



PASSENGER AIRCRAFT CHARTER TERMS AND CONDITIONS

The Supplier shall make available to the Charterer the Aircraft as specified in the Schedule below and the Charterer shall take the Aircraft on charter from the Supplier upon the terms and conditions set out in the Schedule below and subject to the terms and conditions set out in the General Conditions attached to and forming part of this Agreement.

Cancellation: If the Charterer wishes to cancel any Flight or Flights the subject of this Agreement the following rates will be paid forthwith by the Charterer to the Supplier as agreed compensation:

- 25% of the Charter Price if cancelled after contract exchange;
- 50% of the Charter Price if cancelled 7 days to 48 hours prior to STD
- 75% of the Charter Price if cancelled within 48 hours prior to STD;
- 90-100% of the Charter Price if cancelled with no notice or passengers fail to turn up. Dependent on whether flight has been dispatched.

Non-Payment:

If for any reason payment of the Charter Price or any instalment thereof shall not be made on the due date then the Charterer shall pay to the Supplier interest on the amount unpaid at the rate of **8 % per annum** above the base rate for the time being of Barclays Banks Plc calculated on a daily basis from the due date until the date of payment (both before and after judgment), compounded monthly.

Payment Terms:

Payment of the Charter Price shall be made directly to the Supplier:

| | |
|--------------------------|--|
| Cheques made payable to: | Centreline Air Charter Ltd |
| Bank transfers: | Barclays Bank Plc, 10-14 High St, Swindon, SN1 3ED |
| | Sort code: 20-84-58 Account number: 90129178 |

GENERAL CONDITIONS

1. DEFINITIONS

In this Agreement unless the context otherwise requires:-

| | |
|------------------------|---|
| "Agreement" | means this Passenger Aircraft Charter Agreement including the Schedule and any appendices or attachments thereto. |
| "Aircraft" | means any aircraft for the time being operated in connection with any Flight. |
| "Base Date" | means the date of charter operation. |
| "the Carrier" | means the operator of the Aircraft as specified in the Schedule. |
| "Charter Price" | means the amount set out in the Schedule. |
| "Flight" | means a flight described in the Schedule. |
| "Schedule" | means the schedule to this Agreement. |

2. CHARTER PRICE AND PAYMENT

- 2.1 The Charterer shall pay to the Supplier the Charter Price at the time, in the currency, in the amounts and to the address specified in accordance with the provisions set out therefore in the Schedule.
- 2.2 The Charter Price specified in the Schedule is based on aviation fuel costs calculated on the Base Date. If for any reason whatsoever there shall be any increase in the cost of aviation fuel between the Base Date and the date of operation of any Flight, then the Charterer shall pay to the Supplier on demand such amount as shall fully compensate the Carrier for such increase.
- 2.3 Time of payment of the Charter Price shall be of the essence of this Agreement.

- 2.4 No set-off or counterclaim (whether arising in respect of this Agreement or any other carriage) shall entitle the Charterer to withhold payment of any sums whatsoever payable to the Supplier under or by reason of this Agreement. In the event that the Charterer is required to withhold any part of any payment payable by it to the Supplier hereunder or to make any deduction therefrom, it shall pay such additional amount as may be necessary so that, after making such withholding or deduction, the Supplier shall receive from the Charterer the full amount of such payment.

3. AIRCRAFT AND CREW

- 3.1 The Carrier shall be responsible for providing the Aircraft at the commencement of the Flight properly manned and equipped fuelled and airworthy in accordance with the laws and regulations of the state of registration of the Aircraft and the Aircraft shall be operated in accordance with all applicable laws and regulations during the period of the Flight(s).
- 3.2 The captain of the Aircraft shall have complete discretion concerning preparation of the Aircraft for flight, whether or not a Flight shall be undertaken or abandoned once undertaken, any deviation from proposed route, where landing shall be made and all such other matters relating to the operation of the Aircraft and the Charterer shall accept all such decisions as final and binding.
- 3.3 All ground and operating personnel including cabin staff are authorised to take orders only from the Carrier unless specific written agreement shall first have been obtained from the Carrier whereby certain defined instructions may be accepted by such personnel from the Charterer.

4. TRAFFIC DOCUMENTS

The Carrier shall supply or procure the supply of passenger tickets, baggage checks, air waybills and all other necessary documents relating to the carriage undertaken pursuant to this Agreement and the Charterer shall give to the Supplier all necessary information and assistance to complete such documents as soon as possible after the making of this Agreement and, in any event, in sufficient time to be completed for issue to passengers.

5. FLIGHT TIMES, LOADING AND EMBARKATION

- 5.1 The Charterer shall be solely responsible for ensuring that passengers and their baggage arrive at the specified check-in point at the departure airport in sufficient time to be carried on any Flight. In the event that any passenger of the Charterer fails to arrive in sufficient time to be carried on the Flight the Supplier and/or the Carrier shall be under no liability whatsoever to the Charterer nor to such passenger. The Supplier and/or the Carrier shall be under no obligation hereunder to make any alternative arrangements for any such passenger. If the Carrier, in its absolute discretion, arranges for any such passenger to be carried on a later flight, the Charterer shall pay on demand to the Supplier such additional sum that the Supplier may specify for each such passenger to cover applicable passenger taxes and the administrative costs of the Carrier and the Supplier thereby incurred.
- 5.2 In the event of any delay (other than any delay for technical reasons the responsibility for which shall lie with the Carrier) deviation or diversion of any flight, the Charterer shall be solely responsible for any and all accommodation, refreshments, meals, transportation or any other additional costs, expenses, losses, damages or liabilities of whatsoever nature incurred in respect of the Charterer's passengers wherever and howsoever the same shall arise. All such costs, expenses, losses, damages or liabilities incurred by the Carrier shall be reimbursed by the Charterer to the Supplier on demand.
- 5.3 In the event that any passenger of the Charterer is refused entry at any destination airport, the Charterer shall indemnify and keep indemnified the Carrier and the Supplier, their respective officers, employees, servants and suppliers against any and all cost or expense whatsoever incurred by the Carrier or the Supplier in respect thereof (including but not limited to charges, fee, penalties, imposts or other expenses levied upon the Carrier or the Supplier by any immigration authority) or of any arrangements made by the Carrier and/or the Supplier to return such passengers to the country from which such passenger was originally carried.

6.0 OBLIGATIONS OF THE CHARTERER

- 6.1 The Charterer shall comply with all the requirements of the Supplier in relation to the performance of all of the Charterer's obligations as set out in this Agreement.
- 6.2 The Charterer shall hold harmless and indemnify the Carrier and the Supplier against all claims, demands, liabilities, actions, proceedings and costs of any kind whatsoever arising from any default on the part of the Charterer or any passenger of the Charterer in complying with any of the provisions of this Agreement.

- 6.3 The Charterer shall comply in all respects with the conditions of all permits, licences and authorities granted for the Flights and will procure such compliance on the part of all its passengers.
- 6.4 The Charterer shall be responsible for the issue and delivery of all necessary passenger tickets, baggage checks and other necessary documents to all passengers.
- 6.5 The Charterer shall comply and shall procure that all its passengers shall comply with all applicable customs, police, public health, immigration and other lawful regulation of any state to/from or over which the Aircraft is or may be flown.
- 6.6 The indemnities contained in this Clause 6 shall survive the termination of this Agreement.

7. EXCLUSION OF LIABILITY/INDEMNITY

- 7.1 The Supplier shall be under no liability to the Charterer or to any passenger of the Charterer in respect of any variation to or cancellation of any Flight or the non-availability of any seats which results from the acts or omissions of the Carrier, or for any failure by the Carrier to perform any Flight and the Charterer hereby acknowledges to the Supplier that in any such event the Charterer shall only have recourse against the Carrier.
- 7.2 The Supplier shall be under no liability to the Charterer for any failure by it or by the Carrier to perform their respective obligations under this Agreement arising from force majeure, labour disputes, strikes or lock-outs or any other cause beyond the control of the Supplier or the Carrier including accidents to or failure of the Aircraft, its engines, or any other part thereof or any machinery or apparatus used in connection therewith.
- 7.3 The Charterer shall indemnify the Carrier and the Supplier against any claim by any passenger of the Charterer arising out of any such variation, cancellation, non-availability or failure to perform provided always that if the Supplier shall receive any refund from the Carrier in respect of any such varied cancelled or unperformed Flights or unavailable seats which have already been paid for by the Charterer, the Supplier shall (subject to the provisions of Clause 11 hereof and provided always that the Charterer shall have duly fulfilled its obligations under this Agreement), repay such refund to the Charterer.

- 7.4 The Charterer shall indemnify the Carrier and the Supplier against any loss, damage, liabilities, costs or expenses of whatsoever nature caused to be suffered or incurred by the Carrier or by the Supplier and their respective officers, employees Suppliers or subcontractors arising out of any act or omission of the Charterer or its officers, employees or Suppliers whether arising in contract or tort (including negligence) or otherwise.
- 7.5 The Carrier shall not be deemed to undertake any carriage to which this Agreement relates as a common carrier.
- 7.6 Carriage performed under this Agreement shall be subject to the conditions of carriage contained or referred to in the traffic documents of the Carrier including its General Conditions of Carriage.
- 7.7 The indemnities contained in this Clause 7 shall survive the termination of this Agreement.

8. TERMINATION

This Agreement may be terminated immediately upon notice from the Supplier to the Charterer upon the occurrence of any of the events specified below:-

- 8.1 the Charterer defaults in the payment of any amount payable hereunder on due date; or
- 8.2 the Charterer is in breach of any of its other obligations hereunder which if capable of remedy has not been remedied within 14 days of receipt of written notice from the Supplier requiring remedy of such breach; or
- 8.3 the Charterer admits in writing its inability to pay or becomes unable to pay its debts; or
- 8.4 a petition is presented for an administration order to be made up in relation to the Charterer; or
- 8.5 proceedings are started or any steps are taken for the winding-up or dissolution of the Charterer or for the appointment of a receiver, administrative receiver, trustee, supervisor or similar officer of the Charterer or any or all of its revenues and assets, or the Charterer is unable to pay its debts within the meaning of section 123 of the Insolvency Act 1996 (England); or

- 8.6 an encumbrancer takes possession of any of the Charterer's revenues or assets, or any security created by the Charterer becomes enforceable and the mortgagee or chargee takes steps to enforce the same (including without limitation by appointing a receiver or administrative receiver to any of the assets of the Charterer); or
- 8.7 the Charterer convenes a meeting or takes any steps for the purpose of making or proposes to enter into or make any arrangement or composition for the benefit of its creditors; or
- 8.8 a distress or other execution is levied or enforced upon or against any part of the Charterer's property; or
- 8.9 the Charterer suspends or ceases or threatens to suspend or cease to carry on its business or (except in the ordinary course of business) it sells, leases, transfers or otherwise disposes of or threatens to dispose of all or any substantial part of its undertakings or assets (whether by a single transaction or by a series), or all or any substantial part of its assets are seized or appropriated by or on behalf of any governmental or other authority or are compulsory acquired; or if any thing analogous to the events referred to in 8.3 to 8.8 above occurs in any jurisdiction in which the Charterer conducts its business; or
- 8.10 in the opinion of the Supplier a material adverse change occurs in the business, assets, condition, operations or prospects of the Charterer; or
- 8.11 any of the events specified in this Clause 8 occur in relation to any guarantor of the Charterer's obligations hereunder.

9. EFFECT OF DEFAULT

- 9.1 If this Agreement is terminated under Clause 8, then the Charterer shall (without prejudice to any other rights and remedies which the Supplier may have) pay forthwith to the Supplier all amounts then due and unpaid to the Carrier hereunder, together with interest thereon (if any) at the rate specified in the Schedule and the Charterer shall indemnify and keep the Supplier indemnified against all loss, damage, costs, expense, claim or liability incurred or sustained by the Supplier as a result of such termination and the Supplier shall be entitled to retain any initial deposit paid by the Charterer pursuant to any provisions therefor set out in the Schedule.
- 9.2 The Charterer shall indemnify the Carrier and the Supplier against any claims by any passenger of the Charterer arising out of the termination of the Agreement.
- 9.3 The indemnities contained in the Clause 9 shall survive the termination of this Agreement.

10. SET-OFF AND APPLICATION OF MONEYS

The Supplier may at any time without notice to the Charterer at its discretion set-off any amounts paid by the Charterer to the Supplier hereunder against any amounts then due to the Supplier under this Agreement or against any amount due at such time from the Charterer to the Supplier.

11.0 GENERAL

- 11.1 Any notice required to be given under this Agreement shall be in writing and shall be deemed duly given if left at or sent by first class post or facsimile message to the address herein stated of the party to whom it is to be given. Any such notice shall be deemed to be served at the time when the same is handed to or left at the address of the party to be served and if served by post on the day (not being a Sunday or Public Holiday) next following the day of posting or if served by facsimile message upon the day such facsimile message is sent.
- 11.2 Time shall be the essence of this Agreement.
- 11.3 This Agreement sets out the entire agreement and understanding between the parties or any of them in connection with the charter of the aircraft as described herein.
- 11.4 No party has relied on any warranty or representation of any other party except as expressly stated or referred to in this Agreement.
- 11.4 No claims shall be made against the Supplier in respect of any representation warranty indemnity or otherwise arising out of or in connection with the charter of the aircraft except where such representation, warranty or indemnity is expressly contained or incorporated in this Agreement.
- 11.5 No variation of this Agreement shall be effective unless made in writing and signed by both parties.
- 11.6 The Charter Price, payment terms and other commercial terms contained in this Agreement are confidential to the parties and may not be disclosed to third parties without prior approval.
- 11.7 No failure by the Supplier to exercise and no delay by the Supplier in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies provided by law.
- 11.8 The Charterer shall not be entitled to assign the benefit of this Agreement.

12. CHOICE OF LAW, SUBMISSION TO JURISDICTION, MEDIATION

- 12.1 This Agreement shall be governed by and interpreted in accordance with English law and the parties hereto hereby submit to the non-exclusive jurisdiction of the English Court.
- 12.2 The Baltic Air Charter Association provides a mediation service to which parties are able to obtain resolution of any dispute relating to this Agreement or any other aviation related Agreement.