



MCLARENS AVIATION

**AGREEMENT FOR THE PROVISION OF
SURVEYING AND CLAIMS SERVICES**

[McLarens Aviation](#)

9100 S. Dadeland Boulevard, Suite 800, Miami, Florida 33156
Telephone 305-597-5666; Fax 305-639-2555

CONTENTS

| | | |
|-----|--|----|
| 1. | INTERPRETATION..... | 3 |
| 2. | NATURE OF THIS AGREEMENT | 4 |
| 3. | TERM..... | 4 |
| 4. | THE COMPANY'S OBLIGATIONS | 4 |
| 5. | THE CLIENT'S OBLIGATIONS..... | 5 |
| 6. | CHARGES | 5 |
| 7. | WARRANTIES | 5 |
| 8. | LIMITATION OF LIABILITY | 6 |
| 9. | INSURANCE | 7 |
| 11. | CONFIDENTIALITY | 7 |
| 12. | TERMINATION | 8 |
| 13. | FORCE MAJEURE | 9 |
| 14. | DISPUTE RESOLUTION | 9 |
| 15. | NOTICES | 10 |
| 16. | GENERAL | 10 |
| | SCHEDULE 1 | 13 |
| | THE SERVICES..... | 13 |
| | ANNEX 1 | 17 |
| | SALVAGE PROCESS..... | 17 |
| | ANNEX 2 | 23 |
| | TRAVEL AND BUSINESS EXPENSE REIMBURSEMENT POLICY | 23 |

MCLARENS AVIATION TERMS AND CONDITIONS

1. INTERPRETATION

1.1 In this Agreement, unless otherwise provided:

| | |
|---|--|
| "Agreement" | means this document, the schedules and any Confirmations of Acceptance of Instructions; |
| "Charges" | means the standard hourly fee rates (agreed separately), expenses and all other sums payable by the Client to the Company. Charges will also include, where relevant, the fees and expenses of any internal or external representative or sub-contractor; |
| "Client" | means the Insurer/Reinsurer or other entity who instructs the Company to provide the Claims Services; |
| "Company Personnel" | means an employee and/or a sub-contractor of the Company engaged in performing the Services; |
| "Confidential Information" | means this Agreement and all information disclosed by one party to the other or otherwise received by the other in the negotiation, entering into and performance of this Agreement, which is expressly marked as confidential or which concerns the technology, know how, methodology of supply, business, developments and finances of that party or of the suppliers, customers or clients of that party; |
| "Confirmation of Acceptance of Instructions" | means the document sent by the Company to the Client as detailed in clause 2.1; |
| "Materials" | means any documents, information or other information or data used, developed, created or provided by a party in connection with this Agreement (including reports, preparatory works, drafts, working papers, correspondence and advice); |
| "Representative" | means a representative of either party who has proper authority and is responsible for managing all issues arising under this Agreement; |
| "Services" | means the claims services supplied by the Company to the Client under this Agreement, as set out in Schedule 1 or as |

may be directed by Client and repeated in any Confirmation of Acceptance of Instructions; and

"Working Day" means any day generally open for normal business in the territory where the Services are being provided.

2. NATURE OF THIS AGREEMENT

- 2.1 **This Agreement operates as a framework arrangement in order to facilitate the Client in procuring Services from the Company quickly and easily. Accordingly, the Client shall be entitled to request the provision of Services under this Agreement from the Company by sending an e-mail request for Services. Due to the nature of the Services there is no requirement of formality in the nature of the request for Services from the Client and the request in and of itself will not create legally enforceable obligations.**
- 2.2 **The Company will consider all requests for Services promptly and, where it determines it is willing and able to undertake the Services requested, it will send the Client an e-mail confirmation of acceptance of instructions ("Confirmation of Acceptance of Instructions").**
- 2.3 **The Company agrees to provide the Services in accordance with Schedule 1 and/or as directed by any express request for Services. Once the Confirmation of Acceptance of Instructions has been sent to the Client, the relevant instructions shall take full contractual effect.**
- 2.4 The terms and conditions relating to any request for Services accepted in accordance with clause 2.1 shall automatically incorporate all of the clauses of and relevant schedules of this Agreement together with any other specific terms agreed in the relevant Confirmation of Acceptance of Instructions.
- 2.5 The terms and conditions set out herein are provided in respect of McLarens Aviation, loss adjusting and survey services (supported by the in-house Legal Department) and do not include the Risk and Asset Management Department whose services are subject to separate terms and conditions.

3. TERM

This Agreement shall take effect as from the date Company is instructed to undertake the Claims Services and/or from the date of the Confirmation of Acceptance of Instructions which ever is the earlier and shall continue in force until terminated in accordance with clause 11 below.

4. THE COMPANY'S OBLIGATIONS

- 4.1 The Company agrees to carry out the Services and shall use its reasonable endeavours to carry out the Services in a timely manner.
- 4.2 In accordance with Schedule 1, the Company shall provide the Client with regular updates on the progress of the Services. Such updates shall be in a form agreed between the parties.

4.3 The Company shall use reasonable endeavours to observe all health and safety rules and regulations and any other reasonable requirements that apply at the premises as indicated in their Instructions and/or communicated the Company by the Client's Insured, provided that it shall not be liable under this Agreement if, as a result of such observation, it is in breach of any of its obligations under this Agreement.

4.4 The original file created in connection with the Services is the property of the Client. The Company shall retain the file (documents received and created in connection with the Services) for a period of 10 years following closure of the matter or as otherwise directed or agreed by or with the Client. Thereafter the Company may elect to scan the said file onto CD and destroy the original. The CD will be kept for a period of 10 (ten) years.

5. THE CLIENT'S OBLIGATIONS

5.1 The Client shall provide all reasonable facilities, services and assistance necessary to enable the Company to provide the Services.

5.2 The Client shall appoint a Representative who shall have the authority contractually to bind the Client on all matters relating to the Services.

5.3 The Client shall provide the Company, in a timely manner, with such information as the Company may request for the purposes of providing the Services and collection of their invoices in a timely manner and ensure that it is complete and accurate in all material respects.

5.4 The Client shall comply with all laws and regulations relating to its business and which may, directly or indirectly, impact upon the provision of the Services.

6. CHARGES

6.1 The Charges agreed separately are exclusive of Sales Tax or its equivalent (both State and Federal) and any other applicable taxes for which the Client is legally liable and which are payable by the Client at the rate and in the manner prescribed by law, except where otherwise provided in Schedule 2.

6.2 The Client shall pay the Company the Charges in accordance with Schedule 3 or as may be agreed in any Confirmation of Acceptance of Instructions.

6.3 The Company reserves the right to engage a third party company to undertake some or all of its invoice collection functions. The Company also reserves the right to pass on the reasonable costs of such collection services to the Client.

7. WARRANTIES

7.1 The Company warrants that:

7.1.1 it shall perform the Services with reasonable skill, care and diligence; and

7.1.2 the Services and Materials shall not in any manner or way infringe or violate any State of Delaware Intellectual Property Rights, Confidential

Information, nor any contractual, employment or property rights, duties of non-disclosure or other rights of third parties.

7.2 The Client warrants that:

7.2.1 all information disclosed or to be disclosed by the Client necessary for the provision of the Services by the Company is or shall to the best of its knowledge and belief, be true, accurate and not misleading in any material respect; and

7.2.2 its provision of materials to the Company in connection with the Services shall not in any manner infringe or violate any State of Delaware Intellectual Property Rights, Confidential Information nor any contractual, employment or property rights, duties of non-disclosure or other rights of third parties.

8. **LIMITATION OF LIABILITY**

8.1 Notwithstanding any other provisions of this Agreement, neither party excludes or limits its liability for death or personal injury caused by its gross negligence or wilful misconduct or in respect of any other liability arising out of or in connection with this Agreement which cannot be excluded or restricted by law.

8.2 Subject to clause 8.1, each party's total liability to the other (whether in contract, tort (including negligence) breach of statutory duty or otherwise) arising out of or in connection with the performance or contemplated performance of this Agreement shall be limited to US\$1,000,000.00 (One Million United States Dollars) or the total Charges paid by the Client for the Services in respect of the particular instruction whichever is the lesser. However, the Company's liability shall never exceed US\$1,000,000.00 (One Million United States Dollars).

8.3 Neither party shall be liable to the other (whether in contract, tort (including any form of negligence), breach of statutory duty or otherwise) arising out of or in connection with this Agreement for any loss of profit, production, data, goodwill, contract or business opportunities or anticipated savings or benefits or for any type of direct, indirect, special or consequential loss, even if that loss or damage was reasonably foreseeable or that party was aware of the possibility of that loss or damage arising.

8.4 If the Company's performance of its obligations under this Agreement is prevented or delayed by any act or omission of the Client, its Insured/Reinsured, its agents, sub-contractors or employees, the Company shall not be liable for any costs, charges or losses sustained or incurred by the Client arising directly or indirectly from such prevention or delay.

8.5 The Services are provided solely for the Client's benefit and use, only for the purposes specified in Schedule 1. Accordingly, the Client may not provide copies of Materials provided by the Company or make the benefits of the Services available to any third party (save and except for such Materials being provided to the following market and/or relevant professional service providers) without the prior written consent of the Company. The Company accepts no liability or responsibility to any third party who benefits from or uses the Services or gains access to the Materials provided by the Company.

- 8.6 The Client agrees to indemnify and hold harmless the Company from and against all liabilities, losses, damages, costs and expenses the Company reasonably incurs in connection with any claims against the Company resulting from a breach by the Client of the provisions of this clause 8.5.
- 8.7 The Client acknowledges that Materials produced by the Company may be based on:
- 8.7.1 assumptions based on market conditions prior to production of such Materials;
 - 8.7.2 information provided by the Client or third parties which has not been independently verified;
- 8.8 As a result the Company does not warrant that such Materials will be accurate. The Company accepts no liability or responsibility to the Client (or any third party who benefits from or uses the Services or gains access to the Materials as a result of a breach by the Client of Clause 8.5) arising out of reliance on such assumptions or information.

9. **INSURANCE**

The Company shall maintain, throughout the term of this Agreement, Professional Indemnity insurance with cover in excess of US\$1,000,000.00 (One Million United States Dollars). The Company will on request from the Client, no more than once in any one year, provide confirmation that such insurance is in place.

10. **CONFIDENTIALITY**

- 10.1 Neither party (each, a "**Recipient**") shall use or divulge or communicate to any person any Confidential Information of the other party (the "**Disclosing Party**").
- 10.2 Each Recipient shall ensure that its employees, agents and sub-contractors are aware of and comply with the confidentiality and non-disclosure provisions contained in this clause 10 and each Recipient shall be liable to the Disclosing Party in respect of any loss or damage which the other may sustain or incur as a result of any breach of confidentiality by its employees, agents or sub-contractors.
- 10.3 If either Recipient becomes aware of any breach of its confidentiality obligations (including a breach by any of its employees, agents or sub-contractors) it shall promptly notify the Disclosing Party and give the Disclosing Party all reasonable assistance in connection with any proceedings which the Disclosing Party may institute to protect the confidentiality of its Confidential Information.
- 10.4 The restrictions contained in clause 10 shall not apply to any Confidential Information which:
- 10.4.1 comes into the public domain otherwise than through a breach of this clause 10; or

- 10.4.2 is required by any court of competent jurisdiction or by a governmental or regulatory authority to be disclosed or where there is a legal right, duty or requirement to disclose.
- 10.5 The Company shall comply with all applicable laws and regulations regarding the privacy of information disclosed to it under this Agreement. All claims, claim files and any other records are to be treated with due regard for the Client's and insured's right of privacy.
- 11. TERMINATION**
- 11.1 This Agreement may be terminated by either party on giving 60 days' written notice to the other party.
- 11.2 This Agreement may be terminated with immediate effect by either party by giving notice in writing:
- 11.2.1 if the other party commits a material breach of any provision of this Agreement and the breach is not capable of remedy;
 - 11.2.2 if the other party commits a material breach or a persistent breach of any provision of this Agreement which is capable of remedy and fails to remedy the breach within 30 days of receipt of a written notice from the other party specifying the breach and requiring it to be remedied;
 - 11.2.3 if the other party passes a resolution for voluntary winding-up or a winding up order is made (except for the purpose of a bona fide amalgamation or reconstruction previously approved in writing by the first party);
 - 11.2.4 in the event that the Company finds itself in a conflict of interest situation which cannot be resolved within a reasonable time;
 - 11.2.5 if a receiver, administrative receiver, administrator or manager is appointed or an encumbrancer takes possession of the undertaking or assets (or any part thereof) of the other party;
 - 11.2.6 if the other party is unable to pay its debts (as defined by Delaware law) or ceases to or threatens to cease to carry on business or enters into an arrangement or composition with or any assignment for the benefit of, its creditors or receives the benefit of any moratorium against legal, enforcement or other proceedings being taken against it whether statutory or otherwise without the consent of the other party.
- 11.3 On termination of this Agreement for any reason:
- 11.3.1 the Client shall immediately pay to the Company all of the Company's outstanding Charges including all unpaid invoices which are not the subject of a previously notified and bona fide dispute. In respect of Services supplied, but for which no invoice has been submitted, the Company may submit an invoice, which shall be payable immediately on receipt;

- 11.3.2 each party shall immediately return to the other any Materials belonging to the other party (including all copies of such documents and other material) in its possession or control; and
- 11.3.3 each party's further rights and obligations shall cease immediately on termination but termination shall not affect a party's accrued rights and obligations at the date of termination and the provisions of clauses 1 (Interpretation), 6 (Charges), 8 (Limitation of Liability), 10 (Confidentiality), 13 (Dispute Resolution), 14 (Notices) and 15 (General) shall remain in full force and effect.

12. **FORCE MAJEURE**

The Company shall have no liability to the Client under this Agreement if it is prevented from or delayed in performing its obligations under this Agreement or from carrying on its business by acts, events, omissions or accidents beyond its reasonable control, including strikes, lock-outs or other industrial disputes (whether involving the workforce of the Company or any other party), failure of a utility service or transport network, act of God, war, riot, civil commotion, malicious damage, compliance with any law or governmental order, rule, regulation or direction, accident, breakdown of plant or machinery, fire, flood, storm or default of suppliers or sub-contractors.

13. **DISPUTE RESOLUTION**

- 13.1 Any dispute or difference between the parties in connection with this Agreement shall be escalated in the first instance to the Representatives of each party who shall use all reasonable endeavours to resolve the dispute. If the Representatives have not been able to resolve the dispute within fourteen (14) Working Days of reference to them, the parties shall refer the dispute to their Chief Executive Officers, or equivalent, for determination. The parties hereto agree payment of all accrued fees and/or expenses is a mandatory condition precedent to the filing of any action for recovery against McLarens Aviation, its employees or agents.
- 13.2 Subject to the dispute resolution process as described in this Section 13 above, to the extent that any legal action, suit or proceeding arises out of or relates to this Agreement or the transactions contemplated hereby, the Company and Client irrevocably submit to the jurisdiction of the state courts of the State of Delaware or any Federal court located in the State of Delaware to hear and determine such action, suit or proceeding, any claim that it is not subject personally to the jurisdiction of such court; that its property is exempt or immune from attachment or execution; that the action, suit or proceeding is brought in an inconvenient forum; that the venue of the action, suit or proceeding is improper; or that this Agreement or the subject matter hereof may not be enforced in or by such court. The party losing the legal action, suit or proceeding will pay for the cost of such, including reasonable attorneys' fees.
- 13.3 In the event that McLarens Aviation, its subsidiaries, affiliates or its representatives are required to respond to a subpoena, court order or other legal process for the production of documents and/or testimony relative to information McLarens Aviation, its subsidiaries, affiliates or its representatives obtained and/or prepared during the course of this engagement, you agree to compensate McLarens Aviation at its hourly rates for the time it expends in connection with

such response, and to reimburse McLarens Aviation for all of its out-of-pocket expenses incurred in that regard including any legal fees associated with determining the validity of the request or defending against it.

14. **NOTICES**

Notice given under this Agreement shall be in writing, sent to the other party's Representative and shall be delivered personally, sent by fax, sent by e-mail or sent by courier. A notice shall be deemed to have been received, if delivered personally, at the time of delivery, in the case of fax, at the time of transmission, in the case of courier, two days after the date of giving to the courier. To prove service by courier, it is sufficient to prove that the e-mail or envelope containing the notice was properly addressed and given to the courier. For the avoidance of doubt, where permissible by statutory provisions or under the prevailing Civil Procedure Rules, the sending and/or receiving of any message by e-mail shall constitute notice under this Agreement.

15. **GENERAL**

- 15.1 No waiver by either party in enforcing any of its rights under this Agreement shall prejudice its ability to enforce such rights or any of its other rights under this Agreement. No waiver shall be effective unless in writing and signed by the relevant party and expressly identified as a waiver by reference to this clause 15.1.
- 15.2 This Agreement constitutes the entire and only contract and understanding between the parties and supersedes any previous agreement or understanding (whether in either case oral or written) relating to the subject matter of this Agreement. Each party acknowledges that in entering into this Agreement it has not relied on or been induced to enter into this Agreement by any statement, representation, warranty or understanding of any person (whether a party to this Agreement or not) which is not set out in this Agreement.
- 15.3 Nothing in this Agreement shall operate to limit or exclude any liability for fraudulent acts or omissions or fraudulent misrepresentations.
- 15.4 Nothing in this Agreement is intended to, or shall operate to, create a partnership between the parties, or to authorize either party to act as agent for the other, and neither party shall have authority to act in the name or on behalf of or otherwise to bind the other in any way (including the making of any representation or warranty, the assumption of any obligation or liability and the exercise of any right or power).
- 15.5 Any provision of this Agreement which is declared unlawful, void or unenforceable by any competent authority or court shall to that extent be deemed severed and the other provisions of this Agreement shall continue unaffected.
- 15.6 The Client may not assign, transfer, charge or deal in any other manner with this Agreement nor any rights or obligations under it or purport to do any of the same, nor sub-contract any of its obligations under this Agreement to any third party or declare any trust in respect of this Agreement or any of its obligations under it in favour of any third party without the prior written consent of the Company. The Company, without prejudice to any other rights, may transfer, novate, assign,

sub-contract or sub-license this Agreement or any of its rights or obligations hereunder to a third party.

- 15.7 No variation or alteration to this Agreement shall be effective unless in writing and signed by the Company and the Client and expressly identified as a variation or alteration of this Agreement.
- 15.8 A person who is not a party to this Agreement has no right to enforce any term of this Agreement but this does not affect any right or remedy of a third party which exists or is available according to the applicable law.
- 15.9 References to the singular include the plural and vice versa; any reference to any party includes its successors in title and any assignees.
- 15.10 Headings are included in this Agreement for ease of reference only and shall not affect the interpretation or construction of this Agreement.
- 15.11 References to clauses and schedules are to the clauses and schedules of this Agreement; the schedules form part of this Agreement and shall have effect as if set out in full in the body of this Agreement and any reference to this Agreement includes the schedules.
- 15.12 In the event that there is any conflict between terms provided for in this document, the schedules and any express specific terms agreed in any Confirmation of Acceptance of Instructions the order of precedence of terms shall be the express specific terms agreed in the relevant Confirmation of Acceptance of Instructions (if any) and then the terms and conditions set out in this document second and the terms of the schedules third.
- 15.13 The Company has internal policies and processes in place to ensure that all Services are undertaken in a fair and transparent manner. In particular, the Company has policies in place to ensure that its employees and representatives are fully aware of its Anti-Bribery and Corruption Policy and also fully aware of its Whistleblowing Policy, all of which are available for review if so requested by contacting McLarens Aviation' General Counsel.

16. GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to its rules regarding conflict of laws.

If this Agreement is made outside of the United States of America, then the governing law and jurisdiction shall be applied as follows:

16.1 Governing Law and Jurisdiction (McLarens Aviation Mexico)

This Agreement shall be governed by and construed in accordance with the laws of Mexico and any disputes arising under or in respect of this Agreement shall be referred to the non-exclusive jurisdiction of the courts of Mexico.

16.2 Governing Law and Jurisdiction (McLarens Aviation Brazil)



This Agreement shall be governed by and construed in accordance with the laws of Brazil and any disputes arising under or in respect of this Agreement shall be referred to the non-exclusive jurisdiction of the courts of Brazil.

16.3 Governing Law and Jurisdiction (McLarens Aviation Canada)

This Agreement shall be governed by and construed in accordance with the laws of the province of Quebec, Canada and any disputes arising under or in respect of this Agreement shall be referred to the non-exclusive jurisdiction of the courts of Quebec, Canada.

17. AUTHORITY

Each party warrants that it has full capacity and authority to enter into this Agreement.

SCHEDULE 1

THE SERVICES

The Company will provide survey and claims surveying services (supported by its in-house lawyers who will not give legal advice) to the Client appropriate to the requirements of each instruction. Each instruction or claim matter is unique and will therefore be handled in a customized manner, using a range of the Company's expertise and services (including but not limited to engaging the services of personnel / representatives from global network of offices) and in accordance with prior agreement as to the scope of the instructions and any subsequent enhancement or modification thereof.

In the absence of express instructions from the Client that have been agreed to by the Company and recorded in writing, the exact nature of the Services and their method of performance will lie in the Company's discretion; provided always that the Company exercises such discretion in good faith. The Services can include any or all of the following list of normally provided Services albeit the list is, of course, not exhaustive, given that the Services will be provided according to the needs of the particular claim/matter.

General:

- Receipt of Client Instructions
- Conflict check
- Confirmation of Acceptance of Instructions sent to Client
- File Opening/Closing
- General Management of Hull and Liability claims files

Survey

- Carrying out of survey activities (both airside and landside) including accident/incident site visits and visits to repair facilities;
- Repair monitoring, including review of repair scope from a technical point of view with review of costs, etc;
- Initial assessment of potential environmental issues relating to accident/incident site;
- Overseeing accident/incident site clearing, decontamination and site restoration;
- Locating wreckage storage facilities and overseeing wreckage removal to the storage facility;
- Recovery of the aircraft;
- Wreckage disposal.

SCHEDULE 1 - CONTINUED

Reporting

- Provision of prompt reports to Client including but not limited to where relevant the following:
 - ◆ Reserve recommendation based on currently available information;
 - ◆ Strategy of what work/services are considered necessary over next reporting period, including estimated budget, establishment of trust fund accounts, etc, for such necessary work/services;
 - ◆ Reserve recommendation based on currently available information in respect of Company fees;
 - ◆ Evaluation of liability based upon information available, considering contributory negligence, apportionment of indemnification and/or contribution;
 - ◆ Where possible review of subrogation, including:
 - Possible causes of action available to the Insured;
 - Defense available to the Insured;
 - Risk in relation to sum insured;
 - ◆ If requested by Client, potential relevant coverage issues (but excluding advice on coverage to Insured);
 - ◆ Review/comment on repair contracts;
 - ◆ Continued claims handling with the Insured, Brokers, Underwriters, Lessor/Owners and all relevant organisations and agencies involved;
 - ◆ Production of certain legal documentation including Form of Release and Discharge documents, Salvage Sale and Purchase Agreements, Claims notification, etc;
 - ◆ Drafting instructions and/or workscope for external experts, consultants, management and/or counsel;
 - ◆ Where applicable to include input and services from McLarens Aviation Regional Offices/Representatives. Such services are not necessarily charged at the same rate as the Company's fees;

Salvage

- Marketing and sale of salvage in accordance with Company's current Salvage Process, a copy of which is appended at Annex 1.

SCHEDULE 2

INVOICING AND PAYMENT

1. The Charges payable for the Services shall be calculated in accordance with the Company's standard hourly fee rates, as amended from time to time by the Company giving not less than 30 days' written notice to the Client.
2. The Charges which do not relate to hourly fees will be incurred by the Company and shall be evidenced in accordance with Annex 2. The Client agrees that such charges shall be reimbursed in accordance with Annex 2.
3. The Company's standard hourly fee rates for each category of service are set out separately.
4. The Company shall ensure that every individual whom it engages on the Services completes time sheets recording time spent, and the Company shall use such time sheets to calculate the charges covered by each monthly invoice referred to in paragraph 5.
5. Unless otherwise agreed, the Company shall have the option to invoice the Client monthly in arrears for its charges for time, expenses and materials (together with any applicable Sales Tax or its equivalent where appropriate) for the month concerned, calculated as provided in this schedule. In any event, the Company shall invoice the Client when the fees accrued reach US\$2,500.00 (Two thousand, five hundred United States Dollars) or subsidiary or regional office equivalent. Each invoice shall set out the time spent by each individual whom it engages on the Services, provide a detailed breakdown of any expenses and materials, accompanied by the relevant receipts and an estimate of sums which may fall due.
6. The Client shall pay each invoice submitted to it by the Company, in full and in cleared funds, within 30 days of the invoice date, unless otherwise agreed in writing.
7. Time for payment shall be of the essence of this Agreement.
8. Without prejudice to any other right or remedy that it may have, if the Client fails to pay the Company on the due date, the Company may suspend all Services until payment has been made in full.
9. All fees and other amounts due to either party under this Agreement shall be paid in full without any set-off, deduction or withholding other than as required by law and the Client shall not be entitled to assert any credit, set-off or counterclaim against the Company in order to justify withholding payment of any such amount in whole or in part.

SCHEDULE 2 - CONTINUED

10. The Charges are exclusive of Sales Tax or its local equivalent and any other applicable taxes for which the Client is legally liable and which are payable by the Client at the rate and in the manner of prescribed law.
11. The Company reserves the right to have its invoices collected by a third party or parties.

ANNEX 1

SALVAGE PROCESS

INTRODUCTION

McLarens Aviation has extensive experience of conducting salvage sales and as a business is fully aware of the need to support such activities with good processes and practices based upon this experience. McLarens Aviation have therefore developed a group wide Salvage Process to support the marketing and selling of salvage on behalf of Underwriters which we believe ensures transparency, fairness and accountability.

In matters where salvage becomes a part of the claims handling process, we will therefore always offer the McLarens Aviation Salvage Process to Underwriters as a way of ensuring that such matters are dealt with in a clearly identified manner and with the support of McLarens Aviation' full capabilities and contacts. In particular, McLarens Aviation Legal Department has developed a Salvage web portal, standard marketing template and agreements (Invitation to Bid, Sale and Purchase Agreement and other salvage documents) which are by and large accepted by the salvage market and Insured's. By utilising this and other internal expertise, we have developed streamlined salvage handling processes ensuring Underwriters interests are protected and values optimised.

Our Process is flexible and takes account of various salvage sale and disposal scenarios all in the attempt to optimise the amount received and/or to protect Underwriters. All Salvage sales are predicated on fairness and transparency, thereby ensuring the integrity of the process. With this in mind, McLarens Aviation will not receive a percentage of the proceeds of sale, nor charge any fee to prospective salvage bidders/purchasers. McLarens Aviation' fees will be based upon its normal published hourly fee rates

Adherence to the Process and its attendant McLarens Aviation Internal Salvage Checklist is audited by McLarens Aviation annually.

This Salvage Process should be read in conjunction with the relevant McLarens Aviation surveyor's report which may also provide guidance and recommendations as to how the specific salvage should be marketed/disposed of.

This Process is a recommendation only and in the event that Underwriters do not wish to follow our Process and have their own views on how a particular salvage should be dealt with we shall be grateful to receive their specific instructions detailing their requirements which will then be followed.

Usual Disposal Scenarios

1. PRESERVATION OF WRECKAGE/PARTS

Underwriters may advise that some or all of the wreckage (or certain components, parts, etc) must be preserved. In such circumstances, these items will not be the

subject of a salvage sale. Salvage sales will not commence until Underwriters have confirmed in writing that there are no legal impediments preventing disposal of the salvage.

2. RETENTION OF SALVAGE BY INSURED

In the event where the Insured indicates, before settlement of the claim, that they wish to keep some/all of the salvage they must make a fair and reasonable offer which will be reported to Underwriters for their consideration. Following acceptance by Underwriters of the Insured's offer we will then take the necessary steps to evidence the retention of the salvage including any particular terms. Such evidence may take the form of a transfer of title process (if a Lessor is involved) or a referenced in a Release, etc.

If the Insured decides to make an offer after the salvage marketing process has commenced they will be allowed to do so but will be treated as any other bidder.

3. DESTRUCTION OR PRESERVATION OF SALVAGE

In the event that remaining parts or components are considered as being unsuitable or inappropriate to be offered in a salvage sale, these items will be separately identified and McLarens Aviation will recommend measures that ought to be taken to ensure that such items or components are preserved destroyed and/or dealt with in such a way so as to ensure that they are put beyond any economic use and cannot re-enter the commercial aviation market.

- (i) Consideration will also be given to ensuring any potential environmental claims are mitigated. Underwriters will provide their express instructions that such items can be dealt with in this way before disposal of salvage is undertaken.
- (ii) Evidence of such preservation or destruction or other measures taken shall be made available to Underwriters. Where appropriate, and when requested to by Underwriters, an McLarens Aviation representative will attend and evidence the destruction of the salvage. In the event of salvage preservation and to the extent instructed to do so, McLarens Aviation will assist in locating storage facilities.

4. SALVAGE PUT BEYOND ECONOMIC USE AND NOT DESTROYED

In some circumstances salvage deemed unsuitable for re-entry into the commercial aviation market may in fact have a value to parties as a training aide or for exhibition type purposes. In these circumstances, McLarens Aviation will report their recommendations regarding the salvage retention proposal including the detailed terms, commentary on the organisation making the proposal, likely risks and whether or not a specific legal agreement is recommended to record the terms. Underwriters will provide their express instructions stating that McLarens Aviation can proceed on this basis.

5. “AS IS WHERE IS” SALE OF SALVAGE TO A THIRD PARTY(S)

The McLarens Aviation Process assumes, unless written instructions are received from Underwriters to the contrary, that Underwriters will elect to dispose of salvage remains, by formal tender to the general aviation salvage market, **“as is, where is”**, on a private and confidential bid basis.

However, there will be cases when, in view of the likely value of the salvage, it will not be cost effective to dispose of the salvage by formal tender and/or via the salvage web portal. In such a case, upon Underwriters’ specific instructions, the salvage may be disposed of by way of an informal tender process such as a timed auction or by way of a sale to a known party (solicited or unsolicited). In these circumstances the surveyor will report his detailed reasoning and recommendations before proceeding.

6. SALE OF SALVAGE TO THIRD PARTY BY GENERAL FORMAL TENDER

In the absence of instructions to the contrary, the salvage will be disposed of by way of formal tender as set out in this Salvage Process.

- i) In order to ensure that the costs to Underwriters’ are not disproportionate to the amount realised, McLarens Aviation has developed a group wide Salvage Process that will be adapted to the likely amount expected to be achieved. The McLarens Aviation Salvage process calls for a minimum of three reports to be sent to Underwriters updating on the status of the salvage sale. However, in the event of low value salvages these reports may take the form of mere email updates.
- ii) However, to be clear, the salvage market is very unpredictable and McLarens Aviation cannot warrant that the estimated amount will actually be realised. We therefore advise caution and warn that any amount intimated a before sale is final should not be used for reserve purposes or any other purposes.
- iii) In order to ensure that the sale is fair and transparent the handling surveyor will usually be required to limit his involvement in the salvage marketing and sale process to providing technical advice if called upon to do so.
- iv) ideally and in order to ensure the salvage sale is not only fair but seen to be fair marketing of the salvage will either be transferred to another surveyor or in larger or complex salvage sales the Regional Legal Department. The handling surveyor will continue to provide technical assistance.
- v) McLarens Aviation London, both Survey and Legal, has extensive salvage sale experience and may therefore provide assistance to the handling surveyor or the Regional Legal Department on an as required basis.
- vi) We accept that marketing via the McLarens Aviation salvage web page may not always be the best option. The handling surveyor, after internal consultation, (usually with the legal department), the insured and possibly after

undertaking preliminary market research, will report recommendations as to marketing and seek Underwriters' instructions.

Pre- Salvage Marketing Steps

In anticipation of or after instructions are received from Underwriters to market the salvage, various pre-salvage sale steps must be taken. We try to conclude these steps as quickly as possible. But depending on the nature of the salvage and other factors, we cannot provide a definitive timeline. Briefly, steps such as finalising releases, title transfer, and release of the wreckage by the local authority, access, storage costs, security, liaison with Insured and/or Lessor/Owner, locating, review and preservation of technical records, etc will all have a bearing on how quickly the salvage can be marketed.

Once the pre-salvage steps have been completed the marketing and sale of the salvage will be as follows:

i) **The McLarens Aviation Internal Salvage Checklist is a detailed step by step check list setting out most aspects of a salvage sale and will be followed and adapted to comply with Underwriters' instructions and /or the nature of the salvage.**

ii) In most circumstances, the salvage will be marketed via the McLarens Aviation salvage web portal.

Potential purchasers are notified of the salvage sale via an e-mail inviting them to visit the McLarens Aviation salvage web page and view the "Invitation to Bid - as is where is," terms of the sale, technical information, draft sale and purchase agreement and photos, etc.

Please note: The terms of the salvage sale are not conditional upon receipt of the highest bid. Underwriters have the sole discretion to accept or reject any bid. We consider this an essential aspect of the Process so as to allow Underwriters wide discretion.

iii) A list of potential bidders will be drawn from McLarens Aviation Salvage database along with any other parties who have contacted McLarens Aviation directly and/or provided by the Insured.

The web page is protected by password. Parties must pre-register and be "approved" by McLarens Aviation (the Regional Legal Department or handling surveyor) via e-mail before access is granted.

iv) All potential salvage bidders will be invited and encouraged to view the salvage and records in order to satisfy themselves as to its condition before making an offer.

v) A control sheet will be maintained on the handling file noting who was sent the invitation to bid and whether they will attend any inspection and the bid received, etc.

vi) In order to ensure that there are no allegations of one party receiving more technical information than another, we will aim to have a member

of the legal department or another surveyor attend any inspections rather than the surveyor handling the file.

- vii) There may be circumstances where this approach is not suitable and Underwriters will be informed and instructions sought. In such circumstances, measures will be put in place to ensure that there is no perceived or actual prejudice.
- viii) All bids are on an **“as is, where is”** basis. Bids that are conditional and/or on a different basis will be prima facie null and void unless Underwriters determine otherwise. All bids received will be recorded on the control sheet referred to above, recording and date of receipt.
- ix) Bids will only be accepted on a private and confidential and basis. Bids received via the internet will only be accessible by McLarens Aviation and only after bid closing. A bid report is then provided by the web page provider.
- x) Any bids received other than by the prescribed method no matter what amount – prima facie will be null and void – unless Underwriters determine otherwise.
- xi) Usually bids will be accompanied by a non-refundable 10% deposit of the bid amount, or required soon after the winning bidder is accepted. The deposit amount is to be received by telegraphic transfer into the relevant Underwriters Trust Fund Account held by McLarens Aviation. Failure to provide the deposit may result in the bid being rejected if Underwriters so instruct.
- xii) The McLarens Aviation Finance Department will, at a predetermined date and time, notify the Legal Department or Handling Surveyor regarding deposits received and these are matched up with the computer generated bid report.
- xiii) Until such pre-determined date, after bids close the Accounts Department shall keep the bids private and confidential and shall not disclose them to any McLarens Aviation individuals involved in the particular salvage sale.
- xiv) In respect of Salvage sales with an estimated value of less than US\$10,000.00 a 10% deposit will not normally be required.
- xv) After bids close a report/update will be provided to Underwriters’ seeking instructions to confirm, in writing, the preferred bid, either directly or via the handling broker. Where this communication is verbal, a file note will be made of the conversation. McLarens Aviation will provide any historical or character information that it may have regarding the potential bidders so as to assist Underwriters in making their choice.
- xvi) **The terms of the salvage sale expressly allow Underwriters full and unfettered discretion to accept any bid or not without explanation.**
- xvii) Once the bidder(s) is/are accepted the sale will be finalised. This means

that the appropriate Sale Agreement and/or Bill of Sale will be negotiated and concluded.

- xviii) Template sale documentation is available to the surveyor and will usually be used in the straight forward transactions under \$50,000.00.

If material amendments to template documents are required the Regional Legal resource will become involved to ensure that title is transferred correctly and Underwriters/Insured's interests remain protected.

Where we have a Regional Legal resource, that person will conclude the title transfer directly unless Underwriters wish to instruct their own lawyer.

- xix) The McLarens Aviation legal involvement will be proportionate to the salvage complexity and amount likely to be realised and may range from conduct of the marketing and sale process and detailed negotiation of the title transfer documents or simply drafting a straightforward bill of sale for the surveyor to conclude the transaction.

Please note McLarens Aviation legal team rates are the same as their regional surveyor.

- xx) A salvage conclusion report will also be provided confirming that the salvage sale is complete, setting out a brief history of bids received, etc and finally seeking instructions to remit the salvage funds received to Underwriters, usually net of our fees.
- xxi) In the event of a dispute regarding the salvage process the McLarens Aviation Legal Department will, in co-operation with the Principal Surveyor or a Senior Surveyor/Associate Director, liaise with Underwriters and the owners of the salvage to seek a resolution.
- xxii) This Process will be followed unless specific written instructions are received from Underwriters to the contrary.

6. FILE CLOSURE

Upon the completion of a salvage sale, the handling file will be reviewed by a lawyer who has not conducted the sale, to verify adherence to the salvage Process.

ANNEX 2

TRAVEL AND BUSINESS EXPENSE REIMBURSEMENT POLICY

This Annex 2 is to be read in conjunction with Schedule 2 “Invoicing and Payment”.

REIMBURSEMENT REQUIREMENTS

All travel related expenses will be reimbursed by the Client for business travel in accordance with this Policy at the time of travel.

AIRFARES

If any pre-existing travel arrangements exist between McLarens Aviation and the client at the time of travel, that agreement will be adhered to when booking airplane tickets to travel to the designated location. If no such policy exists at the time of travel, McLarens Aviation employees will make all reasonable efforts to travel in the most cost effective manner in consideration of the urgency of the travel, duration of the travel to the destination and any other relevant factors.

CAR RENTAL

Rental cars will be rented for business purposes when travel to and from a claim location and the surrounding area requires it.

MILEAGE

McLarens Aviation will charge its clients at a locally set rate reflecting the cost of vehicle usage.

Other McLarens Aviation subsidiaries are to be reimbursed in line with current rates employed by those companies.

COMMUNICATIONS

McLarens Aviation’s employees are provided with mobile telephones, smart phones and/or laptop computers. These devices are used for business purposes and expenses incurred for use of these devices while travelling shall be reimbursed by the Client in accordance with McLarens Aviation policy at the time of travel.

TAXI/SHUTTLE/PUBLIC TRANSPORTATION/RAPID TRANSIT

Employees will evaluate their individual circumstances and select a safe, economical alternative when travelling to and from all destinations.

HOTEL ACCOMMODATION

Local safe, secure and reasonably priced business hotel accommodation will be sought by employees travelling on company business. Hotel accommodation costs will be reimbursed by the Client in accordance with this McLarens Aviation’s Policy.

MEALS

Food and beverage costs incurred during travel will be reimbursed by Client in accordance with this Policy.

- END -