



1. APPLICABILITY

The following terms and conditions of sale (“Terms and Conditions”) apply to any order covering any maintenance, repair or overhaul services on a Unit (“Services(s)”) by VSE Aviation Services, Inc., and/or its affiliates and subsidiaries (“VSE”) for the procuring party (“Customer”).

Customer is not obligated to procure any Services from VSE, and, VSE is not obligated to provide any Services to the Customer. Any order covering the provision of Services (“Repair Order”) will be governed solely by these Terms and Conditions and any other mutually agreed upon written provisions. Verbal understandings are not binding on VSE.

2. DEFINITIONS

(a) “Beyond Economic Repair” or “BER” means the cost to repair the Unit exceeds sixty-five percent (65%) of the serviceable Unit’s fair market value pricing.

(b) “Unit” means any part or engine on which the Customer requests VSE to perform Services pursuant to these Terms and Conditions.

(c) “CMM” means Component Maintenance Manual.

(d) “OEM” means the Original Unit Manufacturer.

3. REPAIR ORDERS

(a) **Customer Assent.** Customer’s acceptance of VSE’s Services is expressly made conditional on Customer’s assent to all of these Terms and Conditions. Acceptance may be indicated by Customer’s issuance of an order, written or oral acceptance of Seller’s quotation, acceptance of Services provided hereunder and/or acknowledgment or return of Seller’s acknowledgment form or by electronic transmission.

(b) **Waiver.** VSE does not waive any term in these Terms and Conditions if it fails to object to provisions appearing on, incorporated by reference in, or attached to any documentation supplied by the Customer, including the Repair Order (“Customer Documents”). Any additional or different terms, which may be contained in any Customer Documents, are deemed material and VSE hereby objects to and rejects them. Any such additional or different terms are effective only if in writing and signed by an authorized representative of both VSE and Customer.

(c) **Requirements.** Customer’s Repair Orders should include and be limited to:

- The removal date of the Unit by the Customer if available;
- A detailed description of the reason for removal, faults and other applicable details (including the operator run sheet if available);
- Times and Cycles on Unit if available;
- The requested Services and work scope;
- The final destination of the Unit to be redelivered;
- The name of the Purchaser’s shipping agent, forwarding agent or transport agent and applicable address;



- The requested Aviation Authority certification;
- The part and serial numbers of the removed Unit;
- Any mandatory modifications imposed by the Aviation Authority being outside of the scope of the OEM repair manuals;
- Any recommended service bulletin published by the OEM being outside of the scope of CMM; and
- The invoicing address of the Purchaser.

(d) Repair Orders shall be sent to hello@vseaviation.com and a hardcopy should be provided along with shipment of a Unit.

(e) VSE shall respond to receipt of the Repair Order as outlined in Section 4(a). The silence of VSE shall not indicate acceptance of a Repair Order.

4. SERVICES WORK SCOPE AND PRICING

(a) General Procedures.

Following receipt of a Unit and/or a Repair Order, VSE shall send the Customer a quote based on the Work Scope indicated by the Customer.

Quotes must be accepted or rejected in writing by Customer within thirty (30) calendar days from the date of issuance by issuing a Repair Order.

If Customer consent or refusal is not obtained within sixty (60) days, VSE will either (i) return the Unit to the Customer and invoice the Customer for an evaluation fee or (ii) invoice to the Customer a daily stocking fee, starting on the date of issuance of the quote and equal to 1/365th of the OEM's catalog price of the Unit until receipt of the written acceptance or refusal of the Customer.

If Customer rejects the quote, VSE shall return the Unit to the Customer Free Carrier FCA (Incoterms 2020) VSE's facility and invoice the Customer for any shipping, evaluation or investigation costs, if any. Such Unit shall remain at Customer's risks and costs. If such Unit is not recovered by Customer within twelve (12) months from date of issuance of the estimate, such Unit shall become the property of VSE and Customer shall hold harmless and indemnify VSE against all actions, claims and costs in relation to the Unit.

When performing the Services, VSE may have to invoice additional charges to Customer. In such a case, VSE shall send to Customer a new quote that Customer shall accept before any redelivery of the Unit may occur.

Prices indicated in VSE's quote are in US Dollars and shall remain valid for the period mentioned in VSE's quote. Such prices are exclusive of any value added tax and customs due. Should any additional tax be applicable it shall be charged to the Customer accordingly.

(b) Evaluation/Testing. All Units will be subjected to evaluation, based on the work requested by Customer, to determine the type of Service required prior to any repair or overhaul work being performed. The Customer, when sending to VSE a Unit for Services, agrees to pay all costs of evaluation or testing sustained by VSE following receipt of the Unit.



(c) **Unusual Conditions.** VSE will notify Customer if any of the following conditions are observed during inbound inspection, testing or while Services are being performed:

- A Unit with shipping damage;
- A Unit with catastrophic failure, including but not limited to impact damage, heat/fire damage, mechanical failure, or abnormal internal damage;
- A Unit with contamination originating from an external source (e.g. soot, sand, oil, etc.);
- A Unit is missing any of its applicable parts and/or subcomponents;
- Improperly configured IAW per its identification plate;
- A Unit has Improper packaging;
- VSE considers Unit BER;
- Repair Order does not include removal information;
- Repair Order data does not match Unit data plate; or
- Or any other unusual conditions preventing Service completion.

(d) **Beyond Economic Repair.** If a Unit is determined to be BER by VSE, VSE shall contact the Customer for instructions on how to proceed. If the Customer instructs VSE to scrap the Unit on site at VSE's facility or to return the product to the Customer, the Customer will be charged an evaluation fee.

(e) **Customer Assistance.** The Customer agrees to furnish technical data and assist VSE with reasonable requests relative to the Aircraft and Units to facilitate the required Service.

5. PAYMENT

(a) **Timing and Invoicing.** Payment must be made in full upon receipt of invoice according to the payment terms in the invoice. In the event no payment terms are listed in an invoice, Customer will make all payments within 30 days of the invoice date. All payment(s) must be made in United States Dollars and must be accompanied by remittance detail containing at a minimum VSE's invoice number and amount paid per invoice. VSE reserves the right to correct any inaccurate invoices. Payments, without deduction for electronic funds transfer fees, must be in accordance with the "Remit To" or other similar field on each invoice.

(b) **Delinquency.** If Customer is delinquent in its payment obligations to VSE, VSE may at its option (i) be relieved of its obligations with respect to commitments, including without limitation, turnaround times, spares support and delivery lead-times (ii) refuse to process any credit to which Customer may be entitled; (iii) set off any credit or sum owed by VSE to Customer against any undisputed amount owed by Customer to VSE; (iv) withhold the return of Units to Customer; (v) declare Customer's performance in breach and terminate the Repair Order; (vi) charge interest on delinquent amounts at a rate of 1.5% per month or the maximum rate permitted by law, if lower, for each month or part thereof; (vii) charge storage or inventory carrying fees on Units; (viii) recover all costs of collection including, without limitation, reasonable attorneys' fees; (ix) if Customer is delinquent on a payment schedule, accelerate all remaining payments and declare the total outstanding balance then due and owing; or (x) combine any of the above rights and remedies as



may be permitted by applicable law. The above remedies are in addition to all other remedies available at law or in equity.

(c) In addition to the remedies provided in this Section and any other remedies available in law or equity, VSE shall have, and Customer hereby grants, a continuing general lien on all Units delivered to VSE until the satisfaction of liabilities arising prior to and under these Terms and Conditions and in respect to any fees and expenses incurred in the performance of Services prior to and under these Terms and Conditions.

(d) **Disputes.** If Customer disputes VSE's invoice, or any portion thereof, Customer will so notify VSE within thirty (30) calendar days of the date of VSE's invoice. The parties will use all reasonable efforts to resolve invoice disputes expeditiously. Notwithstanding any invoice disputes, Customer shall promptly remit payment for invoices, or portions thereof, not in dispute.

(e) **Setoff.** VSE may setoff payments made on a Repair Order or future purchases for amounts owed on other purchases orders where payment is delinquent. All payments due by the Customer shall not be subject to a right of deduction or set-off by reason of any claim of the Customer arising out of a Repair Order or any other transaction with the VSE or any duties or taxes.

(f) **Retention of Title.** Customer hereby agrees that title to new parts incorporated by VSE during Services shall be retained by VSE and shall not pass from VSE to the Customer or to the relevant owner of the Unit (as the case may be) until payment in full of all sums due and payable by Customer under these Terms and Conditions. Until payment is made in full, VSE shall have the absolute authority to retake, sell or otherwise deal or dispose of all, any or part of the new Units and other parts incorporated in the Unit in which title remains vested in VSE and shall be entitled to a court injunction to the Customer or relevant owner (as the case may be) from selling, transferring or otherwise disposing of the new Units and/or parts.

Customer shall ensure compliance with VSE's rights and interests under this Article 5(f) in all circumstances, by any means and at its own expenses and will not knowingly permit to be done any act or thing which might reasonably be expected to jeopardize Customer's rights and interests under this Article 5(f). If Customer fails to carry out its obligations in respect of this Article, Customer shall indemnify VSE against all cost, expense and damages which VSE may incur or suffer due to this failure.

6. DELIVERY

(a) **Unit Documentation.** Customer agrees to provide complete back-to-birth records, non-incident statements and part movement traceability sheets (PMTS) in accordance with the relevant aircraft manufacturer and OEMs requirements and/or any associated airworthiness directives (collectively "Documentation.") Customer shall provide VSE all Documentation with all necessary updates no later than on the Unit delivery date at VSE facilities.

Any part and/or component of the Unit received with missing Documentation will be replaced by VSE at Customer's charge.

(b) **Packing.** Customer agrees to deliver each Unit with packing in accordance with OEM and/or ATA300 specifications. VSE is entitled to charge to the Customer all costs to repack the Unit in



accordance with OEM's specifications and/or ATA300. The Customer and/or the end user shall stock the returned Unit in accordance with VSE's and OEM's instructions as from the date of redelivery. In the case of any changes in such norms, Customer shall inform VSE. The Warranty covering the returned Unit as set out in Section 8 shall be null and void if the stocking conditions defined in such norms are not fully complied with by the Customer and/or the end user.

(c) Taxes, Transport and Delivery Conditions

- For purposes of the following delivery provisions, "Seller" shall mean VSE and "Buyer" shall mean Customer:
 - Units' delivery to VSE shall be Delivered at Place (DAP) VSE's facility (Incoterms 2020). Risk of loss will pass to VSE at delivery, which shall be defined as when VSE receives a Unit at VSE's facility.
 - Units' redelivery to Customer shall be Free Carrier (FCA) VSE's facility (Incoterms 2020). Risk of loss will pass to Buyer at delivery, which shall be defined as when VSE hands over a Unit to the shipper for carriage from VSE's facility.
- The Customer is responsible for all shipping costs, customs, duties, taxes and other charges associated with the shipment of the Units to or from VSE's facility. If VSE prepays such transportation charges, Customer will reimburse VSE upon receipt of an invoice for those charges. VSE may charge additional fees for any rush shipments, special routing, packing, labeling, handling or insurance requested by Customer.
- The Customer is responsible for payment to the appropriate taxing authority of any and all taxes, duties and customs or other charges which may be imposed by any taxing or other authority, for the performance of Services under the Agreement. If VSE is required to make a payment to any taxing authority rising out of this Agreement the Customer will reimburse VSE for such charges within fourteen (14) days of payment.

(d) Lead Time. VSE shall make reasonable efforts to redeliver the Unit in accordance with the lead times set out in its quotes but these delivery times are to be treated as an estimation only.

(e) Late Redelivery. VSE's delay in redelivery shall not enable the Customer to reject the returned Unit or fail to pay in strict accordance with the payment terms set out herein. VSE hereby excludes any liability to the Customer or any third party claiming against the Customer for any costs, damages or losses, resulting directly or indirectly from late redelivery of any Unit howsoever caused.

(f) Damage. Customer shall notify VSE of any damage to the returned Unit and/or loss, non-delivery or quantity shortage in any Unit redelivered hereunder as compared with the Order within forty-eight (48) hours of receipt of the same.

(g) Abandoned Units. If Customer fails to provide return instructions for the Unit, VSE will be entitled to provide notice to Customer & after thirty (30) days if full payment and return instructions are not received, the Unit will be considered abandoned & will become the property of VSE.

7. NONDISCLOSURE

These Terms and Conditions do not supersede any confidentiality agreement executed by VSE and Customer that otherwise applies to Services, technical data or other information delivered in connection



with any Repair Order. In the absence of such confidentiality agreement, Customer agrees that it shall not, without the prior written consent of VSE, use or disclose any of VSE'S Confidential Information or data, material or deliverables created, developed, produced or otherwise obtained in the course of the work required hereunder including any pricing or quantity information (hereafter "Confidential Information") for any purpose except as necessary to implement or perform the Purchase Order and shall protect the Confidential Information using the same standard of care as it uses to protect its own confidential information.

For purposes of these Terms and Conditions, "Confidential Information" shall mean any business records, technical information or data of any kind including, but not limited to, all financial information, costs, quotations, price lists, designs, specifications, or drawings, that have been disclosed by VSE, or any other information expressly marked as "Confidential" or "Proprietary" by VSE or any of its suppliers.

Confidential Information shall remain the property of VSE. Customer may only disclose Confidential Information to its employees on a need-to-know basis, will protect against its inadvertent disclosure, and will not disclose Confidential Information to any third party without VSE's prior written consent. Customer further agrees that it will not divulge any matter known to it, the disclosure of which would be detrimental to the interests of VSE as determined by VSE.

8. WARRANTY

(a) Warranty Scope. Subject to the terms of this warranty, VSE warrants that its workmanship and material newly installed on a unit will be free from defects, provided the unit for which the Customer is seeking a warranty has been operated under normal conditions and has not been otherwise modified.

(b) Duration. For overhauled units, labor and newly installed materials are warranted for eighteen (18) months after shipment from VSE. For repaired units, labor and newly installed materials will be warranted for twelve (12) months after shipment from VSE.

(c) Notice. This warranty is only valid if a covered defect is discovered within the duration of the warranty periods listed in section (b) and Customer notifies VSE in writing within thirty (30) days of discovery of such defect.

(d) Return. Customer will return together with its warranty claim any unit alleged to be defective and covered under this warranty, properly packaged and prepaid to VSE or as otherwise directed by VSE. The warranty claim should include engine traceability and hours of operation.

VSE does not warrant any customer furnished parts and/or materials that are supplied for use in a unit. If a failure or defect is found to be caused by customer furnished parts and/or materials, the warranty claim will be denied and normal repair charges will apply.

VSE's obligations under this warranty are limited to the repair of any covered defect that is required to return the unit to service. All warranty work will be performed at VSE's facility.

VSE is not liable under this warranty for any defect resulting from a unit having been exposed or subjected to (i) any alteration, modification, maintenance, repair, installation, handling, transportation, storage, operation or use, that is improper; (ii) any accident, contamination, abuse, neglect or negligence; or (iii) any unit whose warranty seals or stickers are removed or tampered with in any way.



THESE WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, CONDITIONS OR REPRESENTATIONS, WHETHER ORAL, WRITTEN, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, WHICH ARE HEREBY DISCLAIMED AND EXCLUDED BY VSE, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE. IN NO EVENT WILL VSE BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, OR INDIRECT DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS OR REVENUES OR USE EVEN IF INFORMED OF THE POSSIBILITY OF SUCH DAMAGES AND NOTWITHSTANDING THE FAILURE OF THE ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. IN NO EVENT WILL VSE'S LIABILITY TO CUSTOMER, WHETHER IN CONTRACT, TORT, OR OTHERWISE, EXCEED THE AMOUNT PAID BY CUSTOMER FOR THE SERVICES ON THE APPLICABLE UNIT. NO MODIFICATION OR EXTENSION OF THESE WARRANTIES WILL BE BINDING UPON VSE UNLESS SET FORTH IN WRITING AND SIGNED BY A VSE AUTHORIZED REPRESENTATIVE.

9. EXCUSABLE DELAYS AND FORCE MAJEURE EVENTS

VSE will not be liable to Customer for any failure to meet its obligations due to any cause beyond VSE's reasonable control and not occasioned by its fault or negligence (an "Excusable Delay or Force Majeure Event"). Excusable Delay or Majeure Events may include but are not limited to (i) delays or refusals to grant an export license or the suspension or revocation thereof; (ii) any other acts of any government that would limit the ability for contract performance; (iii) fires, earthquakes, floods, severe weather conditions, or any other acts of God; (iv) quarantines or regional medical crisis or pandemics; (v) labor strikes or lockouts; (vi) riots, strife, insurrection, civil disobedience, armed conflict, terrorism or war, declared or not (or impending threat of any of the foregoing, if such threat might reasonably be expected to cause injury to people or property); and (vii) shortages, delays, or inability to obtain materials, components or Parts from any VSE supplier. If an Excusable Delay or Force Majeure Event causes a VSE delay or does not allow performance, then the date of VSE's performance will be extended by the period of such delay or VSE may cancel Customer's order with respect to such delayed Units.

10. ASSIGNMENT

Customer will not assign any rights nor delegate any obligations under these Terms and Conditions or any portion thereof in whole or in part, by operation of law or otherwise, without VSE's advance, written consent. Any attempt to assign or delegate in violation of this section will be void.

11. NOTICES

(a) Notices or non-routine communications between the parties, other than Repair Orders, will be in writing, sent by prepaid overnight courier service or email and shall be effective upon receipt by the party to which notice is given.

(b) Notices shall be addressed to the following respective mailing or email addresses of the parties, or such other addresses as the parties may designate by notice from time to time:

- (i) If to VSE: The addresses indicated on VSE's Quote.
- (i) If to Customer: To Customer's addresses on its Repair Order.



12. WAIVER

The failure or delay of VSE to enforce any of the provisions of these Terms and Conditions shall not be construed to be a continuing waiver of any provisions hereunder nor shall any such failure prejudice the right of VSE to take any action in the future to enforce any provisions hereunder.

13. COMPLIANCE WITH LAWS

Customer represents and warrants that it will comply in all respects with all laws, rules, regulations, ordinances, proclamations, demands, directives, or other legal requirements that now govern or may hereafter govern the Units, including but not limited to the US Foreign Corrupt Practices Act, UK Bribery Act and those of all applicable agencies and instrumentalities of the United States and foreign countries. Customer agrees upon request to furnish VSE with a certificate of compliance relating to any such laws and regulations in such form as VSE may require. Customer agrees to indemnify and hold VSE harmless from any liability arising from any failure of Customer to comply with such laws and regulations.

14. GOVERNING LAW, VENUE AND JURISDICTION

These Terms and Conditions and the transactions arising out of or related to Customer's Repair Order will be governed by and interpreted in accordance with the laws of the State of Florida, without regard to conflicts of law principles. This choice of the governing law shall also apply to non-contractual claims, including tort claims, arising out of or related to Customer's Repair Order.

To the fullest extent permitted by law, Customer hereby unconditionally and irrevocably waives any claim to assert that the law of any other jurisdiction governs these Terms and Conditions and the transactions arising out of or related to Customer's Repair Orders. Venue and jurisdiction for all legal proceedings of any kind or nature brought to enforce or relating to or arising from any provisions of these Terms and Conditions or the transactions arising out of or related to Customer's Repair Order shall lie exclusively in a court of competent jurisdiction in the State of Florida, and Customer hereby irrevocably submits to the exclusive jurisdiction of such courts in any such legal proceedings, and hereby expressly and irrevocably waives its rights to any other jurisdiction that may apply by virtue of its present or future domicile or for any other reason.

This choice of jurisdiction shall also apply to legal proceedings of any kind or nature brought to enforce any non-contractual claims, including tort claims, arising out of or related to Customer's Repair Order.

If Customer is organized outside the United States, to the extent that Customer or any of its property is or becomes entitled at any time to any immunity on the grounds of sovereignty or otherwise from any legal action, suit or proceeding, or other legal process in any jurisdiction, Customer for itself and its property does hereby irrevocably and unconditionally waive, and agrees not to assert, plead or claim, any such immunity with respect to its obligations, liabilities or any other matters resulting from or arising under or in connection with these Terms and Conditions and the transactions arising out of Customer's Repair Order. Nothing in these Terms and Conditions are to be construed as excluding any mandatory local law which cannot be excluded.



15. LIMITATION OF LIABILITY

ALL LIABILITY OF VSE IS PRECLUDED UNLESS VSE IS LIABLE BECAUSE OF GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, THESE LIMITATIONS WILL APPLY REGARDLESS OF WHETHER LIABILITY ARISES FROM BREACH OF CONTRACT, WARRANTY, TORT (INCLUDING BUT NOT LIMITED TO NEGLIGENCE), BY OPERATION OF LAW, OR OTHERWISE.

NOTWITHSTANDING THE PROVISIONS OF ANY APPLICABLE LIMITATIONS ACT OR OTHER STATUTE, IN NO EVENT SHALL CUSTOMER COMMENCE ANY ACTION ARISING OUT OF THE REPAIR ORDER BETWEEN THE PARTIES LATER THAN ONE YEAR AFTER THE CAUSE OF ACTION HAS ACCRUED.

16. SURVIVAL

All provisions of these Terms and Conditions which by their nature should apply beyond completion of Customer's order will remain in force after the expiration or any termination of a Repair Order.

17. SEVERABILITY

If any provisions of these Terms and Conditions are at any time held to be invalid or unenforceable, such provisions shall be construed as severable and shall not in any way render invalid or unenforceable the remainder of the provisions which shall remain in full force and effect and, in lieu of the invalid or unenforceable provisions, there will be added as part of these Terms and Conditions one or more provisions as similar in terms as may be valid and enforceable under applicable law.

18. THIRD PARTY BENEFICIARIES

Except as expressly provided to the contrary in these Terms and Conditions, the provisions of these Terms and Conditions are for the benefit of the parties hereto and not for the benefit of any third party.

19. INDEPENDENT CONTRACTOR

The parties acknowledge that they are independent contractors and no other relationship, including without limitation partnership, joint venture, employment, franchise, master/servant or principal/agent is intended by these Terms and Conditions. Neither party has the right to bind or obligate the other.

20. HEADINGS

Headings and captions are for the convenience of reference only and do not alter the meaning or interpretation of these Terms and Conditions.