

**1. General definition**

- 1.1. **EMS** means European Maintenance Service AB Customer means a person or company that EMS provide services to.
Supplier means a person or company that provide services to EMS
GT&C means general terms and conditions
PO means Purchase order
MR means maintenance request
WO means work order

2. Area of application

- 2.1. The GT&C set out hereinafter shall apply, unless specified otherwise, to all work performed upon aircraft or parts thereof (inspection, engineering calculations, maintenance and overhaul, repairs, modifications) which EMS shall carry out itself or delegate to third parties
- 2.2. The GT&C may be changed at any time without prior notice by EMS

3. Quotes and cost estimates

- 3.1. Quotes and estimates submitted by EMS shall be non-binding until confirmed and agreed in writing by both parties.

4. Scope of order

- 4.1. Each order shall be deemed to contain an authorization of EMS without specific approval by the customer to carry out or cause to be carried out all such work as shall be necessary for testing the object to which the order refers, for example engine run and taxi, brake tests etc. with the exception of test flights.
- 4.2. In case the order includes the execution of scheduled or unscheduled maintenance, testing or modification work, it shall always cover all such work and testing as shall be deemed necessary by the responsible inspector of EMS to maintain or restore an aircraft's airworthiness.
- 4.3. EMS shall be authorized to delegate any work ordered by a customer to a third party without previously notifying the customer or obtaining specific consent of the same, if not otherwise agreed.

5. Prices

- 5.1. Prices fixed under contract shall refer exclusively to such work and supplies as are agreed upon in writing. Work not provided for in the contract or relevant confirmation of order shall be charged for separately.
- 5.2. If no fixed price is agreed upon, EMS shall apply the prices in current pricelist for the type of work involved.
- 5.3. All prices shall be net ex-works (or ex performance site). Subcontractor price increases, foreign exchange rate fluctuations, import duties, taxes or other dues augmenting EMS's cost price shall be borne by the customer if they occur subsequently to the dispatch of confirmation of order.
- 5.4. Agreed prices are exclusive VAT.
- 5.5. Already made services including purchased parts and materials ordered for agreed service shall be charged by EMS to customer, even if the work itself should be fully or partially cancelled by the customer for any reason. This also includes planned manpower resources for the agreed service.

6. Terms of payment

- 6.1. EMS shall be entitled at any time to demand partial or full payment either in advance or at the time of order fulfillment.

- 6.2. In case EMS makes no use of this right, the terms of payment specified on the acceptance form / invoice, which shall form an integral part of the present GT&C shall apply. Payment shall be due on the dates fixed even in the event of delivery postponement by customer. The customer shall not be entitled under any circumstances, in particular due to alleged or actual deficiencies, to withhold payment or part-payment for work performed by EMS.
- 6.3. Complaints concerning invoices shall be submitted in writing and within eight (8) days of the receipt of invoice. Complaints may alternatively be made by telefax or e-mail. If no complaint is received within eight (8) days, invoices shall be deemed to have been accepted.
- 6.4. Payments shall be made in cash without any deduction whatsoever, however not later than the date stated on the invoice. EMS reserves the right to charge a statutory reminder fee and late payment fee on each invoice at each reminder. EMS reserves the right to charge an interest/late payment invoice within a 10 year period. If the customer fails to make payment in accordance with the terms above, EMS shall have the right to charge interest on all overdue balances at a rate of 2% per each new started calendar month. EMS shall not be obliged to accept credit cards, cheques, bills of exchange or money orders. In case of acceptance of the same, such payments shall not be considered to have been effected until the date of crediting to EMS for free disposal by the latter.
- 6.5. Without prior written approval by EMS, the customer shall not be entitled either to assign any rights and liabilities arising for him from his contract with EMS or to offset possible counterclaims against the claims of EMS.

7. Work deadlines

- 7.1. Observance of such completion and/or delivery deadlines as are acknowledged as binding shall be subject to the customer having previously met all contractual obligations, in particular the due and timely delivery of the object of order including keys, aircraft papers, etc., the settlement of technical questions and the remittance of advance payments demanded by EMS. If this is not the case, appropriate delays shall be specified. If a binding date of completion cannot be kept due to force majeure or other circumstances beyond the control of EMS, it is agreed that EMS shall not be held responsible if such time limits are not met.
- 7.2. In case of non-compliance with a binding deadline, the customer shall grant EMS an appropriate extension of delay, and in case such extension is not met shall have the right to withdraw from the contract by written statement after paying full compensation for the work already performed by EMS. The customer shall have a claim to damages only in case of deliberate acts or gross negligence by EMS.

8. Exchange and loaned parts

- 8.1. Exchange basis: If the customer is supplied with exchange parts, he shall return the off-core parts to EMS within 10 days of the receipt of such exchange parts. The costs of exchange shall be determined in advance by the manufacturer of the parts or by EMS.
- 8.2. EMS reserves the right to charge the core deposit upon sale. After the core has been accepted by the supplier a credit note for the core deposit charge will be sent to the customer. If the expense of repairing the returned off-core parts exceeds the cost of the exchange, the customer shall be charged with the difference by supplementary invoice.
- 8.3. If for any reason whatsoever the customer returns a part remitted to him by EMS without having used it, such part shall only be accepted if serviceable upon arrival at EMS. The customer shall in addition be charged with a restocking fee and recertification charge of 15% of the part's current list price. If a returned part is found to be defective, the customer shall be charged with the cost of repairing it by supplementary invoice. If the part is not repairable, the customer shall be debited with the full sales price.



- 8.4. Loan basis: So far as loaned parts are concerned, the provisions of the EMS standard loan agreement shall be applicable even in cases in which no such agreement is specifically concluded. Loaned parts shall be returned serviceable in any event. If such is not the case, the repair costs or, if repairs are not cost-effective, the replacement cost of loaned parts shall be charged to the customer.
- 9. Acceptance by the customer**
- 9.1. The customer or his representative shall be deemed to have accepted the subject of order upon taking delivery of the same. Delivery shall be affected at the place of work performance. EMS shall not be obliged to verify the authorization of the person taking delivery.
- 9.2. Shipment of the subject of order to customer, including temporary storage of the same en route or at destination, shall be entirely at risk and to account of customer.
- 9.3. If the customer fails to take delivery of the subject of the order, EMS shall be entitled to invoice the customary storage charges. In addition, EMS shall have the right to store the subject of the order, at customer's expense and risk, outside the hangar, workshops and tarmac areas under its control.
- 10. Right of lien**
- 10.1. In respect of all claims, whether due or not, resulting from contractual relations with its customers, EMS shall have, in addition to its legal right of retention, a contractual right of lien to such objects in its possession as are the property of its customers, independently of the customer's proprietary rights. Customers shall be held responsible for the right to grant such lien. EMS shall be entitled to enforce such right of lien for the purpose of securing any of its claims against customers, including claims resulting from prior business relations with the customer concerned.
- 10.2. The contractual right of lien shall entitle EMS to sell any objects in its possession on the open market no earlier than one week after advising the customer of its intended action, if by that time the respective claims have not been met. To effectuate such sale EMS shall not be required to obtain an enforceable writ or to comply with the regulations governing forced sales.
- 11. Warranty**
- 11.1. EMS shall issue a warranty guaranteeing the proper execution of work paid for and the flawless condition of newly installed parts according to the latest state of technology. In any event, only new parts showing faulty materials or manufacturing deficiencies shall be replaced. Shipping expenses for parts covered by the warranty shall be borne by the customer.
- 11.2. The warranty shall cover the repair or replacement of faulty work or defective parts up to a maximum amount not exceeding the total sum of the relevant invoice.
- 11.3. The warranty shall be, unless otherwise specified in applicable service facility agreement (SFA), valid for a maximum duration of 3 month from the date of advice of airworthiness certification by EMS and in any event no longer than 100 flying hours. Claims under the warranty based on the quality of work performed or the parts installed shall not be considered unless lodged in writing at the time of acceptance or, in case of deficiencies not immediately discernible, immediately upon discovery of the same and within the warranty period. Claims may also be lodged by telefax or e-mail.
- 11.4. Warranty claims shall not be admissible if the respective damage occurs as a result of gross negligence or is due to the violation of operating instructions, maintenance regulations or other operating errors by the customer. In addition, no claims under warranty shall be admissible if the customer himself carries out, or causes third parties to carry out, work to repair deficiencies without obtaining prior approval in writing from EMS. As long as a customer is in default of payment, no warranty claims whatsoever shall be considered.
- 11.5. No warranty claims will be considered for used parts or makeshift repairs installed or performed at request of customer.
- 11.6. In case of work performed by third parties or installation of parts procured from third parties, EMS's warranty shall be limited to the extent to which EMS is entitled to claims on third-parties and can successfully enforce such claims.
- 12. Liability and insurance**
- 12.1. Any liability on the part of EMS for direct, indirect or consequential damages (particularly in case of malfunction or damage to the subject of the order) or of theft during the time in which the subject is in the custody of EMS shall be precluded, regardless of any legal basis, unless EMS is compulsorily liable because of gross negligence or malicious intent. Therefore, EMS recommends to the customer to remove all valuable goods from the aircraft.
- 12.2. The extent of any possible liability shall in any event be limited to the total amount of the invoice payable by the customer for the work performed.
- 12.3. The customer shall be liable to EMS for any damage which he or his representative may cause.
- 12.4. The customer shall undertake to discharge EMS from any third-party claims that may be advanced against EMS for any legal reason whatsoever in connection with any work carried out by EMS to the customer's order and to assume any expenses that may accrue from such claims.
- 12.5. EMS shall not be obliged to insure the subject of an order remitted to it. The customer alone shall be responsible for procuring insurance protection for the subject of an order.
- 12.6. The Customer hereby assures that it has in effect, at its own expense, Aircraft Third Party, Passenger, Baggage, Cargo and Legal Liability Insurance covering direct, indirect and consequential risks related to or arising out of its use of the aircraft. The risks insured thereby shall include, but shall not be limited to, Operator's liability for damage to property or for death or bodily injury to passengers and to other persons.
- 12.7. The Customer hereby assures that it has in effect, at its own expense, Hull All Risks Insurance for any and all Aircraft entering, parking and/or being serviced and/or handled at EMS's ramp area and/or hangar facilities.
- 13. Concluding provisions**
- 13.1. Any possible legal invalidity of one or several provisions of the present terms shall not affect the validity of the remaining terms.
- 13.2. The present terms shall apply also to any future business relations with the customer even if they are not explicitly reiterated.
14. Applicable law / place of jurisdiction
- 14.1. The general terms of maintenance and repair and this jurisdiction provision shall in all respects be construed, governed and interpreted in accordance with the laws of Sweden. The United Nations convention on contracts for the international sale of goods shall not apply. The place of jurisdiction shall be the place of business of the individual EMS companies involved.