

**STANDARD TERMS & CONDITIONS FOR MRO SERVICES**

1. **Terms and Conditions.** These standard terms and conditions, together with the terms, if any, set forth in Epic Engines's proposal to which these terms and conditions are attached (the "Proposal"), in the Estimate (defined below), or in the Workscope (defined below), are binding upon the Parties and form the sole and exclusive terms and conditions applicable to Epic Engine's Services, and comprise the entire agreement between the Customer and Epic Engines for the Services (the "Agreement").
2. **Workscope and Estimate Approval.** Epic Engines will supply an initial workscope with a condition report to the Customer. Customer will approve the workscope and return a signed workscope to Epic Engines before commencement of work. Customer must approve the estimate and necessary finance terms, as detailed in the original proposal, must be met before commencement of work. In the event that the customer does not approve the workscope or the estimate, Epic Engines has no obligation to proceed further and the customer shall accept any charges on works carried out up until that point.
3. **Services.** Epic Engines will perform, as described, the services listed in the workscope. Subcontracted repairs, overhauls, or maintenance will be at the discretion of Epic Engines and shall conform to the requirements of the workscope (ie. EASA certification). Epic Engines will exercise its discretion when using new, overhaul condition, repaired, reworked or serviceable parts in performance of its services. Epic Engines will attest that all parts installed shall have the required certification where applicable (FAA, TCCA, EASA, CAA, CoFC).
4. **Payment.** Unless otherwise stated in the proposal or quotation, the Customer shall pay Epic Engines invoices at 50% on Estimate Approval, and the remainder calculated and due on completion. Customer shall notify Epic Engines within 10 days of the date on the invoice if there is a

payment discrepancy or dispute. Disputes will be handled directly with the management of Epic Engines and if the Customer has a good faith dispute with respect to any payment, in whole or in part, the Customer shall pay, notwithstanding that dispute, all undisputed amount and invoices in accordance with the above payment terms.

- a. **Payment not received**

- i. Epic Engines may terminate services, including termination of warranty commitments.
  - ii. Turn Around Time or Lead Time as described and agreed to in the original proposal shall be suspended until payments are made and received by Epic Engines.
  - iii. Epic Engines reserves the right to find the Customer in breach of contractual agreement and default.
  - iv. Epic Engine may retain all amounts paid with respect to this Agreement as liquidated damages in addition to other remedies which may be available under the Law
  - v. Epic Engines reserves the right to install a lien on the unpaid Customer property as entitled by law and within Epic Engines possession for all sums owed or owing to Epic Engines by the Customer.
  - vi. Epic Engines will not be held responsible for the Customer's legal fees, expenses or costs incurred in recovery of property.
5. **Pricing.** Unless otherwise stated on the Estimate or Proposal, Epic Engines pricing does not include shipping, insurance, taxes,

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tariffs, duties or other similar charges. Pricing structure shall be listed in the Proposal and is confidential to the Customer and as such shall not be shared to any parties or competitors outside of the agreement or proposal. Customer shall indemnify and hold harmless Epic Engines from payment or imposition of any tax imposed on any services, plus penalties, interest, and reasonable attorney fees connected with the imposition of any such tax.

6. **Discounts.** Epic Engines will provide discount structure to specific customers and buyers. Discounts are subject to change and reviewed yearly. Epic Engines reserves the right to change discount structure at its discretion outside of a contractual agreement. Customer's will be informed of an upcoming discount change or pricing increase, especially near the end of the year, as this may affect pricing outcomes in a new year. Epic Engines will not be responsible for changes in discount and pricing on delayed estimate approval.
7. **Shipping.** Customer is responsible for shipping the material or equipment to Epic Engines. Customer shall ensure that material or equipment is packaged such a manner as to prevent damage from shipping movements, weather, shock loading, contamination, corrosion, dents, scratches, dings, and infestations. For International Customers all transportation containers are to be compliant with applicable international shipping regulations. Customer will be liable for any damage to the material or equipment if the damage was the resultant of Customer improper packaging or mishandling.
8. **Supplied Parts.** Customers wishing to supply parts to Epic Engines work order's can do so if criteria is met for certification standards and the goods are received in good order in accordance with Epic Engines MPM and Quality Procedures. Customer shall be responsible for packaging and shipping of their own parts. Customers Supplied Parts fee may apply and will be

reviewed on a case by case basis. Epic engines will not install supplied parts that do not meet the requirements set forth in the MPM, Quality Standards, or OEM Maintenance Criteria and as such Epic Engines reserves the right to reject customer supplied parts without providing cause.

9. **Exchanges.** Permanent exchange of any material, equipment, engine, gearbox or part between the Customer and Epic Engines (the "Parties") warrants that their respective titles will be free and clear of all encumbrances for any exchange item and each shall deliver to the other all documents necessary to transfer title and release an encumbrances. If Epic Engines provides an advanced exchange, the core must be returned within 30 days after the date of shipment of the exchange unit to the Customer unless otherwise stated in the proposal or agreement. Customer may be responsible for core charge back if customer fails to return the core to Epic Engines facility within the agreed upon timeframe. Cores received that have been the subject of an investigation, accident, or fatality shall not be accepted and as such core charge will apply.
10. **Warranty.** Repaired or Overhauled units by Epic Engines are warranted to be free from defects in workmanship for a time period listed below:
  - a. **Overhauls** – 2 Years or 2000 Hrs, whichever comes first.
  - b. **Repairs** – 1 Year of 500 Hrs, whichever comes first.

Warranty is only transferable with the express written consent from Epic Engines. Epic Engines reserves the right to withhold transfer of warranty and to demand specifics concerning transferee, end-user, alternate operation, misuse, and military use or any other specifics as required by Epic Engines.

Customers that do not take the recommendations for Airworthiness Directives or specific Service Bulletins recommendations at the time of build may

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not receive warranty concession or may receive a limited warranty approved by Epic Engines management. Epic engines reserves the right to reject warranty concession for equipment operated outside of operational limits as detailed in the OEM manuals, misuse or mishandling, damage by shipping companies or customers, foreign object damage, abuse, neglect, or subject to accident. Warranty will cease and will not be recognized if unit has work carried out at another MRO or maintenance facility.

**11. Epic Engine's Indemnity.** Epic Engines shall indemnify, defend, and hold harmless the Customer, its affiliates, and their respective officers, directors, employees, and agents from and against any and all claims, damages, losses, liabilities, costs, and expenses (including reasonable attorneys' fees and expenses of litigation) arising out of or in connection with the Epic Engines' performance of its obligations under this Agreement, except to the extent that such claims, damages, losses, liabilities, costs, or expenses are caused by the negligence or willful misconduct of the Customer or its affiliates. Epic Engines shall not be liable for any indirect, special, or consequential damages arising out of or in connection with this Agreement, even if Epic Engines has been advised of the possibility of such damages.

**12. Customer Indemnity.** The Customer shall indemnify Epic Engines, affiliates, subsidiaries, and their respective directors, officers, and employees, from and against

- a. Any and all Claims by or of any third party for any loss of, damage to, or destruction of any physical property or any bodily injury to or death of any person arising from
  - i. The Customer's negligence or willful misconduct, and/or
  - ii. The use, operation, repair, maintenance, or disposition of the Equipment (of part thereof) by the Customer

or any third party, whether prior to the delivery of the Equipment to Epic Engines and/or after the redelivery of the Equipment to the Customer, and any and all Claims resulting from injuries or damages suffered by employees of the Customer in connection with the performance of their respective employment with the Customer, provided that the Customer shall not be required to indemnify Epic Engines to the extent that a Claim results or arises from Epic Engines negligence or willful misconduct.

**13. Export Compliance.** Both Parties shall comply with all Canada & U.S. export control laws and regulations, including the International Traffic in Arms Regulations (ITAR), 22 CFR Parts 120 through 130, and the Export Administration Regulations (EAR), 15 CFR Parts 730 through 799, in the performance of this Agreement. The Parties shall be responsible for obtaining any necessary licenses or approvals required for the export of any hardware, technical data, or software, or for the provision of technical assistance. The Parties shall also be responsible for ensuring that any foreign persons utilized in the performance of this Agreement are properly authorized to receive technical data or software under the ITAR. Epic Engines shall indemnify and hold harmless the Customer, its affiliates, and their respective officers, directors, employees, and agents from and against any and all claims, damages, losses, liabilities, costs, and expenses (including reasonable attorneys' fees and expenses of litigation) arising out of or in connection with any violation of this clause by Epic

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Engines. The Customer acknowledges that the Equipment and any data provided pursuant to this agreement may be subject to, and controlled by, the export laws and regulations of the Canada, US, and other countries (collectively referred to as "Export Laws"). Equipment without proper licensing or export data or authorization being obtained may be returned to the Customer at the Customer's expense.

14. **Confidentiality.** The Parties agree to maintain the confidentiality of all proprietary and confidential information disclosed by the Customer and Epic Engines, including but not limited to technical data, trade secrets, business plans, customer lists, and financial information. The Customer agrees not to use the confidential information for any purpose other than the performance of its obligations under this Agreement. The Parties agree to take all reasonable measures to protect the confidentiality of the confidential information, including but not limited to limiting access to the confidential information to those employees who have a need to know and who have signed a confidentiality agreement. Epic Engines agrees to promptly notify the Customer in writing of any unauthorized use or disclosure of the confidential information. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.
15. **Force Majeure and Delay.** Epic Engines is not responsible for any failure or delay in performance resulting from any cause beyond Epic Engines's reasonable control, including: (a) adverse weather conditions; (b) acts of government, governmental priorities, allocation regulations or orders; (c) court order, war, civil unrest, sabotage, invasion, act of foreign enemy, hostilities (whether war declared or not), rebellion, revolution, insurrection, mutiny, riots, labor troubles, strike, lockouts, civil commotion, military or usurped power, or attempts at usurpation of power, acts of a group of malicious persons or person acting on

behalf of or in connection with any political organization, conspiracy, confiscation, commandeering, requisition or destruction of or damage to property by order of any de jure or de facto or by any public authority; (d) epidemics, pandemics, public health emergencies or quarantine restrictions; (e) shortages of materials, parts or services; (f) the actions or inactions of the Customer; or (e) the actions or inactions of an OEM, including any OEM part shortages, OEM part allocations, or other OEM supply issues (each, an "Event of Force Majeure"). Epic Engines will use its reasonable commercial efforts to minimize the delay. Epic Engines's time for performance will be extended by the length of the delay caused by the relevant Event(s) of Force Majeure