



GENERAL LEASE TERMS AND CONDITIONS

ACL Airshop Limited

These General Lease Terms and Conditions (these “Terms and Conditions”) are effective as of **JULY 29, 2022** and represent all the rights, duties, and obligations of ACL Airshop Limited, a company organized and existing under the laws of the Hong Kong Special Administrative Region (SAR), with its office located at Unit 1103, Airport Freight Forwarding Centre, 2 Chun Wan Road, Chep Lap Kok, Hong Kong (the “Lessor”), a limited liability company with offices located at Greenville, SC, and the person or entity that desires to lease air cargo equipment (the “Lessee”) from the Lessor as evidenced by the Lessee’s signing or acceptance (as further described in Section 1.1 below) of a lease order or rental order document setting forth the type and quantity of air cargo equipment, the lease rate, and the lease location (a “Lease Order”). These Terms and Conditions apply to and form an integral part of any contract or agreement for the lease of air cargo equipment (the “Equipment”) between Lessor and the Lessee. These Terms and Conditions and any Lease Order or other document of Lessor attached hereto, and any other written or electronic communication of Lessor that directed the Lessee to or that incorporates these Terms and Conditions, shall collectively constitute the “Agreement” governing the lease of the Equipment. In the event of any conflict between these Terms and Conditions and a Lease Order or any other document of Lessor, these Terms and Conditions shall prevail.

Article 1 - Applicability; Contract Formation; Terms and Conditions Subject to Change

1.1 These Terms and Conditions are applicable to all legal relationships of Lessor whereby Lessor is acting as the lessor of Equipment. Lessee shall be deemed to have accepted the provisions of the Agreement, including these Terms and Conditions, by manifesting such acceptance by any of the following: (a) signing and returning to Lessor a copy of the Agreement; (b) sending to Lessor a written acknowledgement of the Agreement; (c) placing a lease order or giving instructions to Lessor regarding the lease and delivery of Equipment following receipt of the Agreement; (d) failing to cancel a pending lease order within ten (10) days after receiving the Agreement; (e) accepting delivery of all or any part of the Equipment; (f) paying the lease rate for all or any part of the Equipment; or (g) indicating in some other manner Lessee’s acceptance of the Agreement.

1.2 Lessor hereby expressly objects to and rejects the provisions of any other document which is inconsistent with, in addition to, in modification of, or in contradiction to the provisions of these Terms and Conditions (which inconsistent, additional, modified or contradictory provisions are hereby excluded from the Agreement), and Lessor’s offer and obligations are expressly conditioned upon Lessee’s acceptance of these Terms and Conditions. The Agreement shall be the complete and exclusive agreement between Lessor and Lessee with respect to the Equipment and may be modified only in a writing signed by an authorized representative of Lessor. No prior or other contemporaneous proposals, quotations, statements, forecasts, samples, models, specifications, course of dealing or usage of trade shall be part of the contract between Lessee and Lessor.



1.3 Lessor may change or modify these Terms and Conditions from time to time without notice. The Terms and Conditions in effect and posted on the website at www.aclairshop.com/ULD_leasing.php at the time of each new order of Equipment by Lessee shall apply and govern the lease of such Equipment.

Article 2 - Delivery and return of Equipment

2.1 The lease period for the Equipment shall commence on the day the Equipment leaves the facility of the Lessor or its agent, unless explicitly otherwise agreed upon.

2.2 The lease period for the Equipment leased shall end at 23:59 PM on the day the Lessee returns the

Equipment in accordance with Article 9 or the Equipment is repossessed by the Lessor, its employees, subsidiaries, affiliates or subcontractors.

2.3 The parties to this Agreement may agree that the Lessor shall arrange for transportation of the Equipment from the location of delivery to a location desired by the Lessee, or, in case of return of the Equipment, from any actual location of the Equipment to the place of business of the Lessor, in accordance with the previous paragraph. In any such case, the Lessor shall act as agent to the Lessee only and such transportation shall be for the sole risk and account of the Lessee, unless otherwise agreed upon.

Article 3 - Lease rate, expenses and charges

3.1 The lease rate is specified in a separate Lease Order for the specific Equipment requested.

3.2 The Lessee shall pay all reasonable expenses relating to the Equipment leased under this Agreement during the entire lease period, including but not limited to expenses incurred in airports, depots or storage areas.

3.3 Insurance premiums due pursuant to insurance covering the transportation of Equipment, irrespective whether entered into by the Lessee or the Lessor, its employees, subsidiaries, affiliates, or subcontractors, shall always be for account of the Lessee and if insurance premiums are charged to the Lessor, they shall be invoiced to the Lessee and be reimbursed by the Lessee to the Lessor.

3.4 In case of transportation of Equipment by roadway upon Lessee's request, arranged by the Lessor, its employees, subsidiaries, affiliates or subcontractors, the Lessor shall invoice the Lessee for such transportation charges.



3.5 The Lessee shall, at its expense, comply with all conventions, laws, regulations or orders of governing or regulatory authorities and with all rules and practices of depots and storage areas, and shall be liable for all fines or penalties for failure to comply. Lessee shall be responsible for all taxes due with respect to the Equipment arising out of its possession or use by the Lessee.

3.6 At the conclusion of a scheduled “Year End Review” each December, the Lessor reserves the right to adjust the lease rate on existing Lease Orders to reflect annual changes in consumer prices or similar indices. This adjustment shall automatically be applied for lease periods beginning in January of the year following review. This automatic annual increase shall not exceed 5%.

Article 4 - Operation, maintenance & repairs

4.1 Unless the Lessee or an agent appointed by the Lessee notifies the Lessor otherwise upon delivery of the Equipment, the Equipment is irrevocably considered to be delivered to the Lessee clean, undamaged and in air worthy condition.

4.2 The Lessee shall:

- (a) use the Equipment properly and in accordance with good business practice;
- (b) keep the Equipment in good order;
- (c) repair or replace parts if required;
- (d) perform routine safety inspections; and
- (e) clean the Equipment and prevent corrosion and other damage to the Equipment.

4.3 The Lessee shall return Equipment leased under this Agreement in the same good state and condition as upon delivery except for normal wear and tear.

4.4 During the entire lease period, the Lessee is responsible and shall compensate the Lessor for any and all damage to the Equipment, normal wear and tear excepted. Normal wear and tear includes light oxidation, light rust, and random dents and scratches caused by normal handling, ground storage, transport, loading and discharge consistent with good practice. The only instance where Lessee is not responsible for damage is when the damage existed prior to, and is noted on, the delivery document for the equipment signed by Lessor or its representative.

4.5 The Lessee shall not make any alterations to the Equipment without the prior written consent of the Lessor. Any logo placed on the Equipment by the Lessee must be removed prior to return of the Equipment. If logos of the Lessee have not been removed upon return of the Equipment, the Lessor is entitled to remove such logos at the Lessee’s expense.



Article 5 - Sub-lease, assignment

5.1 The Lessee shall at no time acquire ownership of the leased Equipment, nor shall the Lessee acquire any title or right to the Equipment other than the right to lease the Equipment in accordance with the terms of this Agreement.

5.2 The Lessee shall not sub-lease any Equipment or assign its rights under this Agreement or any of the Equipment covered by this Agreement to any other party without the prior written consent of the Lessor.

5.3 The Lessee shall not pledge, hypothecate, mortgage, encumber or in any manner dispose of Equipment leased under this Agreement.

5.4 The Lessee shall not remove, hide or alter any identifying marks and/or serial numbers marked or affixed to the Equipment.

Article 6 - Warranty

All Equipment is leased "As Is" and the Lessor warrants only that each item delivered to the Lessee is airworthy. The Lessee acknowledges and agrees that the Lessor, its employees, subsidiaries, affiliates or subcontractors, make no other representation, agreement or warranty whatsoever, expressed or implied, as to any Equipment, its physical merchantability, or its fitness for any use or purpose whatsoever.

Article 7 - Force majeure

It is understood and agreed that the Lessor, its employees, subsidiaries, affiliates or subcontractors, shall not be liable to the Lessee or any other party or entity for any failure or delay in the performance of any obligation under the Agreement due to events beyond its reasonable control, including, but not limited to, fire, storm, flood, earthquake, explosion accidents, acts of public enemy, sabotage, riots or civil disorders, strikes, lockouts, labor disputes or shortages, transportation embargoes or delays, failure or shortages of materials or supplies or Equipment, failure of suppliers to deliver as requested, failure of repair facilities to finish repairs, acts of nature, acts or regulations or priorities of any government or its branches or agencies, acts of god, acts of war and/or terrorism, or for any other event beyond its reasonable control.

Article 8 - Risk of loss and damage

8.1 Damage and repair. Should any Equipment specified in this Agreement or any addendum be returned in damaged condition (beyond normal wear and tear as referred to in article 4 of this Agreement), the Lessor shall undertake the repairs to the damaged Equipment in order to bring the Equipment to airworthy condition in accordance with the manufacturer's Component Maintenance Manual (CMM). The Lessee agrees to promptly pay Lessor for the costs of such repairs.



8.2 Outside repairs. Lessee may repair damaged Equipment at a ULD repair station approved by the International Air Transport Association (IATA) or the United States' Federal Aviation Administration (FAA) at Lessee's expense. The agreed lease periods shall be deemed extended during such repair and rent for damaged Equipment shall continue to accrue until the Equipment is repaired and delivered to the Lessor.

8.3 Loss and total damage. If the Lessor determines that any Equipment is returned damaged beyond economical repair, or if an item of Equipment is lost, abandoned by the Lessee, arrested or seized by legal process of the Lessee's creditor(s) or others, or not returned to the Lessor for any other reason beyond Lessor's responsibility and control or the responsibility and control of Lessor's agents, employees, or subcontractors, the Lessee shall be responsible to pay to Lessor the replacement value for such item of Equipment as specified in the Lease Order. Lease charges for the Equipment shall continue to accrue until the replacement cost is paid. If Equipment is lost, and after the Lessor receives payment for the lost Equipment, the Lessor may, at its option, supply Lessee substitute Equipment for the balance of the lease term pursuant to the same terms and conditions covering the lost item(s).

Article 9 - Unauthorized return of equipment

The Lessee shall, at its expense, return each item of Equipment to the location of origin unless otherwise expressly agreed by the Lessor. If the Lessee returns any Equipment to a location different than the location of origin without the Lessor's express agreement, the Lessor may at its own initiative pick up and arrange for transportation of the Equipment to any of its places of business at the Lessee's expense and charge the Lessee rent for the Equipment until it reaches the Lessor's place of business. The lease period will continue until all the Equipment is received by the Lessor at an approved location.

Article 10 - Indemnity

10.1 The Lessee shall indemnify, reimburse, and hold the Lessor, its agents, employees, subsidiaries, affiliates or subcontractors, harmless from all liability or loss, including reasonable legal expenses, incurred by any of them and arising out of or relating to:

(a) Any failure of the Lessee to comply with any its obligations under this Agreement, or any attempt by a third party to impose liability on the Lessor or its agents, employees, subsidiaries, affiliates or subcontractors, relating to the Lessee's obligations hereunder.

(b) Any claim for personal injury or property damage arising out of the Lessee's acts while the Equipment is on lease to Lessee, or in custody of Lessee.

10.2 The Lessor shall indemnify, reimburse, and hold the Lessee, its agents, employees, subsidiaries, affiliates or subcontractors, harmless from all liability or loss, including reasonable legal expenses, incurred by any of them and arising out of or relating to any dispute of the ownership of the leased ULD Equipment.



10.3 Each party shall promptly notify the other in writing of any claim against it and of damage suffered by a third party, without prejudice to liability.

10.4 In no event will any party have any liability for any indirect, incidental, special, consequential or punitive damages.

Article 11 - Insurance

The Lessee shall at its own expense take out the following insurance with respect to the Lessor and its Equipment:

(a) All risk insurance, including property insurance on the Equipment covering all risks of loss or damage from any cause, including war risks, strikes, riots, civil commotion, mysterious disappearances and unexplained loss, effective anywhere in the world whether on land or airborne, in an amount equal

to the replacement value of the Equipment, with limits of not less than \$ 250,000.00 USD per person,
\$ 500,000.00 USD per occurrence and \$ 100,000.00 USD property damage for each accident.

(b) Contractors and Cargo Liability insurance covering the Lessee's indemnity obligations and exposure hereunder.

(c) The Lessor shall be named as co-Insured in the insurance policies required under this Agreement. Copies of the policies shall be furnished to the Lessor upon request.

Article 12 - Payments

12.1 All invoices must be paid within 30 days of the date of issue. Any late payments will be subject to an interest charge of 1.5% of any outstanding balances per month plus a \$ 25.00 USD monthly administrative charge.

12.2 Payments must be accomplished at the place of business of the Lessor, addressed to Lessor, and will only be considered to be accomplished upon receipt by the Lessor. All payments shall be due and payable without offset, discount (unless explicitly provided for in the Agreement) or any reduction in the invoiced amount, without deduction for any exchange or conversion, and also without deduction for any taxes or duties levied by any governmental authority.

12.3 The Lessee agrees that its obligations under this Agreement, including, without limitation, the Lessee's obligation to pay rental charges, are absolute and shall continue in full force and effect, regardless of any inability of the Lessee to use the Equipment, for any reason, and that the Lessee's obligation shall not cease due to any alleged claim or set-off against the Lessor.



Article 13 - Default; Remedies for default

13.1 Should this Agreement or any addendum hereto be breached by Lessee prior to the end of the agreed upon term, or for any other default, then a daily rental rate for the Equipment leased hereunder shall be applied which will be calculated on a pro-rata basis in accordance with the agreed lease rate specified within the existing Lease Order. If the default is for failure to timely pay the lease payments due under this Agreement, any outstanding balances will be subject to an interest charge of 1.5% of per month plus a \$ 25.00 USD monthly administrative charge. An invoice will be issued to the Lessee reflecting the rental rate and/or other charges pursuant to this paragraph.

13.2 The Lessor may terminate the Lease without prejudice to any other rights after ten (10) days written notice to the Lessee if (i) the Lessee fails to pay rent or any other charges when due, (ii) the Lessee is in default in the performance of any obligation under this Agreement and fails to remedy fully such default within ten (10) days after receipt of written notice from the Lessor to do so, or (iii) the Lessee is the subject of any proceedings under the bankruptcy laws applicable to the Lessee or has become insolvent, or otherwise places Lessor's interest in its Equipment in jeopardy. Immediately upon notification of termination, a pro-rata daily rental rate calculated in accordance with the existing Agreement shall apply until each item of Equipment has been returned to Lessor.

13.3 Upon any default, the Lessor may utilize all legal remedies available to it to secure possession of or to protect the Equipment, or may retake possession of the Equipment without resort to judicial process and in such case the Lessee shall be required to notify the Lessor of the exact location of all Equipment on lease and promptly redeliver same to the Lessor.

13.4 The Lessee agrees to pay all reasonable legal fees and costs incurred and incidental to the enforcement of Lessor's rights under this Agreement, including, but not limited to, measures to collect payment of outstanding invoices or claim repossession of Equipment.

Article 14 – Trade Regulations

14.1 Compliance with Corruption Laws. The Lessor is subject to and complies with the U.S. Foreign Corrupt Practices Act of 1977 (as amended). The Lessee represents, warrants, and covenants that it has not made or agreed to make any contributions, payments, or gifts of money or anything of value to any governmental official, employee, or agent where either the payment or the purpose of such contribution, payment, or gift was or is illegal under the U.S. Foreign Corrupt Practices Act of 1977 (as amended) or any comparable laws in other countries which are applicable to the Lessee (collectively, "Corruption Laws"). Further, the Lessee has not established or maintained any unrecorded fund or asset or made any false or artificial entries on any of its books or records in violation of Corruption Laws.



14.2 Compliance with Economic Sanctions Laws.

(a) The Lessor is subject to and complies with all laws, regulations, and orders administered by the United States Treasury Department's Office of Foreign Assets Control or any other governmental authority imposing economic sanctions and trade embargoes ("Economic Sanctions Laws") against designated countries (including, but not limited to, Iran, Syria, Cuba, North Korea, and Libya), entities, and persons (collectively, "Embargoed Targets"). As such, the Lessor is prohibited from conducting any business, directly or indirectly, with any Embargoed Target.

(b) The Lessee is, and for three (3) years prior to the date of the Agreement has been, in compliance with all Economic Sanctions Laws. The Lessee is not an Embargoed Target, nor is the Lessee affiliated in any manner with an Embargoed Target. The Lessee covenants and agrees that it will comply with all Economic Sanctions Laws. Without limiting the generality of the foregoing, the Lessee covenants and agrees that it will not (i) directly or indirectly export, re-export, transship, transport, or otherwise deliver the Equipment or any item of Equipment to an Embargoed Target or (ii) broker, finance, or otherwise facilitate any transaction in violation of any Economic Sanctions Law.

14.3 Licenses and Approvals. The Lessee represents and warrants that it has obtained all necessary approvals, licenses and permits required from any governmental authority which may be required with respect to the Lessee's receipt, importation, delivery, or use of the Equipment.

Article 15 - Applicable law

15.1 This Agreement is governed by and construed in accordance with the laws of the Hong Kong SAR.

15.2 Any transportation arranged by the Lessor, its employees, subsidiaries, affiliates or subcontractors, acting as agent for the Lessee, or otherwise as per special agreement between the parties, shall be subject to in case of international transport by air: the Convention for the Unification of Certain Rules Relating to International Carriage by Air, done at Warsaw, October 12, 1929 (the "Warsaw Convention"); or the Warsaw Convention as amended at The Hague on September 28, 1955; or the Warsaw Convention as amended at The Hague 1955 and by Montreal Protocol No. 1, 2, or 4 (1975) as the case may be; or the Warsaw Convention as amended by the Guadalajara Supplementary Convention done at Guadalajara September 18, 1961; or the Convention for the Unification of Certain Rules for International Carriage by Air, done at Montreal on May 28, 1999; whichever may be applicable to the contract of carriage.



Article 16 - Jurisdiction

16.1 Any claim or dispute arising from this Agreement shall be subject to the exclusive jurisdiction of the courts of the Hong Kong SAR, and Lessee hereby consents to the jurisdiction of the Hong Kong SAR courts.

16.2 The parties to this agreement hereby waive any and all rights to any trial by jury in any action or proceeding arising directly or indirectly hereunder.

Article 17 - Miscellaneous

17.1 Successors and Assigns. This Agreement and the Lease Order specifying the leased Equipment and all addendums are binding upon the parties and their respective heirs, legal representatives, successors and assignees.

17.2 Assignment by Lessor. The Lessor may assign all or any part of its right, title or interest in this Agreement, including all rental charges due or to become due, provided that such assignment is expressly subject to the Lessee's right under this Agreement.

17.3 Headings. The article and paragraph headings are for convenience only and shall not be deemed to alter or affect the meaning or interpretation of any provisions of this Agreement.

17.4 Notices. All notices and similar communications provided hereunder are to be given in writing and delivered by (a) hand delivery (with written confirmation of receipt), (b) reputable express courier service (with delivery confirmation requested), (c) fax, or (d) e-mail. All such notices shall be deemed to be delivered when receipt is confirmed. Notices sent by fax will be deemed delivered on receipt by the sender of an acknowledgement or transmission report generated by the machine from which the fax was sent. Notices delivered by e-mail shall be deemed communicated when the recipient acknowledges having received the e-mail by reply e-mail (an automatic "read receipt" does not constitute acknowledgment of receipt for these purposes). Notices must be addressed to the party at the party's address, fax number, or e-mail address set forth in the Lease Order unless the party has notified a changed address, fax number, or e-mail address, in which case the notice must be to that address, fax number, or e-mail address.

17.5 Authority of Signatory. The person signing or otherwise accepting a Lease Order and this Agreement on behalf of the Lessee represents and warrants that he or she is duly authorized and has full legal capacity to execute and deliver this Agreement. The Lessee represents and warrants that the execution or other acceptance of this Agreement and the performance of the Lessee's obligations hereunder have been duly authorized and that this Agreement constitutes the legal, valid, and binding obligation of the Lessee, enforceable in accordance with its terms.