1. in the event the Lessee fails to fully and duly pay the Fee and/or Deposit for the Flight indicated in applicable Master Agreement;
 - 7.2.2. in the event of any doubt as to the payment for the respective Flight, the Lessee fails within 24 (twenty-four) hours after receipt of the Lessor's Notice, to provide the Lessor with a copy of all the respective legally valid documents requested by the Lessor confirming payment of such Fee or Deposit;
 - 7.2.3. in the event the Lessee breaches any of its obligations under the Contract, without performance of which the Flight cannot be carried out;
 - 7.2.4. in the event the Lessee and/or the Passenger, Shipper, consignee or any third party involved in the Flight fails to obtain and provide the Lessor with any other respective legally valid documents requested by the Lessor and necessary for the proper performance of the Lessor's obligations under the Contract;
 - 7.2.5. in the event the Lessee and/or the Passenger, Shipper, consignee or any third party involved in the Flight does not have the required documents (including, but not limited, travel documents), visas, insurance or does not comply with the requirements of the Departure Airport and/or Destination Airport countries and other countries, from which, to which and through which the Flight is operated, including requirements regarding board crossing, transition, immigration, import, export, and etc.
- 7.3. Notwithstanding anything to the contrary contained in the Contract, the Lessor shall not be liable for any indirect or consequential loss, including but not limited to loss of contracts, loss of use or loss of profits, of whatever description sustained by the Lessee, Passenger or any person involved in performance of the Flights, whatsoever and howsoever arising, directly or indirectly out of, or in consequence of, any act or omission of the Lessor in performance of the Contract, unless such loss or damage was wholly caused by the willful misconduct or Gross Negligence of the Lessor. The liability of the Lessor for actual direct losses of the Lessee under the Contract shall be limited to and shall not exceed 150 % (one hundred and fifty percent) of the Fee paid for the Flight, as indicated in the applicable Master Agreement, giving rise to such liability. The Parties agree that the Lessor's fault shall not be presumed and shall be proven by the Lessee. All direct losses of the Lessee shall be proven by legally valid documents.
- 7.4. The Lessor shall have no liability for losses incurred by the Lessee, Passengers or Shippers in respect of their Baggage or cargo during the Flights.
- 7.5. Notwithstanding anything to the contrary contained in other clauses hereof, the Parties clearly agree and confirm that the claims of the Passengers related to the Flights under the Contract shall be reviewed and substantiated by the Lessee. The Parties shall be bound to cooperate in good faith in dealing with the Passengers' claims and take all actions in order for claims to be analysed and respectively legal and other decisions to be taken with regard to the Passengers' claim within the shortest possible period of time, but not longer than within 30 (thirty) calendar days as of receipt of the claim.
- 7.6. If the Lessee fails to pay any amount payable under the Contract when due, such overdue amount shall bear interest at the rate of 5 % per annum from the day of non-payment until the day such amount is paid in full.
- 7.7. The Parties are fully aware of, and agree to, the liability limitations as specified in this Clause 7, and acknowledge that the Fees specified in the applicable Master Agreement have been calculated *inter alia* by specific reference to the exclusions and limitations set forth in this Clause 7. Except as provided otherwise in the Contract, the establishment of any obligation to pay amounts deemed as minimal pre-agreed losses in the Contract shall not constitute a limitation of Party's liability for the breach in respect of which such payment obligation was established.

7. INSURANCE

- 7.1. Lessor at its own cost and expense shall maintain in full force and effect throughout the duration of any Flight, maintain Aircraft Hull All Risks (including Hull War and Allied Perils), Spares, Passenger, Baggage, Cargo and Mail Liability and Third Party Liability Insurance policies for a combined single limit of not less than USD 750,000,000 (seven hundred and fifty million US dollars) for any one occurrence. The Limit of Liability: Passenger Legal Liability limited to USD 750,000,000 (seven hundred and fifty thousand US dollars) any one person each accident; Passenger Baggage Liability: USD 1,250 (one thousand two hundred fifty US dollars) any one passenger; Cargo and Mail: USD 10,000 (ten thousand US dollars) any one loss.
- 7.2. The insurance maintained by Lessor shall include Lessee, its directors, officers, servants, employees and agents as additional insured(s) (except in respect of claims caused by the Gross Negligence or wilful misconduct of any of Lessee, its directors, officers, servants, employees and agents).
- 7.3. Lessor at its own cost and expense shall maintain in full force and effect throughout the duration of any Flight Hull All Risks and Hull War and Allied Perils insurance for the Aircraft providing a waiver of subrogation against Lessee additional insured(s) except in respect of claims caused by the Gross Negligence or wilful misconduct of the Lessee additional insured(s).
- 7.4. Notwithstanding the foregoing, such insurances shall operate in all respects as if a separate policy had been issued covering each party insured hereunder and the total liability of insurers in respect of any and all insureds shall not exceed the limits of liability stated in the policy(ies); (i) be primary and without right of contribution from any other insurance which may be available to the Lessee additional insured(s); (ii) provide that in relation to the interests of the Lessee additional insured(s) the insurance shall not be invalidated by any action or inaction (including misrepresentation and non disclosure) of by the insured any other person or party (other than such Lessee additional insured(s)) and shall insure the interests of the Lessee additional insured(s) regardless of any breach or violation by the Insured or any other person or party (other than such Lessee additional insured(s)) of any term, condition, declaration or warranty contained in the policy(ies); (iii) provide that the Lessee additional insured(s) shall have no responsibility for premium and insurers shall waive any right of set off or counterclaim against the Lessee additional insured(s); and (iv) the coverage afforded by this insurance may only be cancelled or materially altered in a manner adverse to the Lessee additional insured(s) by the insurers giving not less than thirty (30) days (but seven (7) days or such lesser period as may be customarily available in respect of war and allied perils) notice in writing to the Lessor's insurance broker (the Lessor's insurance broker to pass such notice on to the Lessee additional insured(s) promptly). Notice shall be deemed to commence from the date such notice is given by the insurers. Such notice will not, however, be given at normal expiry date of the policy(ies) or any endorsement; (v) provide for worldwide coverage subject only to standard current market exceptions per LSW617H.
- 7.5. Lessee at its own cost and expense shall maintain in full force and effect during each Flight passenger (including passengers baggage and personal effects, war risk supplement per person), cargo and mail legal liability insurance for a combined single limit (bodily injury/property damage) of not less than USD 750,000,000 (seven hundred and fifty million US dollars) each occurrence, for the aircraft, unlimited in all (including to the fullest extent available war and allied perils coverage in accordance with the Extended Coverage Endorsement (aviation Liabilities) AVN52E or any modification or substitution thereof for the time being in force).
- 7.6. The insurances maintained by Lessee shall include Lessor, Head Lessor(s), owner(s) of the Aircraft and any finance party(ies) of the owner(s) and their directors, officers, servants, agents and employees as Lessor's Additional insureds (except in respect of claims caused by the Gross Negligence or wilful misconduct of any of Lessor, Head Lessor, owner(s) of the Aircraft and any finance party(ies) of the owner(s) and their directors, officers, servants, employees and agents).

- 7.7. Notwithstanding the foregoing, such insurances shall operate in all respects as if a separate policy had been issued covering each party insured hereunder and the total liability of insurers in respect of any and all insureds shall not exceed the limits of liability stated in the policy(ies); (i) be primary and without right of contribution from any other insurance which may be available to the Lessor's additional insured(s); (ii) provide that in relation to the interests of the Lessor's additional insured(s) the insurance shall not be invalidated by any action or inaction (including misrepresentation and non disclosure) of by the Insured any other person or party (other than such Lessor's additional insured(s)) and shall insure the interests of the Lessor's additional insured(s) regardless of any breach or violation by the Insured or any other person or party (other than such Lessor's additional insured(s)) of any term, condition, declaration or warranty contained in the policy(ies); (iii) provide that the Lessor's additional insured(s) shall have no responsibility for premium and insurers shall waive any right of set off or counterclaim against the Lessor's additional insured(s); and (iv) the coverage afforded by this insurance may only be cancelled or materially altered in a manner adverse to the Lessor's additional insured(s) by the insurers giving not less than 30 (thirty) days (but 7 (seven) days or such lesser period as may be customarily available in respect of war and allied perils) notice in writing to the Lessee's insurance broker (the Lessee's insurance broker to pass such notice on to the Lessor's additional insured(s) promptly). Notice shall be deemed to commence from the date such notice is given by the insurers. Such notice will not, however, be given at normal expiry date of the policy(ies) or any endorsement; (v) provide for worldwide coverage subject only to standard current market exceptions per LSW617H.
- 7.8. Certificates of Insurance, evidencing the principal details of the insurance arranged in respect of Contract shall be provided by each Party to the other.
- 7.9. Lessee shall bear any additional insurance premiums for hull war risks or third party liability if the premiums are increased solely as a result from the operation of Aircraft in certain high risk areas (as per latest excluded area clause) at the request of Lessee. Operation of such flights shall be subject to prepayment of relevant premiums. Lessor shall inform Lessee of any intended increase in premium and, if requested by Lessee, shall cooperate with Lessee to reduce or eliminate such premiums.

8. FORCE MAJEURE

- 8.1. A Party shall be exempted from liability for non-performance of the Contract if it proves that such non-performance was caused by the FME. The Party who is unable to perform the Contract due to FME shall notify the other Party about the beginning and the end of circumstances constituting FME in writing not later than within 5 (five) calendar days as of the moment the Party became or should have become aware of the impedimental circumstance. Failure to give a timely Notice makes the failing Party liable for loss which otherwise could have been avoided. Notwithstanding the foregoing, nothing in this Clause shall relieve the Lessee from any of its payment obligations under the Contract.
- Should a FME prevent the Lessor from operating to one or more airport during the Lease Term, the Lessee shall be obliged to change the scheduled to other airport within its network. The Minimum Guaranteed Block Hours shall only be reduced if the Lessor cannot operate to any of the airports in the Lessee's network.
- 8.2. The Lessor may either wholly or partly suspend the performance of its obligations under the Contract if it becomes unable to perform those services as a result of any cause beyond its reasonable control (including spread of Coronavirus (COVID-19), materially obstructing ability of the Lessor to perform its obligations under the Contract, irrespective if such material adverse event can be also considered as Force Majeure). In such cases, clause 6.5 shall apply.
- 8.3. Notwithstanding the FME, the Lessee undertakes to perform all its obligations towards Passengers which derive from binding legal regulations, including in particular Regulation 261 or any equivalent thereof (or, as the case may be, to re-imburse the Lessor for any such payments made by the Lessor).

9. APPLICABLE LAW AND DISPUTE SETTLEMENT

- 9.1. The Contract, and any non-contractual obligations arising thereunder, shall, in all respects, be governed by, and construed and interpreted, in accordance with, the laws of England and Wales.
- 9.2. All and any disputes related to or arising out of the Contract shall be finally settled by the courts of England. Each party waives any objection which it may have now or hereinafter to the laying of the venue of such suit, action or proceeding herein and irrevocably submits to the jurisdiction of any such courts in any such suit, action or proceeding.

10. VALIDITY AND TERMINATION

- 10.1. The Contract shall come into force on the date specified in the Master Agreement and shall remain valid until the full fulfilment of the obligations of the Parties or until it is otherwise terminated.
- 10.2. The Lessor may at its option, without prejudice to any of its other rights and remedies pursuant to the provisions of the Contract and/or otherwise at law which it may have against the Lessee, immediately suspend performance of its obligations in relation to any Flight without penalty/liability and/or unilaterally terminate the Contract by giving written Notice to the Lessee and without referring to the dispute resolution venue, if:
 - 10.2.1. the Lessee fails to make any payment hereunder and does not remedy this breach within 1 (one) calendar day after receipt of the same the Lessor's Notice;
 - 10.2.2. the Lessee fails to provide any information reasonably required for the Flights and does not remedy this breach within 1 (one) calendar day after receipt of the same the Lessor's Notice;
 - 10.2.3. the Lessee fails to duly fulfil its other obligations provided for in this Contract and does not remedy this breach within 2 (two) calendar days after receipt of the same the Lessor's Notice.
 - 10.2.4. the Lessee ceases to carry on business or suspends all of its operations (other than temporarily e.g. by reason of a strike);
 - 10.2.5. the Lessee files a petition in bankruptcy or makes a general assignment for the benefit of creditors or otherwise acknowledges insolvency, or is adjudged bankrupt;
 - 10.2.6. the Lessee commences or is placed in a process of complete liquidation other than for an amalgamation or reconstruction;
 - 10.2.7. an FME lasts more than 14 (fourteen) calendar days; or
- 10.2.8 the Lessee or any of its affiliated entities breaches the terms of any Other Agreement.
- 10.3. If the Lessor terminates the Contract pursuant to Clause 10.2 above, with the exception of clause 10.2.7 above, then the Contract shall be deemed as terminated due to fault of the Lessee without any adverse consequences and/or liabilities to the Lessor, including, but not limited to, damages arising to the Lessee, Passengers, Shippers or third parties, which, if incurred, shall be assumed entirely by the Lessee. The Lessee shall indemnify and hold harmless the Lessor for any loss or damage suffered by the Lessor as a result of such events.
- 10.4. In all cases termination of the Contract shall not affect any payment obligations of the Parties, which shall survive such termination and shall be carried out in accordance with the provisions of the Contract.

11. COMPLIANCE

- 11.1. The Lessee represents, warrants and undertakes that:

- 11.1.1. Neither the Lessee nor any of its directors, officers, employees, contract workers, assigned personnel, subsidiaries nor, to the best of the knowledge of the Lessee (having made due and careful enquiry), any agent, subcontractor, supplier or affiliate or other person associated with or acting on behalf of the Lessee is an individual or entity (the **Person**) that is, or is acting on behalf or for the benefit of the Person that is, or is owned or controlled by the Persons that are:
- (a) currently the subject or the target of any economic, financial or trade sanctions laws, regulations, embargoes or restrictive measures imposed, administered or enforced from time to time by the United States of America, the United Nations, the European Union, the United Kingdom, the jurisdictions where the Lessor and the Lessee are incorporated, carry out business or the Contract is performed or any governmental or regulatory authority, institution or agency of any of the foregoing, including but not limited to the Office of Foreign Assets Control of the U.S. Department of the Treasury (OFAC), the Bureau of Industry and Security of the U.S. Department of Commerce or the U.S. Department of State, the United Nations Security Council, the Council of the European Union, HM Treasury or other relevant sanctions authority (including but not limited to the designation in the Specially Designated Nationals and Blocked Persons list maintained by OFAC, the Denied Persons List maintained by the US Department of Commerce, the UK Sanctions List, and the OFSI Consolidated List maintained by HM Treasury, or any other list issued or maintained by any foregoing sanctions authorities of persons subject to sanctions (including investment or related restrictions), each as amended, supplemented or substituted from time to time) (collectively, the **Sanctions**); or
 - (b) located, organised, operating or residing in a country, region or territory that is, or whose government is, the subject or the target of the Sanctions from time to time, including but not limited to Crimea, Cuba, Iran, North Korea, Russia and Syria; (each such Person is hereinafter referred to as the **Sanctioned Person**).
- 11.1.2. From its date of incorporation the Lessee has not engaged in, is not now engaged in, nor will engage in, any dealings or transactions with any Person that at the time of the dealing or transaction is or was Sanctioned Person.
- 11.1.3. The Lessee shall not, directly or indirectly, use the benefit received from the Contract including but not limited to services or goods acquired: (i) to facilitate any activities or business of or with any Person that is the Sanctioned Person; or (ii) in any other way or manner that would result in a violation of the Sanctions by the Lessor.
- 11.1.4. The Lessee and any Person that may be involved by the Lessee in the execution and/or the performance of this Agreement has complied and shall comply with all national, supranational, local or foreign laws and regulations in relation to combatting against bribery, fraud and racketeering, corruption, money laundering and/or terrorism administered, enacted or enforced from time to time by the United States of America, the United Nations, the European Union, the United Kingdom, the jurisdiction where the Lessee is incorporated, carries out business or this Agreement is performed (collectively, the **ABC/AML Laws**) and that neither the Lessee nor the Person that may be involved by the Lessee in the execution and/or the performance of this Agreement has violated or is in violation of, or will violate the ABC/AML Laws.
- 11.1.5. The Lessee has not been involved, will not be involved in, or attempt to be involved in modern slavery or human trafficking or agree or attempt to assist any person who is involved in modern slavery or human trafficking in any activity which would violate the UK Modern Slavery Act 2015 or any similar applicable law or regulation.

- 11.1.6. The Lessee has not received and shall not receive any convictions, findings, fines, warnings or penalties issued by any competent authority in relation to anti-bribery and corruption, anti-money laundering, modern slavery or the Sanctions.
- 11.1.7. If at any time the Lessee becomes associated with potential violations of anti-bribery and corruption, anti-money laundering, modern slavery or the Sanctions regulations, the Lessee shall promptly, but not later than within 5 (five) calendar days, notify the Lessor thereof in order to allow the Lessor to examine the situation and assess risks, whereupon the Lessor shall be entitled to terminate the Contract pursuant to clause 11.6.
- 11.1.8. The Lessee shall at its own expense, comply with all laws, ordinances, rules and regulations (including but not limited to the 10 principles of UN Global Compact and 4 fundamental principles of International Labour Organisation (ILO) and other pertaining to health, sanitation, fair trade, consumer protection or prevention of harm or damage to the natural or social environment in respect of the assets, business and operations of the Lessee), obtain all licenses, approvals and permits required by, and pay all taxes, fees, charges, and assessments imposed or enacted by, any governmental authority and the Lessee shall not take any action which will cause the Lessor to be in violation of any law, regulation or ethical standard of any applicable jurisdiction.
- 11.1.9. The Lessee maintains at all times adequate systems, controls and procedures to ensure that it and its directors, officers, agents, employees, contract workers, subsidiaries, subcontractors or suppliers and any other persons associated with it comply with the Sanctions and the ABC/AML Laws.
- 11.1.10 The Lessee shall at its own expense, comply with all laws, ordinances, rules, regulations and policies binding on or applicable to the Lessor regarding employment and human resources including, without limitation, matters relating to third party sexual harassment.
- 11.1.11 The Lessee shall promptly upon request of the Lessor supply such information and documentation as is requested by the Lessor in order for the Lessor to carry out the verification of the Lessee and decide on the on-boarding of the Lessee pursuant to the internal procedure applied by the Lessor to verify the identity of its counterparties, any Persons involved in the execution and/or performance of the Contract, their key personnel and ultimate beneficial owners, risk assessment and on-boarding (the **KYC Procedure**).
- 11.1.12. Information and documentation conveyed by the Lessee during the KYC Procedure is true, accurate, complete and not misleading in any way and was provided without omission of any material information and the Lessee shall promptly, but not later than within 5 (five) calendar days, notify the Lessor of any changes to any information and documentation during the KYC Procedure or if it subsequently discovers anything which renders any such information untrue, inaccurate or misleading in any material respect, whereupon the Lessee shall repeatedly undergo the KYC Procedure.
- 11.2. The representations and warranties made by the Lessee in Clause 11.1 are continuing and shall be true at the time of execution of the Master Agreement as well as at all times during validity of the Contract. In case of any disagreements as to the Lessee's compliance with provisions of Clause 11.1, the Lessee at its own expense shall cause to be furnished to the Lessor a legal opinion of a reputable law firm satisfactory to the Lessor, clarifying the status of the foregoing.
- 11.3. The Lessee shall indemnify and hold the Lessor harmless against any losses, damages, fees, costs and expenses (including but not limited to any legal costs) incurred by the Lessor as well as any monetary sanctions arising out of or in connection to incorrectness, inaccuracies in any of the Lessee's representations or warranties set out in, or any failure of the Lessee to comply with any provisions of, Clause 11.1 (each, the **Compliance Breach**).

- 11.4. Upon occurrence of any Compliance Breach, the Lessee shall be deemed as having committed a material breach of the Contract, whereupon the Lessor shall be entitled, by giving a written notice to the Lessee with immediate effect, to:
 - 11.4.1. unilaterally suspend performance of the Lessor's obligations under the Contract until the Compliance Breach is remedied to the full satisfaction of the Lessor;
 - 11.4.2. declare all sums owing to the Lessor under the Contract immediately due and payable;
 - 11.4.3. demand that the Lessee reimburses, and the Lessee shall promptly but no later than within 5 (five) calendar days upon the Lessor's notice reimburse, any losses, damages, fees, costs and expenses (including but not limited to any legal costs) suffered or incurred by the Lessor as a result of or in connection with any Compliance Breach; and/or
 - 11.4.4. unilaterally terminate the Contract.
- 11.5. The rights and remedies of the Lessor set out in Clause 11.4 may be exercised concurrently or in any order and are not exclusive of any other rights or remedies available to the Lessor by agreement, law or otherwise nor shall give rise to any the Lessor's liability in connection with their exercise.
- 11.6. Without prejudice to Clause 11.4, the Lessor shall be entitled, by giving a written notice to the Lessee effective immediately, to unilaterally terminate the Contract if at any time the Lessor becomes aware of any relationship of the Lessee with the Sanctioned Person or any association of the Lessee in potential anti-bribery and corruption, anti-money laundering, modern slavery regulations violations, which at the Lessor's sole discretion entail an undue financial, reputational, operational, strategic or regulatory risk to the Lessor, whereupon all sums owing to the Lessor under the Contract shall become immediately due and payable.

12 RECOGNITION OF RIGHTS AND SUBORDINATION

- 12.1 The Lessee accepts and acknowledges that the Aircraft may not be owned by the Lessor but operated by the Lessor under an operating lease.
- 12.2 The Lessee agrees to recognize the rights and interests of any owner, lessor or financier in respect of the Aircraft and acknowledges that it has no ownership, security or proprietary rights in the Aircraft whatsoever, its sole rights being contractual rights as against the Lessor pursuant to the Contract.
- 12.3 The Lessee acknowledges that any rights it may have in respect of the Aircraft are at all times strictly subject and subordinate to the rights of any owner, lessor or financier.

13. DATA PROTECTION

- 13.1. Each Party agrees to comply with the GDPR and all acts amending or replacing it. For the purposes of this clause 13, the terms "processing", "personal data", "controller", "personal data breach" and "data subject" have the same meanings as in the GDPR.
- 13.2. In order to conclude and perform the Contract , the Parties, as independent data controllers, may process personal data of each other, their employees, representatives, participants (shareholders, etc.) and/or advisers, such as names, surnames, contact details, other personal data necessary for the conclusion of the Contract and its performance. The Parties undertake to ensure the confidentiality of personal data transferred for processing and upon occurrence of personal data breach that affected the security of the transferred personal data, to immediately notify the other Party whose data have been or may have been affected by the breach.
- 13.3. Personal data provided for the purposes of concluding and performance of the Contract will be processed and stored by the Parties for the duration of the Contract . In order to ensure the protection of the legitimate interests of the Parties (e.g. legal claims arising from the Contract or defence against

such claims), the personal data provided by the Parties will be processed for no longer than is necessary to achieve this purpose. At the end of this period, the Parties shall retain information on the contractual relationship (including the personal data contained in it) for the statutory retention periods required by commercial and fiscal laws. During this period, personal data may only be stored and may be otherwise processed only if an audit or other legal process is carried out by state-authorized institutions or bodies.

- 13.4. If personal data have to be transferred outside the European Economic Area during the conclusion or performance of the Contract, the Party transferring personal data should comply with the requirements of Chapter V of the GDPR.
- 13.5. The Parties implementing the requirements of Articles 12 to 14 of the GDPR, should properly inform their employees, participants, advisers, and other data subjects whose data are transferred for the purpose of conclusion and performance the Contract about the transfer of their personal data to the other Party, indicating the recipient (or its category) to whom the data are transferred, the purpose of such transfer, the point of contact to get more information on the processing of personal data.
- 13.6. If there is a relationship between the Parties regarding the processing of personal data or the regular transfer of personal data, the Parties shall enter into separate agreements on the processing or transfer of personal data, as appropriate.

14. MISCELLANEOUS

- 14.1. All Flights, or any portion thereof, may be subcontracted by the Lessor to a third party with the Lessee's prior written consent (which consent shall not be unreasonably withheld or delayed, and which shall be deemed granted where the proposed Aircraft is unable to perform a flight due to AOG status).
- 14.2. Notices are deemed to be properly delivered:
 - 14.2.1. on the same day when delivered in person against signature;
 - 14.2.2. on the next business day (as per applicable laws of the recipient) when such notice is being emailed provided that no Mail Delivery Failure notice was returned to the sender;
 - 14.2.3. on the date of actual receipt, when being sent by the registered mail or courier (as indicated in written confirmation of the receipt).
- 14.3. The delivery of the Notice to the address last indicated by the Party shall be considered as proper if the receiving Party fails to inform the delivering Party about the changes of its address.
- 14.4. The Parties agree that any reference to business day stated in these General Terms and Conditions and the applicable Master Agreement shall be reference to official business days in England.
- 14.5. The Lessor's obligations, including, but not limited, to the obligation to perform the Flights hereunder shall be subject to and conditional upon the Lessor having received to the Lessor's complete satisfaction (acting reasonably) all of the following (the **Conditions Precedent**):
 - 14.5.1. completion of the KYC Procedure to the full satisfaction of the Lessor;
 - 14.5.2. all the payments contemplated by these General Terms and Conditions and the applicable Master Agreement must be received on the date(s) set out therein in full without any deductions, set-offs;
 - 14.5.3. evidence satisfactory to the Lessor that all necessary permissions, consents, licenses and approvals (including those permissions, consents, licenses and approvals which must be obtained by the Lessor) have been obtained for the operation of Flights by the Aircraft;

- 14.5.4. the Contract has been duly authorised by all necessary corporate action on the part of the Lessee and has been duly executed and delivered by the Lessee and constitutes the valid, legal and binding obligations of the Lessee enforceable in accordance with its terms;
- 14.5.6. Lessee's certificate of insurance, and required co-insurance certificates (if any), evidencing compliance with the respective Lessee's obligations pursuant to this Contract;
- and in addition (and as a further Condition Precedent) the Carrier's obligations, including, but not limited, to the obligation to perform the Flights hereunder shall be subject to and conditional upon the Carrier being satisfied (acting reasonably) that no Compliance Breach has occurred or will occur as a result of the performance of the Flights or any other obligations of the Carrier or the Charterer under a Contract
- 14.6. The Parties agree that these Conditions Precedent set out in clause 14.5 are for the sole benefit of the Lessor and may be waived or deferred by the Lessor in whole or in part at its sole direction. In case any of the Conditions Precedent indicated in clause 14.5 is not satisfied the Lessor shall be entitled to unilaterally without notice to the Lessee terminate the Contract with the immediate effect and without any consequences and/or liabilities to the Lessor (including, but not limited, damages arising to the Lessee, passengers, Shippers or third persons).
- 14.7. All amendments, supplements and other annexes to the Contract shall be valid and bind the Parties if made in writing and signed by the authorized representatives of the Parties.
- 14.8. The Lessee shall maintain and shall ensure that its directors, officers and employees maintain strictly in confidence the Confidential Information. If the Lessee breaches its confidentiality undertakings provided for herein, it shall pay to the Lessor a fine equal to USD 10.000 (ten thousand US Dollar) per each such breach and compensate any other losses incurred by the Lessor as a result of the aforementioned breach. Payment of the fine shall not release the Lessee from fulfilment of the confidentiality undertakings hereof. This clause 14.8 shall survive any termination or expiration of the Contract.
- 14.9. If one or several provisions of General Terms and Conditions and/or the applicable Master Agreement become void, unlawful or unenforceable, this will not affect or injure the validity, legality or enforceability of the remaining provisions, provided that in such case the Parties shall by written agreement replace the ineffective provision by the legally effective one, which in its consequences will approximate the ineffective provision as closely as possible.
- 14.10. The Parties agree that at any time the Lessor shall have a right to unilaterally transfer its rights and obligations under the Contract to any third party by issuing a Notice to the Lessee upon which from the date indicated in such Notice the Lessee must perform, observe and comply with all the undertakings and obligations under the Contract in favour and for the benefit of such third party.
- 14.11. These General Terms and Conditions, the applicable Master Agreement and/or other annexes and amendments hereof concluded between the Parties shall constitute an integral and inseparable part of the Contract. In case of any discrepancies between the provisions of General Terms and Conditions and Master Agreement, the provisions of Master Agreement shall prevail.

– End –