



Customer and TES agree that the following terms and conditions are hereby incorporated into and made a part of the Proposal (together, the Agreement).

1. Pricing Terms

A. Materials

All materials pricing in the Proposal is estimated and provided for budgetary purposes only. Due to supplier pricing variations which are out of TES's control, final invoice pricing to the Customer may vary from the amounts shown in the Proposal.

Should the Customer select materials that exceed any allowances quoted in the Proposal, the Customer will be notified, and an up charge will apply. Pursuant to Section 7, a Proposal Change Requirement (PCR) will be issued to the Customer or Customer's representative for approval and must be returned to TES for approval and processing. If the Proposal includes a quoted turn-around time (TAT), the time arising from any interruption in workflow and/or work stoppage arising from Customer's failure to timely approve the PCR will not accrue against the TAT.

B. Removed Equipment, Parts and Material

Prices quoted in the Proposal assume and are expressly based upon TES retaining all equipment, parts and material (including, as applicable engines and auxiliary power unit (APU) (Material) which are replaced or exchanged during accomplishment of the services and title thereto passing to TES upon installation of the replacement Material into the Equipment on which TES is accomplishing services. If the Customer desires to retain any or all the removed Material, the same must be set forth and agreed in the Proposal. For any/all such retained Material, Customer shall retain and have all, risk of loss or damage until retrieved. Customer retained Material must be removed from TES's premises within [thirty (30) days] after return of Customer's serviced equipment or such Material will conclusively be deemed to be abandoned by Customer and title to the same shall without further act transfer automatically to TES on the 31st day after the date of such return.

C. Customer Furnished Parts



Customer furnished parts will incur an 18% handling charge at the time of installation, calculated based on the Manufacturer's catalog list price (or, as applicable, retail sales price) (CLP). For rebuild, reworked, overhauled, or

refurbished parts lacking a CLP, the Customer must provide the invoice demonstrating the purchase price for such Customer furnished part, allowing TES to determine the surcharge on a cost-plus basis. If the Customer does not provide such invoice, TES's handling charge will be based off TES's good faith estimate of the fair market value of such Customer furnished part. In addition, the Customer's failure to provide this information may result in work hold and/or delayed release of work.

All Customer furnished parts must be accompanied by a properly executed release for return to service, as per FAA regulations and TES Repair Station and Quality Manual (RSQCM) requirements. Failure to provide such documentation will result in the Customer bearing sole responsibility for any necessary overhaul, upgrade, certification, or repair to comply with the RSQCM.

TES assumes no liability under warranty or otherwise for Customer furnished parts and expressly disclaims all warranties, including, but not limited to, those of merchantability and fitness for a particular purpose. The Customer shall release, indemnify, defend, save, and hold harmless TES, its employees, agents, officers, and subcontractors from all responsibilities, liabilities, demands, suits, judgments, losses, damages, costs, and expenses related to the performance and installation of such Customer furnished parts by TES without prior inspection.

D. PMA

TES will not provide, offer, or acquire any PMA material on any Equipment as per TES RSQCM regulations. Further TES will not provide installation of PMA material on Equipment if requested by Customer.

E. Preservation

If, respect of services to an engine, the engine manufacturer's recommendations for engine preservation become necessary during the proposed work scope, then these



preservation procedures will be performed and invoiced to Customer on a time and material basis.

2. Access to Work Location

During normal business hours and throughout the accomplishment of Services by TES, TES will grant (or if not a TES location, seek to obtain) the Customer (and its designated Project Manager always acting for and on behalf of Customer) controlled access to the premises where the Services are being conducted ("**Work Location**"). This access is contingent upon the Customer carrying and presenting valid identification confirming their authorization to access the Equipment and following all safety and regulatory requirements as advised to Customer. Failure to provide such identification may result in denial of access to the premises.

The Customer shall provide TES with a minimum of 48 hours' advance written notice of any visit to the Work Location. Customer's presence at the Work Location will be as an observer only. The Customer will not interfere with nor direct the services being performed. Customer shall be responsible for all acts and/or omissions of Customer designees at the Work Location, including damage to property and injury or death caused to any person and any fines or other penalties imposed for failure to adhere to applicable laws and regulations, and employees of Customer and any Project Manager shall remain employees of their respective companies for all purposes. Customer and, as applicable, Project Manager shall be required to carry Worker's Compensation Insurance as required by applicable law and Employer's Liability Insurance in an amount not less than One Million United States Dollars (US\$1,000,000.00) with respect to its own employees.

3. Technician Requirements: Tooling and Equipment Rentals

Customer will provide the following equipment when services are to be performed remotely from a TES owned location and the Proposal requires the utilization of such equipment:

- a. maintenance hangar with fall arrest system;
- b. hoist or forklift/adaptor suitable to remove the Aft Body / Thrust Reverser / Engine; and



- c. specialty tooling outside of the scope of Services planned or required due to customer caused reasons.

If any of the foregoing equipment is not available at the Work Location (and the Customer elects not to provide the foregoing), TES will rent said equipment to support the work scope requirements. In such cases TES reserves the right to invoice the Customer the full amount of the rental plus a management fee of fifteen (15) percent of the total amount of rent paid/payable for such equipment. This fee will be applicable to all rental requirements that are procured and managed by TES.

4. Access to Customer Property

If the Work Location is a third-party service center, airport, or other facility with controlled access, the Customer will ensure TES is granted access in order to accomplish the services. If such access is not provided and a delay is caused as a result, Customer will be responsible for any costs associated with such delays including, but not limited to, TES technician labor, costs and expenses and TES will not be liable to Customer on account of any such delay. Any access costs to a facility to perform on Customer property will be invoiced to Customer at the completion of the services.

The above includes, but is not limited to, access for removal of a Customer engine, installation of a lease engine asset, removal of a lease engine asset, and re-installation of Customer engine following repair.

The Customer is responsible to pay for all costs to remove and replace a Customer engine, which costs will include labor and all applicable parts, consumables, and other items as quoted in the Proposal. If these services are covered under a maintenance service plan, TES will submit these costs for payment under the plan on the Customer's behalf.

5. Downtime

The Customer agrees to support TES by providing the required information in a timely manner. The Customer will provide up-to-date engine logbooks thirty (30) days in advance of engine input. Logbooks must include accurate entries of



operating hours, cycles, and all maintenance activity. Complete data for life limited parts must also be included (both sides of logbook cards). Engine input is a function of availability of this information and TES will not be liable for delays associated with the Customer failing to provide accurate and timely documentation. Customer acknowledges that the failure to provide the foregoing documentation to TES in the times required may result in delays to planned input dates, planned completion dates, and additional charges related to storage and other fees.

6. ***Maintenance Representative; Signing Authority***

Customer (or, if the Customer is not the legal owner or operator of the Equipment, the owner or operator of the Equipment (Operator) may utilize the services of a third party (Maintenance Representative) to manage the Services being performed by TES under this Agreement.

The individual signing the Proposal represents and warrants for him/herself and the Customer that he/she is a duly authorized representative of the Customer and Operator and possesses, and will continue to possess, full authority and discretion from the Customer and Operator, as Customer's/Operator's authorized agent, to issue orders, make changes, provide directions, and grant authorizations concerning the Services related to the Equipment and has fully authority to bind the Customer and Operator to the same. This includes, but is not limited to, the authority to approve Services (including their quality), approve additional work scope and associated expenses, and bind the Customer/Operator to payment for said items. By execution and delivery of the signed Proposal, Maintenance Representative and Customer each acknowledges the foregoing and agrees to be bound to the same and TES may rely on the same without further inquiry or investigation. Customer and Maintenance Representative further will jointly and severally indemnify TES against any claims, damages, or losses (including attorneys' fees and costs) arising from or related to any claim that Maintenance Representative does not have such authority.



7. Foreign Registry

Services will be performed in accordance with FAA regulations and, as applicable, EASA regulations and those of the aviation authorities under which TES is certificated.

8. Changes

If the Customer requests changes to the scope of Services set forth in the Proposal or identifies discrepancies in respect of the Services that require repair, TES shall furnish the Customer with a PCR or other suitable pricing summary as deemed fit. The hourly rates applied, as stated in the TES Services Pricing and Policy document located at <https://www.tesservice.com/about/resources-and-certifications/>, shall be those prevailing at the time the Equipment is delivered for Services.

The Proposal Amendment or PCR shall delineate the proposed change or addition to the scope of Services and inform the Customer of its impact on pricing and the scheduled delivery date. It shall reference and amend this Proposal, with the PCR being sequentially numbered. The Customer must sign the PCR before any change or addition to the scope of Services commences. Failure to promptly sign the PCR, within 3 (three) days, shall result in a minimum of one (1) additional day being added to the proposed delivery or completion date for each day the PCR remains unsigned and unreturned to TES. This is in conjunction with Customer caused delays as referenced in Section E, Paragraph 2.

TES reserves the right to amend the credit terms outlined in the initial Proposal and collect progress payments for previously accepted work at a rate of 10% of the total quoted amounts for each day the PCR remains unsigned. In conjunction with or in addition to the right to amend the credit terms outlined in the initial Proposal, TES shall have the right to change the payment terms to require pre-payment and/or progress payments from the Customer.

In lieu of a formally executed PCR, the Customer agrees that email replies or acknowledgments from Customer and/or the Maintenance Representative to TES indicating consent to proposed changes to the scope of Services, as presented in this Proposal, shall constitute binding acceptance of any changes to the scope of Services, unless the Customer explicitly refuses acceptance of the change. All



accepted changes shall be incorporated into this Proposal and accorded the same weight as a formally executed Proposal Amendment or PCR.

The Proposal does not include the work scope and associated cost to repair any discrepancies discovered by TES during the performance of the Services including, without limitation, repair of corrosion and repairs to or replacement of broken, damaged or missing parts. Unless otherwise agreed with the Customer in the Proposal or a PCR, the cost of the foregoing will be charged to the Customer on a time and material basis at TES's then current labor rates.

9. ***Customer Caused Delay***

The Customer acknowledges and accepts all proposed elements of the Proposal, encompassing but not limited to the planned work scope for the Equipment, as well as compliance with the stipulated start time/date and planned physical location of service initiation. Any alterations to the Proposal that impede TES's ability to access and commence services as delineated therein shall be the sole responsibility of the Customer.

TES stipulates a minimum notice period of 3 (three) days for any changes to the Proposal. If the Customer fails to provide such notice, and TES arrives at the designated work location only to encounter a delay resulting from a modification in work scope, absence of the Equipment, or any other circumstance hindering TES's ability to execute actions as per the Proposal, TES reserves the right to levy charges upon the Customer for all expenses incurred. These expenses may include fees for Technician Standby, lodging, travel, per diem, and other related charges as determined by TES.

Additionally, TES retains the right to charge Customer for work stoppage losses attributable to delays caused by the Customer.

10. ***Warranty***

Unless otherwise stated herein, TES warrants that for a period of twelve (12) months or 400 flight hours, whichever occurs first, after the date of Redelivery the Services performed on the Equipment will be free from defects in workmanship and conform



to final specifications, plans, and drawings that the parties have agreed in writing as part of this Agreement. However, such warranty will not apply to:

- a. damage caused by or arising from foreign objects (FOD);
- b. normal leading-edge erosion and other wear and tear from operation;
- c. damage caused by or resulting from improper maintenance or operation or improper service by a non-TES facility; or
- d. damage caused by abuse, neglect, accidents, misuse, fire, flood, or acts of God.

A defect shall mean the failure of the Equipment to function in accordance with the OEM's or applicable airworthiness authority's requirements due to TES workmanship. Customer will send TES written notice of a defect within thirty (30) days of discovering the defect.

To determine eligibility of warranty consideration, TES may require that Customer return the Equipment, freight prepaid or otherwise at Customer's expense (which may be reimbursed by TES at TES's sole discretion), to a TES facility or designated site for consideration.

If TES reasonably determines via warranty adjudication process, that the Services performed did not meet this warranty, then TES will promptly, at TES option either:

- a. repair the defective work;
- b. replace the defective item; or
- c. refund the repair price allocable to the defective work.

The Warranty period on any such repaired or replaced item will be the unexpired portion of the warranty on the initially repaired item.

Limited Parts Warranty

(1) **Parts:** Parts furnished and installed by TES are warranted against defects in materials and workmanship commencing from the date of return to service or installation, whichever occurs first, for the following periods:

- (i) new and overhauled parts: one (1) year.



(ii) used or repaired parts: ninety (90) days.

(2) **Vendor Parts and Labor:** Third-party vendor parts and labor are limited to the warranty provided by the supplying vendor, if any. TES will make reasonable efforts to assist the Customer in obtaining any such third-party vendor warranties upon the Customer's written request.

(3) **Exclusions:** If TES and the Customer have agreed to an incentive or specialized agreement, the terms within that agreement as related to the warranty will be considered primary between both parties.

All freight related charges will be presented to TES and the Customer will allow 3 (three) business days for written TES approval to utilize the presented freight method. TES will not incur any cost related to a freight shipment that is not preapproved by TES.

TES does not give any warranty with respect to parts, components, or products that TES does not manufacture, or any defects or damages caused by parts that Customer suppliers; however, TES will use commercially reasonable efforts to obtain the best possible warranties from our suppliers and "pass-through" these warranties to the Customer, to the extent that our suppliers permit us to do.

Customer's sole and exclusive remedy and TES's sole and exclusive liability and responsibility to Customer with respect to the foregoing warranties are limited to the remedies provided above. The foregoing warranties are exclusive and in lieu of any/all other warranties, including warranties of merchantability and fitness for a particular purpose. In no event will TES be responsible or liable to Customer or any other party for incidental, punitive, exemplary, resultant or consequential damages or for any damages in respect of diminution in value of any Equipment or parts.

This warranties herein are not assignable without TES written consent and are applicable only if, following Redelivery, the Equipment:

(4) Has been transported, stored, installed, operated, handled, maintained, and repaired in accordance with Airworthiness Directives and the then-current recommendations of the Equipment manufacturer as stated in its manuals, Service Bulletins, or written instructions.

(5) Has not been altered, modified, or repaired by anyone other than TES; and



(6) Has been subjected to accident, misuse, abuse, or neglect.

11. **Acceptance**

The articles of this Proposal will remain valid for your written acceptance for a period of thirty (30) calendar days from the date indicated above, or until the date specified elsewhere in this document. To accept the Proposal, please sign below and return it to the undersigned within the specified acceptance period. For acceptance of individual items within the Proposal, please initial on the line provided beneath the corresponding pricing.

Until we receive your written acceptance, TES reserves the right to withdraw or amend this Proposal. Your acceptance of this Proposal is contingent upon your agreement to all terms and conditions outlined herein. These terms and conditions may not be altered or combined with others without the written consent of TES.

You, as the Customer, are responsible for ensuring that this Proposal is accepted by your duly authorized officer or representative. This individual must confirm their employment with you, the Customer, in the designated capacity and must possess unequivocal authorization to execute, deliver, and bind you to this Proposal.

TES Terms and Conditions of Sale can be accessed at the following link:

<https://www.tesservice.com/wp-content/uploads/2024/09/TES-Standard-Terms-and-Conditions-of-Sale-for-Services.pdf>



By signing below the Customer accepts the conditions as lined out in the Proposal:

Customer Name:

Company Stamp:

Print Name:

Title:

Signature:

Date:
