

STANDARD TERMS OF BUSINESS

of

CHARLES TAYLOR AVIATION (ASSET MANAGEMENT) LIMITED

a subsidiary of
Charles Taylor Adjusting Limited

1. THE SERVICES TO BE PROVIDED

- 1.1 **The Engagement and its Terms** – Charles Taylor Aviation (Asset Management) Limited (“CTA”) will be engaged to provide services on the terms of engagement contained in this document and in any acknowledgement of instructions letter (“**Acknowledgement**”) issued by CTA to the party or parties named in the Acknowledgement (the “**Client**”) describing the services to be provided by CTA (the “**Engagement**”). Unless otherwise stated in the Acknowledgement, these terms of engagement supersede any other agreement or arrangement (whether written or oral) previously agreed between CTA and the Client in relation to such matter. In the case of a conflict between the Acknowledgement’s terms and terms in this document, the Acknowledgement will prevail.
- 1.2 **Timetable** – CTA will make reasonable efforts to adhere to any timetable agreed in respect of the Engagement either in the Acknowledgement or elsewhere in writing with the Client. In the event that the Client has agreed a Fixed Price for CTA’s services over a fixed period and the time taken to provide such services exceeds that fixed period due to circumstances beyond CTA’s control, CTA will be entitled to charge its standard daily rates for days worked after that fixed period in order to complete the Engagement. For the avoidance of doubt, time is not of the essence to CTA’s performance in respect of the Engagement unless CTA has expressly agreed otherwise in writing.
- 1.3 **Reporting** – CTA will report to the Client with appropriate information on the progress of the Engagement as regularly as may be appropriate for such matter or as otherwise agreed with the Client. CTA will send its reports to the Client at the address shown in the Acknowledgement.

2. THE CLIENT’S RESPONSIBILITIES

- 2.1 **Information** – The Client will provide or procure for CTA all information, instructions and assistance reasonably necessary to enable CTA to perform the engagement and the Client will ensure that its appropriate personnel are available to CTA for such purposes. The Client hereby acknowledges that CTA will rely on such information, instructions and assistance when performing the engagement.
- 2.2 **Payment** – The Client will pay CTA’s fees, disbursements, out of pocket expenses and applicable local taxes including Value Added Tax where appropriate (hereinafter “applicable taxes”) in respect of the Engagement in accordance with clause 3 below or as otherwise agreed with the Client in the Acknowledgement.

3. FEES AND PAYMENT

- 3.1 **Method of Calculation** – Unless otherwise agreed in writing, CTA’s fees will be charged to the Client on the basis set out in Appendix II of the Acknowledgement plus VAT or other applicable taxes.

- 3.2 **Disbursements** – Unless agreed in the Acknowledgement, CTA’s fees will exclude any fees payable by the Client for technicians (for example, for borescope inspections) or professional advisers instructed by or on behalf of the Client or otherwise associated with the Engagement. All disbursements and out of pocket expenses incurred by CTA in connection with the Engagement will be payable by the Client as Variable Price Elements at the rates set out in Appendix II of the Acknowledgement, including charges for travel, subsistence, accommodation, communications and out of office or on site expenses such as telephone calls, internet access and photocopying, which will be invoiced to the Client on an “at cost plus VAT or other applicable taxes” basis.
- 3.3 **Taxes including VAT** – Insofar as any fees, disbursements and expenses are liable to any applicable taxes which CTA may be liable under applicable local law to pay or collect in respect of the Engagement, the Client agrees to pay all such taxes and reimburse CTA accordingly upon receipt of CTA’s invoice in respect of such taxes.
- 3.4 **Fee Changes** – The Fixed Price Elements of CTA’s services and charges set out in Appendix II of the Acknowledgement will be subject to annual increments of 3% (three percent) per year applied on each anniversary date of the Engagement’s date of Commencement.
- 3.5 **Billing** – Unless otherwise stated in the Acknowledgement, CTA normally raises interim invoices relating to services charged on a monthly basis in arrears during the first week of each calendar month. All other invoices will be raised by CTA on completion of the Engagement or on an interim basis following each 10 (ten) working day period. Unless otherwise stated in the Acknowledgement, all CTA’s invoices will be addressed to the Client.
- 3.6 **Payment** – Unless otherwise agreed in the Acknowledgement, all CTA’s invoices (whether interim or final) are due for payment in full on receipt by the Client and the Client is liable for their payment to CTA. If payment in full is not received by CTA within 14 (fourteen) days of the invoice date, CTA will have the right thereafter to suspend the provision of its services, and to charge interest on any amount overdue at a rate of 2% (two percent) per annum above the base rate of HSBC Bank plc from time to time, compounded daily until the amount overdue has been paid, and to terminate its engagement in accordance with clause 4.3(a) below. Queries concerning invoices must be notified in writing to CTA within 5 (five) days of the invoice date.
- 3.7 **Client Money** – Client Money is money which CTA receives and holds in the course of carrying on asset management related activity, or which CTA may hold as client money in accordance with the FSA’s client money rules. CTA holds Client Money subject to a statutory trust. All Client Money is held in separately delineated accounts with banks meeting the FSA criteria for approved banks. CTA will credit such Client Money with interest at the rate of interest earned by such Client Money in an Instant Access Business Reserve or Deposit Account.

4. **TERMINATION**

- 4.1 **Duration** – Unless otherwise agreed in writing by the parties, the Engagement will terminate:
- a) on completion of the services specified in the Acknowledgement or of any variation of such services, or

b) on the expiry of 3 (three) months prior notice in writing given by either party to the other, whichever occurs first, unless the Engagement is terminated earlier in accordance with clause 4.2 or 4.3 below.

4.2 **The Client's Right to Terminate** – The Client may terminate the Engagement at any time by giving not less than 5 (five) business days notice in writing to CTA whereupon all charges for CTA's services performed up to and on the date of termination will become immediately due for payment in full by the Client including, for the avoidance of doubt, the full amount of all Fixed Price Elements of CTA's services and charges commenced prior to termination, and all out of pocket expenses incurred by CTA up to and on the date of termination including the cost of return flights for all United Kingdom based CTA personnel involved overseas on the Engagement and their reasonable out of pocket expenses incurred as a result of any delay in obtaining such return flights.

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

- (a) the Client fails to pay any of CTA's invoices when due;
- (b) the Client is unable to pay its debts or has a receiver, administrator or liquidator appointed;
- (c) any conflict of interest arises in accordance with clause 5 below; or
- (d) the Client is in breach of any of the other terms of the Engagement and having received written notice from CTA to such effect requiring the Client to remedy such breach within a reasonable time the Client has failed to remedy such breach.

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

- (a) the Client shall pay to CTA forthwith all fees, disbursements and out of pocket expenses due to CTA up to and including the day of termination incurred in connection with the Engagement upon delivery of CTA's invoice to the Client; and
- (b) until CTA has received payment in full for such invoice, CTA shall have a lien over and be entitled to retain all the Client's money, records, documents, deeds, storage media, books, papers and any other information in hard copy or stored electronically in CTA's possession relating to the Engagement and CTA's services or otherwise in CTA's control.

5 CONFLICTS OF INTEREST

5.1 **Possible Termination** – In circumstances where there is or may be a conflict of interest between CTA and another party involved in the Engagement or any matter to which it relates CTA may be precluded from acting for the Client, or in exceptional circumstances CTA may have to cease acting, unless all parties involved in the Engagement agree in writing that CTA shall continue acting in connection with the Engagement. CTA will make every reasonable effort to identify any such conflict as early as possible and advise the Client accordingly prior to issuing the Acknowledgement or if identified subsequently, then immediately. In the event that CTA subsequently discovers a conflict and is obliged to withdraw from acting for the Client, CTA in its sole discretion may elect to invoice the Client and thereafter shall be entitled to be paid in full by the Client for any fees, charges,

disbursements, out of pocket expenses and applicable taxes incurred by CTA in the Engagement prior to such withdrawal.

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

6. LIMITATION OF LIABILITY

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

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

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

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

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

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

6.3 **Excluded liability:** Subject to the application of clauses 6.2.1 and 6.2.2 above, CTA shall have no liability for:-

6.3.1 any indirect or consequential loss or damage including, without limitation, loss of profits, loss of revenue, loss of opportunity and loss of contracts;

6.3.2 for any claim for breach of contract, negligence, breach of trust or statutory duty or other claim in respect of any delay or failure by CTA to perform any of its obligations under the Engagement where such failure results directly or indirectly from any negligent or wilful act of the Client or a third party;

6.3.3 for any loss or damage arising from CTA's reliance on any information, instruction or assistance given by the Client or resulting from the Client's failure to give any relevant information, instructions or assistance in connection with the Engagement or the services to which it relates;

- 6.3.4 for any and all claims the Client may have against CTA in respect of which proceedings are not brought within 12 (twelve) months of the date when the Client's cause of action arose.
 - 6.3.5 any loss, direct or indirect, occasioned by delays beyond CTA's control, howsoever such delays may arise unless such delays arise as a consequence of CTA's own negligence or default.
 - 6.3.6 any loss or damage resulting from reliance or alleged reliance on a CTA report by a third party to whom that report is not addressed – for the avoidance of doubt - unless otherwise agreed by CTA in writing, any report produced by CTA shall be confidential and for the sole use of the Client to whom it is addressed therefore no third party will be entitled to rely on it or any part thereof and CTA shall be under no liability to any third party arising from a third party's reliance or alleged reliance on that report or any part thereof.
 - 6.3.7 any liability to a third party arising out of the performance of the Engagement or any liability resulting from the act or failure to act of the Client to whom a CTA report is addressed as a result of the third party's reliance or alleged reliance on the contents of that report or any part thereof.
- 6.4 **Liability for Third Party Experts** - CTA shall have no liability in respect of opinions, statements, acts or omissions of any third party technician or professional adviser (a "third party expert"), nor in respect of its own opinions, statements, acts or omissions insofar as these depend upon, are based upon, are derived from or are a consequence of opinions, statements, acts or agreements to act of any third party or third party expert, to the extent that CTA has reasonably relied upon the same. CTA will have no liability to the Client or to any third party either for instructing or the performance of any third party expert to assist in connection with the services or Engagement or as follows:
- 6.4.1 CTA makes no representation or recommendation to the Client as to any third party expert's experience, suitability or competence for the purpose of any instructions given by or on behalf of the Client to the third party expert.
 - 6.4.2 If agreed in the Acknowledgement, CTA may act solely as the Client's agent for the purpose of:
 - a) instructing any third party expert chosen by the Client,
 - b) approving the scope and cost of work to be done by such expert, and
 - c) ensuring that such expert's costs are invoiced directly to the Client.
- 6.5 **Employees** – The Client acknowledges that CTA has an interest in limiting the liability of all its personnel involved in the Engagement and any matter to which it relates. Accordingly, the Client agrees not to bring any claim of any kind in connection with the Engagement or any matter to which it relates against any individual employee of CTA, any person seconded to CTA or any agent, correspondent, subcontractor or self-employed consultant engaged by CTA (together "personnel").
- 6.6 **Third Parties** – These terms of the Engagement set out the rights and obligations of the Client and CTA only. For the purpose of the Contracts (Rights of Third Parties) Act 1999, nothing in the terms of the Engagement other than clause 6.5 above shall confer or purport to confer any benefit or right to enforce any of the terms of the Engagement on any such Third Parties.

- 6.7 **Force Majeure:** Neither CTA nor the Client will be liable to the other for their failure to fulfil their respective obligations under the terms of the Engagement caused by circumstances outside their reasonable control.
- 6.8 **Reasonableness:** The Client agrees that the foregoing limitations and exclusions of CTA's potential liability are reasonable based on:-
- a) the amount of any likely liability to the Client if a breach by CTA occurs
 - b) the current and future availability and cost to CTA of professional indemnity insurance, and
 - c) the amount of fees payable to CTA

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

7. **Claims:** If a claim is made against the Client as a result of, or in connection with, a liability incurred to, or a dispute with, any third party, CTA will give the Client all reasonable facilities and co-operation to investigate such claim and will provide the Client with such information and assistance as the Client may reasonably require in connection with such claim, liability or dispute.
8. **Indemnity:** Unless the subject matter of the indemnity provided for by this term has been caused by CTA's breach of the terms of the Engagement, the Client undertakes to indemnify CTA and keep it indemnified fully at all times against all liability that may arise from time to time, and against all claims, demands, actions, proceedings, damages, losses, costs and expenses which are made, brought or claimed against or incurred by CTA in connection with the Engagement or CTA's appointment by the Client.
9. **Confidentiality:** CTA will keep confidential all information obtained from the Client, except insofar as CTA is required by law or other regulatory process to disclose details of the Client's dealings with CTA. This clause does not apply to documents or information which CTA obtains or develops independently of the Engagement or other work undertaken for the Client or which are already in the public domain.
10. **Waiver and Amendment:** No waiver of or amendment to any terms of the Engagement will be effective unless it is made or confirmed in writing and signed by both CTA and the Client.
11. **Soliciting Personnel:** Without CTA's approval the Client shall not, during the Engagement or within six months after its termination or expiry, offer employment to or otherwise solicit any CTA personnel involved in the Engagement.
12. **Old Files:** Unless the Client instructs otherwise in writing beforehand, CTA will be at liberty to destroy all records, files and papers including electronic records but excluding title deeds relating to the Engagement, following expiry of 6 (six) years from the end of the Engagement or conclusion of the matter to which it relates whichever occurs later.
13. **E-mail and the Internet:** Both parties recognise that e-mail transmissions and the Internet cannot be guaranteed as a 100% secure or error-free communications medium, as information may be intercepted, corrupted, lost, destroyed, arrive late, be incomplete, or contain viruses. CTA monitors the contents of e-mails sent and received via its network for

viruses and unauthorised use. E-mail messages sent to or from CTA's systems are not confidential to any named individual at CTA and CTA reserves the right to read them without prior notice. CTA recommends that recipients should also check e-mail messages for viruses in accordance with good IT practice.

14. **Software:** The Client will not be entitled to retain any work product or copies of software programmes which are the property of CTA and which are used by CTA in the performance of the Engagement. CTA will not be entitled to retain copies of any software programmes provided by the Client to CTA which remain at all times the property of the Client.
15. **Regulation:** CTA's parent company Charles Taylor Adjusting Limited (FRN 406514) is an Appointed Representative of Charles Taylor Consulting plc under the IMD regulations. Charles Taylor Consulting plc (FRN 312290) is authorised and regulated by the Financial Services Authority to perform 'Regulated Activities' under the IMD regulations.
16. **Compensation:** CTA is not covered by the Financial Services Compensation Scheme (FSCS).
17. **Complaints Procedure:** If the Client has any complaint to make about CTA's performance of the Engagement the Client should first raise it with the CTA signatory of the Acknowledgement and, if the complaint is still not resolved to the Client's satisfaction, the Chief Executive Officer of the Client is invited to write to the Chief Executive Officer of Charles Taylor Adjusting Limited (CTA's parent company) at 88 Leadenhall Street, London EC3A 3BA (e-mail: complaints@ctcplc.com) who will investigate the complaint and seek to resolve it with the Client.
18. **Governing Law & Jurisdiction:** The terms of the Engagement will be governed by and interpreted in accordance with the laws of England & Wales and the parties to such terms agree that any unresolved dispute or difference arising in connection with the Engagement will be subject to the exclusive jurisdiction of the Courts of England & Wales.

May 2010 © Charles Taylor Aviation (Asset Management) Limited
Registered Office: Standard House
12-13 Essex Street
London WC2R 3AA
United Kingdom

New House – 2nd Floor
Market Place
Ringwood
Hampshire BH24 1ER
United Kingdom

Telephone +44 (0)1425 480333

www.ctaam.com

www.charlestayloradj.com

Registered in England under # 3415154. VAT Registration # GB699414678

A Charles Taylor Adjusting company