

GENERAL TERMS AND CONDITIONS

1. DEFINITIONS

1.1. Capitalized terms in the Agreement shall have the following meaning, unless the context otherwise requires:

Additional Costs	means any additional costs, fees, taxes or surcharges that are applied to the provision of the Flights, including but not limited to de-icing costs, navigator services, import or customs levies, additional carrier, passenger, terminal or handling taxes or surcharges;
Agreement	means the Charter Flights Agreement which consists of Master Agreement and General Terms and Conditions, together with all annexes, appendices or amendments thereto signed by both Parties
Aircraft	means any aircraft operated in connection with any Flight as indicated in the respective Master Agreement;
Aircraft Reservation Fee	means fee payable for each additional day of Aircraft reservation after the scheduled Flight date in connection to the change of flight schedule, in the event that the flight schedule is changed due to circumstances beyond the Carrier's control, including Client's decision, granting of slots, permissions, traffic rights and etc..
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 Client orders the Flights;
Cancellation Fees	means fees charged by the Carrier in case the Client cancels the Flight as established in the clause 6 herein;
Confidential Information	means any information conveyed by the Carrier and received by the Client orally or visually in connection with the execution and performance of the Agreement, which has not been brought by the Carrier into public use, including the content of the Agreement, however does not include the information, which was: 1) generally known or available to the public, through no act or omission on the part of the Client; 2) provided to the Client by a third party without any restriction on disclosure and without breach of any obligation of confidentiality to the Client; 3) independently developed by the Client without use of the information provided hereunder;
Departure Airport	means the departure airport of the Flight indicated in the respective Master Agreement;
Deposit	means the sum of money payable by the Client to the Carrier as an advance payment for any de-icing services costs incurred by the Carrier, as indicated in the respective Master Agreement.
Destination Airport	means the destination airport of the Flight indicated in the respective Master Agreement;
Effective Date	means the latest date indicated on the last signature page of the respective Master Agreement from which the Agreement takes effect;
Fee	means a fee payable by the Client to the Carrier for Flights as indicated in the respective Master Agreement;

Flight	means irregular air transport services provided to the Client by the Carrier on case-by-case basis in accordance with these General Terms and Conditions and subject to respective Master Agreement;
FME	means force majeure events, i.e. 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, technical reasons, detention or similar measures, accidents with Aircraft, or other factors beyond Carrier's actual control, or when the safety of the Client 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 Carrier's personnel;
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 the document wherein Parties agree on the specific terms and conditions of the respective Flight, including Aircraft, Departure Airport, Destination Airport, Fee, Flight dates and times.
Notice	means written notification provided by one Party to the other to the contact details indicated in respective 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);
Party	means the Carrier or the Client separately;
Parties	means the Carrier and the Client collectively;
Passenger	means any person, except crew members, being carried or to be carried on the Flight on the basis of the Agreement;
Purpose	means exercising the rights and fulfilling the obligations set out in the Agreement;
Regulation 261	means the Regulation (EC) No 261/2004 of the European Parliament and of the Council of 11 February 2004 establishing common rules on compensation and assistance to passengers in the event of denied boarding and of cancellation or long delay of flights, and repealing Regulation (EEC) No 295/91;
Shippers	means any entities transporting their cargo on the Flights;
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 AGREEMENT

- 2.1. Under these General Terms and Conditions and subject to the respective Master Agreement, the Carrier undertakes to perform the Flights and the Client undertakes to pay the Fee for the Flights as well as perform all of its other obligations provided for in these General Terms and Conditions and the respective Master Agreement.

3. CARRIER'S RESPONSIBILITIES

3.1. *The Carrier shall:*

- 3.1.1. provide the Aircraft in an airworthy and operation condition for performance of Flights;
- 3.1.2. at all times when performing the Flights, retain full operational control and possession of the Aircraft;
- 3.1.3. ensure that Aircraft is properly equipped, maintained, insured, manned and fuelled;
- 3.1.4. carry out the Flights in accordance with the standards and practices of Carrier as set out in Carrier's flight operations manual;
- 3.1.5. 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 500,000,000 (five hundred million US dollars) any one occurrence. The Limit of Liability: Passenger Legal Liability limited to USD 500,000 (five hundred 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.
- 3.1.6. arrange for the handling of Passengers and their Baggage at both Departure Airport and Destination Airport as follows:
 - 3.1.6.1. during Flights the Carrier shall arrange on board catering service to Passengers, if such is explicitly agreed in respective Master Agreement;
 - 3.1.6.2. the Carrier shall be bound to arrange handling of the Passengers in Departure Airport and Destination Airport according to the Regulation 261.

3.2. *The Carrier shall be entitled:*

- 3.2.1. to use at its own discretion, the free Aircraft capacity that the Client does not fill for carrying Carrier's employees, representatives and/or cargo;
- 3.2.2. to change the Aircraft, at its discretion, with another aircraft of the same or comparable type, operated by the Carrier or a certified third party operator, provided safety and service standards are met, by giving a Notice to the Client. The Parties agree and confirm that the change of the Aircraft is free of any adverse consequences to the Carrier and without any liability whatsoever of the Carrier, if changed to the aircraft of the same or comparable type;
- 3.2.3. to change schedule (i.e. time of departure and/or arrival) of the Flights indicated in respective Master Agreement by giving a Notice to the Client. 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 Carrier. All changes of schedule are subject to Client's confirmation.

4. CLIENT'S RESPONSIBILITIES

4.1. *The Client shall:*

- 4.1.1. make all payments specified in these General Terms and Conditions and/or respective Master Agreement in full, timely and proper manner;

- 4.1.2. pay all Additional Costs in relation to the Flights, e.g. the respective governing body or third party (including airports, air navigation (Eurocontrol or others), ground handling services providers, etc.) increases or introduces any tax, charge, levies and/or rates applicable to the Flights, Passengers and Client, as notified by Carrier. All increased or newly introduced taxes, charges and rates are applicable to the Flights as of the moment of their introduction by the respective governing body or third party;
- 4.1.3. provide the Carrier with all and any true, accurate and comprehensive information and/or documents necessary for receiving all licenses and approvals for the operation of Flights;
- 4.1.4. not exceed the limits of available Aircraft payload set by the Carrier and specified for each Flight in the respective Master Agreement;
- 4.1.5. observe and ensure that in all cases Passengers have been familiarized with and strictly observe the Carrier's conditions of carriage (including but not limited to indicated in Clause 4.1.16);
- 4.1.6. provide (i) the Carrier (via emails: **occ@klasjet.aero**) and/or (ii) the agents at Departure Airport and Destination Airport (via e-mails presented by the Carrier) with the exact list of all the Passengers of the respective Flight not later than 3 (three) business days before the scheduled date of the respective Flight;
- 4.1.7. assist the Carrier in good faith in arranging the handling of Passengers in Departure Airport and Destination Airport in accordance with provisions of the Regulation 261;
- 4.1.8. ensure that (i) the representatives of the Client 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 Carrier;
- 4.1.9. arrange for and ensure that the Passengers arrive to check-in for the Flights at Departure Airport and Destination Airport not later than 1 (one) hour before the scheduled time of the Flight. If the Passengers are late for more than 1 (one) hour, the Carrier is released from all obligations and liabilities under the Agreement and Client undertakes to compensate all Carrier's costs and expenses, if due to such late Passenger entire Flight is delayed or cancelled;
- 4.1.10. ensure that the Passengers properly follow all instructions of the Pilot in Command of the Aircraft related to the flight safety and hold the Carrier 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;
- 4.1.11. if due to the Client's, Passenger's or/and its partners fault or omission to act the Flight is delayed, cancelled or the Carrier refuses to carry the Passenger without his/her consent, the Client shall reimburse all damages and costs incurred by the Carrier (including, but not limited to, damages related to handling of Passengers in accordance with provisions of the Regulation 261);
- 4.1.12. reimburse all damages and costs of the Carrier related to landing at the alternative airport in case the Aircraft lands in the dispersal field during the Flight because of the Passengers' or Client's, its partner's fault (for example, misbehaviour of the Passenger during the Flight or the Client exceeds the number of the Passengers and/or Baggage allowance per Passenger set by the Carrier in the respective Master Agreement), or due to other reasons related to the Client, its partners, the Passengers, their baggage and/or cargo.
- 4.1.13. indemnify the Carrier against any and all physical loss or damage to the Carrier's Aircraft caused by the Client, Shipper, Passenger or/and its partners.

- 4.1.14. pay (reimburse) to the Carrier all and any costs and expenses (including but not limited to the costs related with the performance of the Carrier's obligations under Regulation 261) incurred due to FME while performing the Agreement;
- 4.1.15. inform the Passengers, Shippers and ensure that Client'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, and other terms and restrictions (customs, migration, and etc.);
- 4.1.16. unless otherwise agreed, inform the Passengers, Shippers that no dangerous goods as specified under the latest edition of the IATA Dangerous Goods regulations table 2.3.A shall be carried on board. The Client will comply with and cause all Passengers and owners of goods or cargo carried to observe and comply with all IATA Dangerous Goods regulations table 2.3.A.
- 4.1.17. observe and ensure that the Passengers, Shippers, Client'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.;
- 4.1.18. ensure and assume all and any liability that all Passengers, Shippers have all required documents (including, but not limited to, travel documents and visas). For avoidance of any doubt, the Carrier shall not be liable to the Client, 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.;
- 4.1.19. 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 Carrier considers that the Passenger or shipper has violated or may violate such requirements, the Carrier is entitled to refuse to carry such Passenger or/and cargo without any consequences and liability whatsoever to the Carrier;
- 4.1.20. in case of change of schedule of the Flight, the Client agrees and undertakes to ensure that Passengers are immediately and always within the same day of receipt of Notice on schedule change from the Carrier, are notified and informed in writing of such schedule change. The Client shall be fully responsible and shall compensate the Carrier any and all damages and costs (including expenses related to payment of compensations to the Passengers in accordance with Regulation 261) incurred by the Carrier due to failure to notify the Passengers, improper or untimely notification. Upon Carrier's request, Client shall provide evidence that Passengers were notified in writing of the Flights' schedule change;
- 4.1.21. immediately inform the Carrier about any extra baggage weight and dimensions at the time the Passenger requests the Carrier for such Baggage to be carried on the Flight (for example, any basketball or football training equipment) and the Carrier informs the Client as soon as practicably possible whether such extra baggage can be accepted to the Flight;
- 4.1.22. properly complete Carrier's Know-Your-Customer form and attach required documentation for successful performance of Client's on-boarding procedure by the Carrier as indicated in clause 11;

- 4.1.23. properly and in a timely manner execute all and any other obligations assumed by the Client under these General Terms and Conditions and respective Master Agreement.
- 4.2. The Parties agree that the Client performs its obligations under the Agreement before the Passengers and other third parties independently and not on behalf of the Carrier (except if the Carrier has issued a separate written power of attorney).
- 5. FEE AND PAYMENT TERMS**
- 5.1. The Fee for each particular Flight or for full Flight program is specified in the respective Master Agreement and unless otherwise so stated therein, is without any Value Added Tax, which shall be payable in addition at the rate then prevailing.
- 5.2. The Client shall pay the Fee within the terms specified in the Master Agreement. The Client 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 Carrier's invoice, unless different payment terms are agreed by the Parties in respective Master Agreement.
- 5.3. The Client shall pay Deposit (if applicable) within the period specified in the Master Agreement. Upon Carrier's receipt of the final invoice for the de-icing services provided, the Carrier shall either refund the overpayment to the Client within 5 (five) calendar days after receipt of service provider's invoice or provide an invoice to the Client for the de-icing services costs incurred in excess of the Deposit, which shall be reimbursed by the Client to the Carrier within 5 (five) calendar days after receipt of Carrier's invoice.
- 5.4. Fuel costs based on the base fuel rate prevailing on the date of the submission of the Carrier's offer to the Client equal to FOB Rotterdam ("**Base Fuel Rate**") are included in the Fee. Notwithstanding the foregoing, if the fuel rate effective on the date(s) of the Flight(s) ("**Actual Fuel Rate**") increases above 10% (ten percent) compared to the Base Fuel Rate, the Client shall additionally pay the Carrier a fuel surcharge equal to the difference between actual fuel costs based on Actual Fuel Rate and fuel costs based on Base Fuel Rate. Fuel surcharge shall be paid by the Client within 5 (five) calendar days after receipt of Carrier's invoice. The Carrier shall be entitled to unilaterally without notice to the Client immediately terminate this Master Agreement or any scheduled Flight without any consequences and/or liabilities to the Carrier (including, but not limited to, damages arising to the Client, passengers, Shippers or third persons), if the Client refuses to perform / does not make the payment referred to in this clause.
- 5.5. The Client undertakes to pay the Carrier an Aircraft Reservation Fee of EUR 20 000 (twenty thousand euros) payable for each additional day after the scheduled Flight date as well as any other Additional Costs in connection to the change of flight schedule before the scheduled Flight time and to provide evidence satisfactory to the Carrier that the payment was made. The Parties acknowledge that Aircraft Reservation Fee shall be deemed as compensation of minimal pre-agreed losses of the Carrier, which shall: i) not require any additional proof by the Carrier; ii) be deemed to have been suffered by the Carrier; iii) be unconditionally payable by the Client to the Carrier. The Parties expressly agree that all the amounts of Aircraft Reservation Fee stipulated in this clause 5.5. are regarded as fair and reasonable and may not be reduced.
- 5.6. Any disbursements made by the Carrier on behalf of the Client shall be reimbursed by the Client at cost price plus an accounting surcharge of 10% (ten percent).
- 5.7. Each payment to be made by the Client hereunder shall be payable in euro (EUR), unless otherwise agreed in respective Master Agreement, and shall be made without set-off, counterclaim, reduction, withholding or diminution of any kind or nature howsoever imposed by any jurisdiction. If the Carrier will be required to pay any taxes or duties on behalf of the Client, the Client shall reimburse the Carrier forthwith immediately upon its written request.
- 5.8. All and any amounts payable by the Client under the Agreement shall be considered as paid when such are credited in the Carrier's bank account indicated in respective Master Agreement or in such

other bank account of the Carrier as Carrier may have last specified to the Client by Notice duly signed by Carrier's authorized representative.

- 5.9. The Party remitting the payment shall assume and cover any bank transfer charges (e.g. SWIFT payment shall be made under Carrier's instructions).
- 5.10. All and any payments received by the Carrier under the Agreement (including its annexes and amendments) or under any other agreement between Carrier and Client may be applied by the Carrier to payment obligations of the Client in any manner or order as Carrier may determine in its sole discretion, notwithstanding any instructions, directions or notice given by the Client or any other person with respect to the application of such payments.
- 5.11. The Carrier shall be entitled to unilaterally set-off any amounts payable by the Client to the Carrier against the respective amounts outstanding from the Carrier to the Client (i.e. to exercise the set-off of the uniform counterclaims).

6. CANCELLATION OF THE FLIGHTS

- 6.1. If the Client decides to cancel any Flight for any reason, it shall pay the Cancellation Fees indicated in the respective Master Agreement. If the Client made any advanced payments for the Flight, the Carrier has a right to set-off unilaterally Cancellation Fees with any advanced payments. In addition to Cancellation Fees, the Client shall reimburse the Carrier for all and any costs and expenses incurred by the Carrier in connection to such cancellation (including, but not limited to, expenses related to the performance of the Carrier's obligations under the Regulation 261), as well as damages, expenses and costs incurred by its agents and representatives.
- 6.2. Situations when the Client: 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 and/or Aircraft Reservation Fee in a timely manner, shall be deemed as unilateral cancellation of the Flight by the Client and shall be also subject to consequences established 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 Carrier, which shall: i) not require any additional proof by the Carrier; ii) be deemed to have been suffered by the Carrier; iii) be unconditionally payable by the Client to the Carrier. 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 Client cancels or is considered to have cancelled the Flight, the Carrier shall not be liable to the Client, Passengers and/or any third persons for non-performance of the Flight and the Client shall indemnify and hold harmless the Carrier against all and any claims related thereto.
- 6.5. The Carrier reserves the right to cancel any Flight in case of mechanical difficulties, damage to the Aircraft or operational difficulties. In case of technical or operational events which prevent the Carrier from performing the Flight for the Client, having made all reasonable efforts to rectify the problems, the Carrier shall bear no liability to the Client, Beneficiary or any other third persons for any consequences resulting from such technical or operational failures. In the event of such cancellation the Carrier shall reimburse the Client the Fee paid to the Carrier by the Client for the relevant Flight not performed by the Carrier save for costs and expenses incurred by the Carrier in respect to the organization of the Flight/Flights.

7. LIABILITY

- 7.1. Subject to clauses 7.2-7.9 below, Party breaching the Agreement shall bear the liability against the other Party as arising out of and in relation thereto.
- 7.2. Notwithstanding anything to the contrary contained in other clauses hereof, the Carrier is fully exempt from any obligations and liability towards the Client and the Passengers, and such liability shall be assumed entirely by the Client:

- 7.2.1. in the event the Client fails to fully and duly pay the Fee, Deposit and/or Aircraft Reservation Fee for the Flight indicated in respective Master Agreement;
- 7.2.2. in the event of confusion as to the payment for the respective Flight, the Client fails within 24 (twenty-four) hours after receipt of Carrier's Notice, to provide the Carrier with a copy of all the respective legally valid documents requested by the Carrier confirming payment of such Fee, Deposit and/or Aircraft Reservation Fee;
- 7.2.3. in the event the Client breaches any of its obligations under the Agreement, without performance of which the Flight cannot be carried out;
- 7.2.4. in the event the Client and/or the Passenger, shipper, consignee or any third party involved in the Flight fails to obtain and provide the Carrier with any other respective legally valid documents requested by the Carrier and necessary for the proper performance of the Carrier's obligations under the Agreement;
- 7.2.5. in the event the Client 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 other clauses hereof, the Carrier 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 Client, 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 Carrier in performance of the Agreement, unless such loss or damage was caused by the wilful misconduct or gross negligence of the Carrier. The Carrier's liability for actual direct losses of the Client under the Agreement shall be limited to, and shall not exceed, 50% (fifty percent) of the portion of the total Fee (as defined in the respective Master Agreement) allocated on a pro rata basis to the Flight giving rise to such liability, based on the number of Flights, flight hours, or other apportionment methodology as reasonably determined by the Carrier. Parties agree that Carrier's fault shall not be presumed and shall be proven by the Client. All direct losses of the Client shall be proven by legally valid documents.
- 7.4. Without prejudice to the limitations set forth in Clause 7.3, the Carrier's total aggregate liability under or in connection with the Agreement, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, shall in no event exceed 100% (one hundred percent) of the total Fee actually paid by the Client to the Carrier under the Master Agreement as of the date the claim arises. This aggregate cap shall apply regardless of the number of Flights performed under the Agreement and shall include any and all claims arising from or relating to delay, non-performance, cancellation, or breach of any provision of the Agreement.
- 7.5. The Carrier's liability for losses incurred by the Client, Passengers in respect of their Baggage or cargo during the Flights shall be subject to limits set out in the Agreement and in Liability Regulations.
- 7.6. The Client shall have recourse to the Carrier only in respect of direct damages incurred due to the Carrier's fault that the Client actually and lawfully compensated for the Passengers and/or Shippers possessing the valid Tickets or airway bills issued to the Flights (except for damages not related to this Agreement or arising not due to the Carrier's fault, including, but not limited to, damages arising from the Client's failure to fulfil or improper performance of the Client's duties under the Agreement and/or the agreements with passengers, Shippers or due to fault of the Passengers or third persons). The Carrier must compensate the mentioned damages to the Client only if the Client duly and timely provides the Carrier with all valid legal documents proving that the Client actually and lawfully reimbursed such damages to the Passengers and/or Shippers under the provisions of the Liability

Regulations and always within the limits of the Carrier's liabilities provided for in the mentioned legal instruments.

- 7.7. The Client shall indemnify, defend, and hold harmless the Carrier and its officers, employees, subcontractors, and agents from and against any and all claims, demands, actions, losses, liabilities, damages, penalties, fines, and expenses (including reasonable legal fees and costs) asserted by any third party (including but not limited to Passengers, Shippers, governmental authorities, or airport operators), arising out of or in connection with the Client's performance or failure to perform under this Agreement, except to the extent such claims are caused by the Carrier's wilful misconduct or gross negligence
- 7.8. 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 Agreement shall be examined by the Party that have received the claim. The Parties shall be bound to cooperate in good faith in dealing with the Passengers' claims and take all actions in order the 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.
- 7.9. If the Client fails to pay any amount payable under this Agreement when due, interest shall accrue on the overdue amount at a rate of 0.2% per day, calculated daily and compounding until full payment is received. The parties agree that this rate constitutes a genuine pre-estimate of the loss likely to be suffered as a result of late payment and is reasonable in the context of the commercial relationship.
- 7.10. The Parties are fully aware and agree to liability limitations as specified in this clause 7, and acknowledge that Fees specified in respective Master Agreement have been calculated *inter alia* by specific reference to the exclusions and limitations set forth in this clause 7. Establishment of any obligation to pay amounts deemed as minimal pre-agreed losses in the Agreement shall not constitute a limitation of Party's liability for the breach in respect of which such payment obligation was established.

8. FORCE MAJEURE

- 8.1. A Party shall be exempted from liability for non-performance of the Agreement if it proves that such non-performance was caused by the FME. The Party who is unable to perform the Agreement 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. In case of Flight cancellation or non-performance due to FME, the Carrier shall retain any amounts paid up to that date as reimbursement of incurred costs unless otherwise agreed in writing.
- 8.2. Carrier may either wholly or partly suspend the performance of its obligations under the Agreement 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 Carrier to perform its obligations under the Agreement, 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 Carrier undertakes to perform all its obligations towards Passengers which derive from binding legal regulations, including in particular Regulation 261. However, in such case, the Client undertakes to reimburse 50 % (fifty percent) of the Carrier's cost suffered due to the performance of the Carrier's obligations towards the Passengers within 5 (five) days of the Carrier's request.

9. APPLICABLE LAW AND DISPUTE SETTLEMENT

- 9.1. The Agreement shall, in all respects, be construed, interpreted and governed by the laws of England and Wales.

- 9.2. All and any disputes related to or arising out of the Agreement shall be finally settled by the High Court in London. 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 court in any such suit, action or proceeding.

10. VALIDITY AND TERMINATION

- 10.1. The Agreement shall come into force on the Effective Date and shall remain valid until the full fulfilment of the obligations of the Parties or until it is terminated.
- 10.2. The Carrier may unilaterally terminate the Agreement by giving 14 (fourteen) calendar day prior Notice to the Client and without referring to the dispute resolution venue, if:
- 10.2.1. the Client fails to make any payment hereunder and does not remedy this breach within 1 (one) calendar day after receipt of the same Carrier's Notice;
 - 10.2.2. the Client 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 Carrier's Notice;
 - 10.2.3. the Client fails to duly fulfil its other obligations provided for in this Agreement and does not remedy this breach within 2 (two) calendar days after receipt of the same Carrier's Notice.
 - 10.2.4. the Client 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 Client 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 Client commences or is placed in a process of complete liquidation other than for an amalgamation or reconstruction;
 - 10.2.7. the FME lasts more than 14 (fourteen) calendar days.
- 10.3. If the Carrier terminates the Agreement on any basis established in clause 10.2 above, with the exception of clause 10.2.7 above, then the Agreement shall be deemed as terminated due to fault of the Client without any adverse consequences and/or liabilities to the Carrier, including, but not limited to, damages arising to the Client, Passengers, Shippers or third parties, which, if incurred, shall be assumed entirely by the Client.
- 10.4. In all cases termination of the Agreement shall not affect any payment obligations of the Parties, which shall be carried out in accordance with the provisions of the Agreement.

11. COMPLIANCE

- 11.1. The Client confirms, agrees with and guarantees compliance with the Carrier's General Terms of Compliance published on the Carrier's website: <https://klasjet.aero/general-terms-of-compliance/>
- 11.2. At all times during the term of this Agreement, it is expected that the Client will comply with the Carrier's Supplier Code of Conduct ("Code of Conduct"), as amended from time-to-time, available on Carriers website <https://klasjet.aero/supplier-code-of-conduct-scoc/>. The Carrier is entitled to cease the cooperation immediately without obligation to reimburse loss and damage of the Client in case the Client, it's officials or owners are suspected or charged with offences not compatible with the Carrier's Code of Conduct or any other legal actions has been brought against them for similar infringement.

12. DATA PROTECTION

- 12.1. Each Party agrees to comply with Carrier' General Terms of Personal Data Protection published on the Carrier's website: <https://klasjet.aero/general-terms-of-data-protection/>

13. MISCELLANEOUS

- 13.1. All Flights, or any portion thereof, may be subcontracted by the Carrier to a third party upon Client's prior written consent.
- 13.2. Notices are deemed to be properly delivered:
 - 13.2.1. on the same day when delivered in person against signature;
 - 13.2.2. 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;
 - 13.2.3. on the date of actual receipt, when being sent by the registered mail or courier (as indicated in written confirmation of the receipt).
- 13.3. 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.
- 13.4. Parties agree that any reference to business day stated in these General Terms and Conditions and respective Master Agreement shall be reference to official business days in Lithuania.
- 13.5. 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 having received to the Carrier's complete satisfaction (acting reasonably) all of the following (the **Conditions Precedent**):
 - 13.5.1. completion of the KYC Procedure to the full satisfaction of the Carrier;
 - 13.5.2. all the payments contemplated by these General Terms and Conditions and respective Master Agreement must be received on the date(s) set out therein in full without any deductions, set-offs;
 - 13.5.3. evidence satisfactory to the Carrier that all necessary permissions, consents, licenses and approvals (including those permissions, consents, licenses and approvals which must be obtained by the Carrier) have been obtained for the operation of the Charter Flight by the Aircraft;
 - 13.5.4. the Agreement has been duly authorised by all necessary corporate action on the part of the Client and has been duly executed and delivered by the Client and constitutes the valid, legal and binding obligations of Client enforceable in accordance with its terms.
- 13.6. The Parties agree that these Conditions Precedent set out in clause 13.5 are for the sole benefit of the Carrier and may be waived or deferred by the Carrier in whole or in part at its sole direction. In case any of the Conditions Precedent indicated in the Article 13.5 is not satisfied the Carrier shall be entitled to unilaterally without notice to the Client terminate the Agreement with the immediate effect and without any consequences and/or liabilities to the Carrier (including, but not limited, damages arising to the Client, passengers, Shippers or third persons).
- 13.7. All amendments, supplements and other annexes to the Agreement shall be valid and bind the Parties if made in writing and signed by the authorized representatives of the Parties.
- 13.8. The Client shall maintain and shall ensure that it's directors, officers and employees maintain strictly in confidence the Confidential Information. If the Client breaches its confidentiality undertakings provided for herein, it shall pay to the Carrier a fine equal to EUR 10.000 (ten thousand euros) per each such breach and compensate any other losses incurred by the Carrier as a result of the aforementioned breach. Payment of the fine shall not release the Client from fulfilment of the confidentiality undertakings hereof. This clause 13.8 shall survive any termination or expiration of the Agreement.
- 13.9. No delay or failure by the Carrier to exercise any right, power or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise preclude any other or further exercise of any such right, power or remedy. Any waiver must be in writing and signed by an authorized representative of the Carrier

- 13.10. If one or several provisions of General Terms and Conditions and/or respective 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.
- 13.11. The Parties agree that at any time the Carrier shall have a right to unilaterally transfer its rights and obligations under the Agreement to any third party by issuing a Notice to the Client upon which from the date indicated in such Notice the Client must perform, observe and comply with all the undertakings and obligations under the Agreement in favour and for the benefit of such third party.
- 13.12. These General Terms and Conditions, the respective Master Agreement and/or other annexes and amendments hereof concluded between the Parties shall constitute an integral and inseparable part of the Agreement. In case of any discrepancies between the provisions of General Terms and Conditions and Master Agreement, the provisions of Master Agreement shall prevail.

– End –