KGAR STANDARD TERMS AND CONDITIONS (KGAR AS CUSTOMER OR PURCHASER)

1. RECITALS:

KGAR is in the business of, amongst other things; (i) Specialist in the supply, exchange, repair and lease of commercial aircraft spare parts, and (ii) Asset management and Logistics services. These Standard Terms govern the terms on which KGAR agrees enter into any purchase, repair or procurement agreement with the Supplier in respect of any goods or services, and Supplier agrees to be exclusively bound by these Standard Terms and Conditions (the "Standard Terms"). These Standard Terms prevail over any standard terms and conditions referenced by Supplier in its invoice or other documentation. For the avoidance of doubt, acceptance by KGAR of the Supplier's invoice shall not constitute acceptance by KGAR of any standard terms and conditions of the Supplier. If a conflict arises between any of the terms in the following documents the order of precedence shall be (i) any written agreement signed by both parties, including but not limited to a general terms agreement, as amended from time to time; (ii) any written terms on the face of the Order or Order; (iii) these Standard Terms.

2. DEFINITIONS

"Affiliates" means entities that control, are controlled by or are under the common control of a Party to this Agreement; "KGAR" means KG Aircraft Rotables Co Ltd; "Customer" means a customer of KGAR; "Order" shall mean a purchase order or repair order raised using KGAR's purchase order or repair order form; "Part(s)" means any aircraft or engine parts Supplied by the Supplier to KGAR or returned by Supplier to KGAR following Repair under these Terms and Conditions; "Party" shall mean KGAR on the one part and the Supplier on the other part (together the "Parties"); "Repair(s)" means any repair or overhaul completed by the Supplier pursuant to an Order; "Services" means any repair services or other services Supplied or to be Supplied by the Supplier to KGAR pursuant to these Terms and Conditions; "Specifications" means the description of the Parts and or services agreed in writing or contained in or referred to in the Order; "Supplier" shall mean the party providing Parts and / Services; and "Supply" and "Supplied" shall include the supply of services and the sale, leasing or hiring of Parts, as the context so requires.

3. GENERAL

Any Order is an offer to the Supplier to enter into a contract on the terms stated in these Terms and Conditions. By delivering or agreeing to deliver the Parts or Services to KGAR specified in an Order, the Supplier agrees to be exclusively bound by the terms and conditions contained in the Order and in these Standard Terms and Conditions which govern the purchase of Parts by KGAR from the Supplier and the provision of Services by the Supplier to KGAR. These Terms and Conditions may only be varied by a document signed by a director or other duly authorised officer of KGAR and no other employee or

agent has any authority to alter or qualify these Terms and Conditions in any way. If a conflict arises between any of the terms in the following documents the order of precedence shall be (i) any written agreement signed by both parties, including but not limited to a general terms agreement, a loan agreement or an exchange agreement, each as amended from time to time;(ii) any written terms on the face of the Order; (iii) these Terms and Conditions. Supplier hereby agrees, upon request by an KGAR Affiliate, to supply Parts or Services to any KGAR Affiliate in accordance with these Terms and Conditions. At KGAR's request, Supplier hereby agrees to provide or, in the event the Supplier is not the manufacturer/OEM of the Parts, Supplier shall arrange for the manufacturer to provide, notarised written evidence in the form requested by a Customer that KGAR has been granted all the rights necessary to fulfil its obligations to the Customer in respect of the Parts including but not limited to the supply and support of the Parts. Supplier shall retain documented information for a minimum period of 7 years at the end of which Supplier shall dispose of such documentation in an appropriate manner. Supplier shall grant a right of access to KGAR, KGAR's customer and any regulatory authorities to the applicable areas of facilities and to applicable documented information, at any level of the supply chain. Supplier shall ensure that persons are aware of their contribution to product or service conformity, their contribution to product safety and the importance of ethical behaviour.

4. ORDERS

4.1 The Supplier undertakes not to accept any Order without an Order reference number. KGAR accepts no liability for any order, verbal or otherwise, unless subsequently confirmed by an official Order, authorised by KGAR. KGAR may place Orders for the Parts or Services by email, by fax or in any other mutually agreed way. Upon acceptance of the Order, the Supplier agrees to provide KGAR with Parts or Services in compliance with clauses and provisions specified in the Order as well as these Terms and Conditions. Specific terms in an Order may include, but is not limited to, any specific certification requirements, statements of work or compliance and pre-defined scope of work.

4.2 The Supplier shall Supply all Parts and Services in accordance with any delivery times/TAT specified by KGAR in an Order. Time shall be of the essence and KGAR may refuse to accept delivery of any Parts or Services not delivered within the specified time and cancel the Order. Supplier shall deliver in such volumes specified by KGAR in an Order at no cost to KGAR.

4.3 The Supplier shall accept all Orders within 24 hours by written confirmation indicating Order reference number (including where applicable, the Repair Order number or Warranty Order number assigned by KGAR), line item and confirmation of delivery times/TAT and where the Supplier fails to provide such confirmation or the conformation is not in the form required, the Order shall be deemed accepted after the

24 hours have elapsed. This confirmation, any future delivery notes and invoices shall be issued in the same form as the Order in particular, the line items on such correspondence shall correspond exactly with the Order including part numbers, descriptions and price and Supplier shall reference the applicable Repair Order or Warranty Order number in all correspondence with KGAR. KGAR reserves the right to amend or cancel Orders after acceptance by the Supplier or delivery to KGAR. Subject to Clause 4.4 below, in the event of cancellation of any Order after acceptance by Supplier for reasons other than those stated in Clause 13 or Clause 4.4, Supplier shall be compensated by KGAR of all appropriate and substantiated costs incurred by Supplier up to the date of cancellation, however, Supplier shall use its best efforts to mitigate the extent of such costs.

4.4 Notwithstanding Clause 4.3 above, in the event the Customer of KGAR cancels its order with KGAR for the Parts or any part thereof, KGAR shall have the right to cancel its Order with the Supplier without further liability and require the Supplier to (i) immediately cease providing the Parts and services for KGAR in respect of the Order, and (ii) make the necessary arrangements to collect any Parts or part thereof delivered by the Supplier from the site advised by KGAR;

4.5 In respect of (i) Repair Orders Supplier shall not use any PMA material in any Repairs or DER/non CMM Repairs without obtaining prior authorisation in writing from KGAR and (ii) purchase Orders Supplier shall not supply a Part with PMA material or which has been the subject of a DER repair without prior written consent of KGAR;

4.6 The Supplier shall plan, implement, and control processes, appropriate to the organisation and the Parts for the prevention of (i) counterfeit or suspect counterfeit Parts use and their inclusion in Parts delivered to KGAR, and (ii) the release of unapproved and suspected unapproved Parts. Any costs or losses arising out of a failure to comply with above shall be the responsibility of the Supplier.

4.7 Supplier shall not charge any AOG fees to expedite Orders without prior written consent of KGAR.

5. PAYMENT TERMS

5.1 Where a fixed purchase price is specified in the Order the price for the Parts shall be fixed and firm, and no form of surcharge or over and aboves shall be added or variation made. Where a purchase price is specified in the form ‘not to exceed $x’, KGAR shall not be liable to pay sums in excess of the amount specified. The Supplier shall be entitled to submit an invoice for the supply of Parts and/or Services as soon as delivery has been completed.

5.2 INVOICES in respect of Parts and Repairs, MUST BE SENT TO: office:kgaircraft.com and;

5.3 The Supplier shall not be entitled to invoice KGAR, and KGAR shall have no liability to the Supplier and shall not be obliged to pay the Supplier, for any Order and/or Services that are not invoiced within 60 days of the date on which the Order and/or Service was completed.

5.4 KGAR PAYMENT TERMS ARE 30 days from date of Invoice.

6. TITLE AND RISK OF LOSS

Title to and risk of loss for any Parts Supplied shall remain with the Supplier until the Parts are delivered to KGAR DDP (Incoterms 2020) at its facility or at such other delivery location specified on the Order, unless otherwise agreed by the

Parties in a separate agreement, which shall take precedence over these terms and conditions.

7. IMPORT AND EXPORT LICENCES AND OTHER COMPLIANCE

7.1 The Party to these Terms and Conditions who is the importer or exporter of record of the Part will be responsible for obtaining any licence, exchange permit or other required governmental authorisation relating to the shipment of the Part and shall be responsible for complying with all U.K. and foreign government licensing and reporting requirements in connection with an Order.

7.2 The Parties agree that any export of Parts pursuant to these Terms and Conditions may be subject to (i) both U.S. Export Administration Regulations, the International Traffic in Arms Regulations and other export control requirements of the U.S., the United Kingdom or the European Union (collectively the “Export Regulations”) and (ii) any international sanctions imposed by the U.S.A., the EU or the U.K (“Sanctions”). In respect of any Part which is the subject of an Order pursuant to these terms, the Supplier agrees not to:

7.2.1 dispose of any U.S. origin items classified by the U.S. Department of Commerce’s Bureau of Industry and Security as Dual Use items other than in the country of destination, as identified in any government license or authorisation for the Part; and

7.2.2 lease, exchange or dispose of any items to any country, company or individual that is either (i) required by any Export Regulations to hold a licence to receive the goods (and does not hold the required licence); or (ii) is prohibited from receiving exports by Export Regulations, as amended from time to time including, but not limited to; Cuba, Iran, North Korea, Syria, Russia, Belarus, the Crimea Region of Ukraine, the Donetsk and Luhansk regions of Ukraine, or any other region of Ukraine subject to sanctions, or to the governments of those countries or regions;

7.2.3 export any Part to or for use in Russia in contravention with the Russia (Sanctions) (EU Exit) Regulations 2019, as amended by the Russia (Sanctions) (EU Exit) (Amendment) (No. 6) (the "Amendment") and any other amendment from time to time;

7.2.4 export, reexport, or transfer (in-country) any item for any "military end use" or to any "military end user" as defined under 15 CFR §744.21, including but not limited to entities in Burma, Cambodia, the People's Republic of China, Nicaragua, or Venezuela, or any entity listed on the Military End-User (MEU) List;

7.2.5 sell, supply, transfer or export any Parts in contravention with any Export Regulations or Sanctions in place from time to time.

7.3 The Supplier agrees to indemnify KGAR in respect of any losses as a result of a breach of Export Regulations or Sanctions.

7.4 Each party to these Standard Terms shall comply with all applicable laws, statutes and regulations applicable to it.

7.5 Where any Order contains a Part that is subject to the Registration, Evaluation, Authorisation and Restriction of Chemicals Regulations ("REACH") the Supplier undertakes to (i) notify KGAR that the Part contains a substance regulated under REACH; and (ii) provide KGAR with the relevant safety information including the applicable safety data sheet, technical data sheet and any other such information as may be reasonably requested by KGAR.

8. INDEMNITY

The Supplier agrees, promptly upon KGAR's request, to indemnify and hold harmless KGAR, its directors, Affiliates, officers, agents and employees (the "KGAR Indemnitees") in respect of all liabilities, costs, expenses, actions, proceedings, claims, damages, losses, fines, legal fees and other costs and expenses suffered or incurred by the KGAR Indemnitees which arise out of or in connection with the Supplier's performance or non-performance pursuant to an Order, save to the extent that such costs, expenses or losses result from the gross negligence or wilful misconduct of KGAR.

9. INSURANCE

The Supplier shall maintain with reputable insurers (i) All Risks Spares insurance on Parts whilst the Parts are under the care, custody and control of Supplier or Supplier's agents or subcontractors (including Supplier's freight forwarders); and (ii) Aviation Product Liability Insurance appropriate to its operations and in accordance with best aviation industry practice and shall provide evidence of the insurance under paragraphs (i) and (ii) if requested by KGAR.

10. PACKING, INSURANCE AND OTHER DOCUMENTATION REQUIREMENTS

10.1 All Parts dispatched by Supplier shall conform to the provisions of the applicable maintenance data. In the absence of any specific storage and transport instructions, the Part shall be packed following the ATA-300 Category II or other generally accepted packaging standards meeting the intentions of ATA-300.

10.2 The Supplier shall provide to KGAR full dispatch details of any Part supplied to KGAR or returned to KGAR following repair (AWB Number, Flight Number and Date).

10.3 All Parts being returned to KGAR following completion of a Repair, shall be accompanied by an original release certificate and workshop report providing full details of work carried out on the Part. Release certificates should comply with all requirements specified in the Repair Order as per clause 4.1 and relevant Aviation Authority requirements. The acceptable forms of certification include:

• FAA Form 8130-3 issued by an EASA & CAA approved organisation located in the USA with “dual release”. Both boxes in block 14a are to be ticked and the relevant release statement together with the applicable approval number are detailed in block 12 remarks;

• EASA Form 1, issued by an EASA approved organisation located in an EASA participant state;

• UK CAA Form 1;

• TCCA Transport Canada Form One;

• Form CAAS(AW)95;

• CAAC, JCAB certificate, as applicable, or other equivalent original certification.

Following changes to certification requirements for Parts eligible for installation on UK-registered aircraft resultant to the European Union Withdrawal Act, after 1 January 2021 all UK based Part-145 repair stations that have applied for Third Country Organisation (TCO) approval shall release Parts with both EASA and CAA Form 1 on two separate certificates. Likewise, all maintenance organisations located outside of the UK and not subject to bilateral or working agreements shall apply for CAA approval before 1 April 2022. Once approved, Supplier shall ensure release of Parts with both EASA Form 1 and CAA Form 1 printed on separate sheets.

10.4 In respect of all transactions for purchase of Parts pursuant to an Order, Supplier shall ensure that the Parts are accompanied by the following certification documents:

10.4.1 Part Identification tag containing: Part number; serial number; description; reason for removal; date of removal; registration of aircraft from which removed;

10.4.2 An original FAA 8130-3, EASA F1, UK CAA F1, TCCA, Form CAAS(AW)95, CAAC, JCAB certificate, as applicable, or other equivalent original certification, in compliance with regulatory requirements specified in clause 10.3.

10.4.3 Packaging slip;

10.4.4 ATA spec 106 material certificate issued by FAA Part 121/129/135 carrier or FAA/EASA 145 approved maintenance facility or nationally approved (by the CAA) a statement that:

• The Part was not procured from any US Government or military source;

• The Part was produced by the Original Equipment Manufacturer;

• The Part is non-incident related and has not been subjected to severe stress or heat or immersed in salt water;

• The Part is fully traceable to one of the following approved sources: o FAA Part 121, 129 or 135 certified carrier; o Original Equipment Manufacturer; o FAA/EASA 145 approved maintenance facility; or o Foreign air carrier approved by a recognised national aviation airworthiness authority.

10.4.5 Full records and traceability documents for time/cycle life limited parts.

10.4.6 Full “back to birth” traceability documents for ultimate time/cycle life limited parts.

10.4.7 A certificate of release to service shall be issued by the Supplier after the maintenance that was ordered (ref. Repair Order or Warranty Order) has been carried out on the Part. The authorised release certificates ‘EASA Form 1’ and ‘CAA Form 1’ referred to in Appendix II of Annex I (Part-M) constitute the component certificates of release to service. Both are required and the following must be complied with:

10.4.7.1 Only one of the permissible terms should be entered in Block 11. Where more than one may be applicable, use the one that most accurately describes the majority of the work performed and/or the status of the article.

10.4.7.2 Block 12 ‘Remarks’ of the EASA and CAA Form 1s contain vital airworthiness information and this must be entered into this block as appropriate. Examples of which include: (i) maintenance data used, including the revision status and reference (ii) compliance with airworthiness directives or service bulletins (iii) repairs carried out stating the specific reference and must include any supplementary inspection required post repair accomplishment including a copy of any case specific repair documents with the certificates (e.g. RDAF) (iv) modifications carried out (v) replacement parts installed (vi) life limited parts status (vii) deviations from the Repair Order (viii) release statements to satisfy a foreign Civil Aviation Authority maintenance requirement (ix) Information needed to support shipment with shortages or re-assembly after delivery

references to aid traceability (xi) any climate instruction identified in the applicable maintenance data.

10.5 The Supplier shall provide a copy of each certificate of release to service together with a copy of any detailed maintenance record associated with the work carried out and necessary to demonstrate compliance with point M.A.305 of

Annex I (Part-M)

11. LIABILITY

Neither party shall be liable to the other for any indirect, special or consequential loss or damage or any loss of actual or anticipated profit. KGAR's liability in contract, tort (including for breach of statutory duty), misrepresentation, restitution or otherwise, arising in connection with the performance of these Standard Terms (including for any statutory interest payable) shall be limited to the value of the Order.

12. DISPUTE RESOLUTION, LAW AND JURISDICTION

All disputes arising out of or in connection with these Terms and Conditions or an Order shall, to the extent possible, be settled amicably by negotiation between the Chief Executive Officer of KGAR and the Chief Executive Officer, Chief Commercial Officer or Chief Operations Officer of the Supplier within thirty (30) days from the date of written notice by either party of the existence of such a dispute and, failing such amicable settlement, shall be finally resolved (i) if the Supplier is from a country which has ratified the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York, 1958) (the "New York Convention"), by arbitration under the London Court of International Arbitration Rules, which are deemed to be incorporated by reference into this Clause where the number of arbitrators shall be one, the language of the arbitration shall be English and the seat of arbitration shall be London, England; or (ii) if the country in which the Supplier is incorporated has not ratified the New York Convention, the dispute shall be subject to the exclusive jurisdiction of the English courts. Any Supplier incorporated outside the EU shall provide either a UK address for service of process or shall appoint a process agent in the UK as a condition precedent to being granted credit by KGAR. Supplier shall notify KGAR of such address on signature of these Standard Terms. This Agreement, and any dispute arising from it

(including non-contractual disputes or claims) shall be interpreted in accordance with the laws of England and Wales.

13. TERMINATION

13.1 KGAR shall be entitled at any time by notice in writing to cancel an Order or any part thereof without compensation to the Supplier, and/or claim reimbursement for all losses and expenses suffered in the event that the Supplier:

13.1.1 fails to Supply Parts or provide Services in accordance with the terms of the Order or these Terms and Conditions, including without limitation circumstances where the Supplier fails to deliver the Parts to KGAR by the agreed delivery date;

13.1.2 fails to make progress with the Order so as to jeopardise the purpose of the Order;

13.1.3 provides Parts or Services which are non-conforming or defective or do not comply with the requirements listed in Clauses 10.2 and 10.3;

13.1.4 otherwise commits a material breach of these Terms and Conditions or of the terms of any Order which, in the case of a remediable breach, it does not remedy within five (5) days of receiving written notice requiring it to do so;

13.1.5 becomes insolvent, goes into receivership, is wound up or otherwise cease trading;

13.1.6 commits some act prejudicial to the interests of KGAR; or

13.1.7 becomes subject to the control of a third party in a manner prejudicial to the interests of KGAR.