

## SERVICE CONTRACT

2013 No. 2013

Cyprus

THIS CONTRACT (hereinafter, this Contract together with Schedule 1 and any subsequent Schedule hereto are referred to as the "**The Contract**") has been entered into BY AND BETWEEN:

- (1) **PILOT MANAGEMENT SERVICES (CYPRUS) LTD**, a private company duly incorporated and operating under the laws of Cyprus, registration number HE 218923, with its registered office at 15, Dimitriou Karatasou str., Anastasio Building, 6<sup>th</sup> floor, Office 601, CY-2024 Strovolos, Nicosia, Cyprus (hereinafter, the "**Company**"), represented by director **Viktorija Dunciene**, a representative of the Company, and
- (2) [REDACTED], personal ID code [REDACTED], passport No. [REDACTED], date of birth: [REDACTED], place of residence: Place of residence (full address) [REDACTED], [REDACTED], [REDACTED], Mobile phone No [REDACTED]; e-mail address: [REDACTED]; bank account details: [REDACTED]; Swift code: [REDACTED], IBAN No. [REDACTED] (hereinafter, the "**Service provider**").

hereinafter the Service provider and the Company are jointly referred to as the "**Parties**" and each separately as the "**Party**".

WHEREAS, the Company is engaged in outsourcing of aviation personnel to airline operators;

WHEREAS, the Service provider is a professional pilot and he desires to perform pilot services for the Company on the terms and conditions stated herein;

NOW THEREFORE, in consideration of the promises and the mutual covenants contained herein, and for good and valuable consideration, the Company and the Service provider hereby agree as follows:

### *Subject Matter of the Contract*

1. The Service provider shall perform pilot services to the Company or any third party (airline operator) (hereinafter – the "**Third operator**") as assigned by the Company (hereinafter – the "**Services**") under these principal conditions specified below:

1.1. The Service provider's place of service is movable and is determined by the Company and the respective Third operator;

1.2. Service provider's functions, i.e. profession, specialty, position name, qualification: Airbus A320 First Officer;

1.3. Service provider's duties: shall undertake and perform all his service and duties hereunder including all the services and duties provided for in the respective Schedule to this Contract (hereinafter, the "**Schedule**") for the respective amount of hours provided for thereof.

Hereinafter, all the Service provider's duties, services and obligations, provided for in Article 1 hereinabove are referred to as the "**Duties**". For avoidance of any doubts, the Service provider while performing his/her Duties shall not be deemed to be an employee, officer, agent, Service provider or servant of the Third operator.

2. The Service provider shall devote full time and exert his best efforts in the performance of all the aforementioned Duties.

3. This Contract is concluded for the term indicated in the respective Schedules thereto.

4. The Company undertakes to pay the Service provider a monthly net remuneration (hereinafter, the "Remuneration") in the amount of:

4.1. 3200EUR (three thousand two hundred Euros) until the Service provider reaches 1000 BH as Airbus A320 First Officer.

4.2. The Remuneration indicated in paragraphs 4.1 hereof is free and clear of and without deduction for or on account of any applicable Cyprus state (official) taxes, charges or any other similar deductions. The Service provider himself is responsible for payment of any taxes, charges or any other contributions as applicable, if any, in his country of residence.

4.3. The Service provider is paid 1/3 of the Remuneration indicated in paragraph 4.1 hereof until the moment he successfully passes OPC check.

5. In accordance with Service providers request, the monthly remuneration shall be payable once per month not later than on the 15th day of the next month.

6. The Remuneration shall be transferred to the bank account of the Service provider indicated hereinabove in this Contract.

7. Obligations of the Service provider, which are not mandatory under the legal acts, but do not contradict to them:

#### *General Obligations*

7.1. The Service provider shall follow the provisions of this Contract, Work Regulations of the Company and that of the Third operator, other internal acts of the Company and that of the Third operator, which have been disclosed to the Service provider. The Service provider pledges himself within the period of the validity of the Contract to perform Duties honestly and diligently, to follow the requirements of work discipline and ethics; to develop the professional qualification and to fulfill his Duties properly, follow the provisions of applicable laws and other legal acts.

7.2. The Service provider shall be obliged not to damage the Company's and the Third operator's reputation and to abstain from any actions that may cause dissatisfaction or distrust of business partners or clients (including but not limiting the Third operator). In addition, the Service provider shall behave, look and dress in a manner reasonable expected from a person who is performing Duties of the Service provider.

7.3. The Service provider by signing this Contract represents and warrants that (i) he has the right to perform his Duties stipulated herein; (ii) the conclusion and fulfillment hereof do not constitute any breach of any obligation applicable in respect of the Service provider; and (iii) his state of health allows him to perform the Duties agreed in the Contract.

7.4. In case the Service provider breaches his Duties under this Contract (including, but not limited to any respective provision of the Schedule of this Contract), the Company has the right at its own discretion, to request that:

7.4.1. the Service provider shall pay to the Company a fine in the amount of EUR 100 (one hundred euros) within 10 (ten) days after receipt of the request from the Company and indemnify fully the Company against any losses and damages of the Company incurred as a result of the aforementioned breach. Payment of the fine shall not release the Service provider from fulfillment of his Duties under this Contract (including, but not limited to any respective provisions of the Schedule of this Contract);

and / or

7.4.2. the Service provider shall not have the right to continue to use any fringe benefits, embrace any privileges or concessions granted, provided or mediated by the Company and / or the Third operator to the Service provider (if any).

7.5. However, Article 7.4 shall not be applicable in case the Service provider breaches his confidential or non-competition, non-solicitation undertakings provided for in this Contract. In latter case (i.e. in case the Service provider breaches his confidential or non-competition, non-solicitation undertakings provided for in this Contract) Article 7.9 or, depending on the case, Article 7.14 shall be applicable.

7.6. The Company shall not be responsible for monitoring Service Provider's compliance with this Contract and any applicable laws. The Service provider shall indemnify the Company against any loss of or damage which may be suffered or incurred by the Company which arises out of or in connection with Service provider's responsibilities with the provision of Duties, including but not limited to any neglect or default actions by the Service provider.

7.7. The Service provider shall act hereunder as an independent contractor and shall not be, or represent that it is or may be deemed as employee or agent of the Company and/or any Third operator to which he/she is assigned for any purpose whatsoever.

#### *Confidential Information*

7.8. The Service provider will maintain strictly in confidence the terms and conditions of this Contract, as well as any other written, oral or other information obtained from the Company or the Third operator in connection with this Contract (including but not limiting information regarding the working method, names and any other details of Third operator's or other clients, customers of the Company), and will not at any time, both during and after the termination of this Contract disclose them to any other persons, unless (a) such information is already known by other persons not bound by a duty of confidentiality or becomes publicly available through no fault of the Service provider, or (b) disclosure of such information is required by the laws or other legal acts, stock exchange or any other supervisory authority under its regulations.

7.9. If the Service provider breaches his confidential undertakings provided for herein, the Service provider shall pay to the Company a fine equal to EUR 10 000 (ten thousand euros) for each such breach and indemnify fully the Company against any losses and damages of the Company incurred as a result of the aforementioned breach. Payment of the fine shall not release the Service provider from fulfillment of the confidential undertakings hereof.

### *Intellectual Property*

7.10. All rights to any and all objects of the intellectual property (inventions, works, objects of patents, know-how, industrial design, trademarks and service marks, etc.) invented or developed by the Service provider in the service process or in connection with the Duties shall exclusively belong to the Company in the maximum extent, allowed according to the applicable laws, for the entire period of validity of these rights in all territories. The Parties agree that Service provider's ordinary duties include invention and development of intellectual property, and these activities shall not be paid additionally, unless the Parties agree otherwise on case to case basis. The Service provider shall perform all actions requested by the Company necessary for proper registration and possession of the aforementioned rights on behalf of the Company.

### *Non-Competition and Non-Solicitation*

7.11. The Service provider shall have no right directly or indirectly to engage into the same activities as he is engaged into while performing his Duties under this Contract as well as to work for any enterprises or businesses competing with the Company or the Third operator, to consult such enterprises or businesses, incorporate, own shares or be otherwise engaged in the activities of such competing enterprises or businesses without the explicit prior written consent of the Company. The Service provider further agrees that he will not either directly or indirectly seek to acquire or do business with any of the Company's clients (including but not limiting the Third operator) or potential clients.

7.12. The Service provider shall not during the term of this Agreement and 3 (three) after the termination/expiration hereof, whether on his own behalf or on behalf of any individual, company, firm, business or other organization, directly or indirectly:

- solicit or entice away from the Company the business of any customer or potential customer;
- have business dealings (involving the provision of services of same type provided by the Company) with any customer (including but not limiting the Third operator) or prospective customer of the Company.

7.13. The Service provider shall not during the term of this Agreement and 3 (three) after the termination/expiration hereof, whether on his own behalf or on behalf of any individual, company, firm, business or other organization, directly or indirectly seek to entice away from the Company or the Third operator any person employed. This restriction shall apply regardless of whether the solicitation involves a breach of Contract on the part of the executive or Service provider concerned.

7.14. If the Service provider breaches his non-competition, non-solicitation undertakings provided for herein, the Service provider shall pay to the Company a fine equal to EUR 10 000 (ten thousand euros) for each such breach and fully indemnify the Company against any losses and damages of the Company incurred as a result of aforementioned breach. Payment of a fine shall not release the Service provider from fulfillment of the non-competition undertakings.

### *Conflict of Interest*

- 7.15. The Service provider shall devote his full working time to the Company and fulfill all his Duties in the interest of the Company and the Third operator. The Service provider shall not have any other engagement or employment in other business, either paid or unpaid, without the specific prior written consent of the Company.
- 7.16. During the working time the Service provider undertakes to neither pursue nor perform any other activity, except for the performance of his Duties stipulated in this Contract.
- 7.17. The Service provider shall avoid the conflict of interest and shall notify the Company in writing of any circumstances if the Service provider's personal interests conflict or may conflict with the interests of the Company.

### *Property and Material Liability*

- 7.18. The Service provider hereby assumes full material liability for the property, handled/entrusted to the Service provider by the Company or third persons in connection with performance of his Duties hereunder (hereinafter, the "**Property**"). In addition, the Service provider undertakes to: (i) use the Property for the performance of his Duties stipulated in this Contract only and not to use it for any other purposes; (ii) inform the Company (and in exceptional cases the Third operator) immediately about the circumstances that might adversely affect the security of the Property as well as take necessary actions in order to detect and eliminate such circumstances; and (iii) inform the Company (and in exceptional cases the Third operator) immediately about all the circumstances that might prevent normal work of the Company or Third operator as well as might threaten to the health or safety of the any employees or contractors of the Company or that of the Third operator.
- 7.19. Upon termination of this Contract (or at any earlier time specified by the Company) the Service provider shall return to the Company (and in the respective cases to the Third operator) the Property (including, but not limited to, keys as well as any and all documents relating to the Company or to the Third operator, reports, analyses, manuals, correspondence, customer lists, computer programs, and all other materials and all copies thereof relating in any way to the Company's business, or in any way obtained by the Service provider during the course of engagement with the Company) unless otherwise agreed between the Parties. The Service provider shall not retain any copies of the aforementioned materials.

### *Personal Data*

- 7.20. The Service provider agrees that all his personal data (ordinary and special data, including personal number and remuneration), may be managed by the Company and, if necessary, disclosed and transferred to the Third operator. Service provider also agrees that the Third operator is entitled to manage such personal data in accordance with applicable legislation.

### *Other Obligations*

- 7.21. The Service provider by signing this Contract represents and warrants that he has the right to perform his Duties stipulated herein and his state of health allows him to perform the said Duties,

7.22. The Service provider by signing this Contract represents and warrants that he is familiar with the laws, regulations and procedures pertinent to the performance of his duties.

7.23. The Service provider by signing this Contract represents and warrants that he is made aware that he shall comply with the laws, regulations and procedures of those States in which operations of the Third operator are conducted and which are pertinent to the performance of his Duties.

8. This Contract comes into force on: [REDACTED] 2013.

9. This Contract and the relations between the Parties in connection to this Contract (including, but not limited to, the matters of entering into, validity, invalidity and termination of this Contract) shall be governed and construed in accordance with the laws of Cyprus.

10. In the event of any dispute whatsoever arising as to the terms and conditions of this Contract the Parties undertake to make every effort to reach an amicable settlement. Failing such a settlement, any dispute, controversy or claim arising out of or relating to this Contract, its validity or the performance or breach hereof shall be subject to the exclusive jurisdiction of the courts of Cyprus.

11. Without any limitation of the grounds for termination of a contract established by applicable law of Cyprus, this Contract at any time may also be terminated by the Company upon its 30 (thirty) days written notice to the Service provider. Such termination does not have to be substantiated or reasoned in any way and shall incur no responsibility whatsoever upon the Company.

12. This Contract may be terminated by the Service provider upon its 30 (thirty) days written notice to the Company, mutually agreed with the Company. In any case the Service provider undertakes the obligation to perform Duties for the Company for a period of 2 months (hereinafter, the "Recovery Term") after the date of Service provider starts performance of his Duties as indicated in Schedule 1 hereto. In the event, Service provider terminates this Contract prior to the expiration of the Recovery Term, the Service provider will pay to the Company a penalty in the amount of 10 000 (ten thousand) EUR, except when Service provider terminates the Contract due to reasons arising from the Company.

This Contract may be terminated before expiry of the fixed term provided for in Article 3 and the respective Schedules hereto by the Service provider only on grounds established by the Cyprus law. If this Contract is terminated by the Service provider or due to the Service provider's fault, the Service provider shall compensate the Company for the expenses incurred by the Company during the last year of Service in relation to the Service provider's training, improvement of qualification, traineeships.

13. This Contract constitutes the entire agreement of the Parties hereto and supersedes all prior agreements and understandings, both written and oral, with respect to the subject matter hereof.

14. If any provision of this Contract is held invalid or unenforceable by any court or arbitral tribunal of competent jurisdiction, the other provisions of this Contract will remain in full force and effect. Any provision of this Contract held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable. In such a case, the Parties shall agree on a provision in place of the invalid or unenforceable provision, which, as far as possible, has the same legal and economic effect as the invalid or unenforceable provision.

15. This Contract has been executed in 2 (two) identical original counterparts in the English language, 1 counterpart to each Party.

IN WITNESS WHEREOF, the Parties hereto have duly executed this Contract as of the day and year first above written.

**FOR AND ON BEHALF OF THE COMPANY:**

By (name print) **VIKTORIJA DUNCIENE**

Signature \_\_\_\_\_

**FOR AND BEHALF OF THE SERVICE PROVIDER:**

By (name print) 

Signature 



**SCHEDULE 1**

to the [REDACTED], 2013 SERVICE CONTRACT No. 2013 [REDACTED]

THIS SCHEDULE 1 (hereinafter, the "Schedule") has been entered into on [REDACTED] 2013 BY AND BETWEEN

- (1) **PILOT MANAGEMENT SERVICES (CYPRUS) LTD**, a private company duly incorporated and operating under the laws of Cyprus, registration number HE 218923, with its registered office at 15, Dimitriou Karatasou str., Anastasio Building, 6<sup>th</sup> floor, Office 601, CY-2024 Strovolos, Nicosia, Cyprus (hereinafter, the "**Company**"), represented by **Viktorija Dunciene**, a representative of the Company, and
- (2) [REDACTED], personal ID code [REDACTED], passport No. [REDACTED], date of birth: [REDACTED], place of residence: Place of residence (full address) [REDACTED], [REDACTED], [REDACTED], Mobile phone No. [REDACTED]; e-mail address: [REDACTED]; bank account details: [REDACTED]; Swift code: [REDACTED], IBAN No. [REDACTED] (hereinafter, the "**Service provider**").

pursuant to Article 1.3. of the Service Contract No. 2013 [REDACTED] concluded by the Company and the Service provider on [REDACTED] 2013. (hereinafter, the "**Contract**")

THE SERVICE PROVIDER AND THE COMPANY HAVE AGREED:

- I. The Third operator:** Small Planet airlines.
- II. Commencement day (start):** 1 Jun 2013  
This Contract becomes not valid in case the Service provider does not pass OPC - check or Security check during Conversion Training Course.
- III. Period:** Fixed term, till [REDACTED] 2013
- IV. Position:** Airbus A320 First Officer
- V. Designated Base** Warsaw, Poland
- VI. Service provider's principal duties:** The Service provider shall:
- 1) perform all the services and duties which are attributable to the "Position" he enjoys (indicated in this Schedule 1 hereinabove) on behalf of the Company for the benefit of the Third operator (shall have the meaning set out in this Schedule) commencing on the "Commencement Date" (shall have the meaning set out in this Schedule) for the respective amount of hours provided for in this Schedule;



- 2) perform all other services and duties that the Third operator might require based on the provisions of this Schedule; and
- 3) act in accordance with the guidelines of the Third operator that the Third operator might provide to the Service provider.

**VII. Requirements for License:**

The Service provider represents and warrants that he currently has and undertakes during the Period hereof to maintain at his own costs and expenses a valid ATPL, including a valid multi-engine instrument rating issued by JAA member state with Airbus A320 aircraft type rating.

**VIII. Requirements for medical Certificate:**

The Service provider represents and warrants that he currently has and undertakes during the Period hereof to maintain at his own costs and expenses a valid current I class medical Certificate.

**IX. Other Requirements:**

The Service provider represents and warrants that he currently has and undertakes during the Period hereof to maintain at his own costs and expenses: (i) a valid certificate of satisfactory completion of MCC course; (ii) a valid English language radio communication license endorsement; and (iii) the actual English language knowledge at least ICAO 4 level.

**X. Maximum Block Hours:**

**100 (one hundred)** per any given calendar month.

**XI. Schedule:**

All the duties attributable to the Position hereof are subject to Third operator's operational manual only and in accordance with Third operator's scheduling guideline

**XII. Training expenses:**

External training costs (if any) have to be covered by the Service provider and are recoverable neither from the Company nor from the Third operator. First Conversion Training Course will be covered by the Third Operator.

**XIII. Daily Allowance:**

In the case if Company sends the Service provider to the business trip outside the Designated Base, the Company undertakes to pay Service provider daily allowance in the amount of 30 EUR (thirty euros) per every twenty-four hours.

**XIV. Additional terms and conditions:**

- (i) The Third operator has an unlimited right to check the Service provider's qualifications, practice and other data at any time.
- (ii) The Service provider must furnish the Third operator with the duly evidence of all the licenses, certificate hereof and their validity.
- (iii) The Service provider undertakes not consume alcoholic beverages of any kind in a period beginning 24 hours before the time at which he is scheduled for the duty and on duty hereof.
- (iv) The Service provider undertakes to abide by all the laws and regulations of any State in which he/she may be required to perform his duties.
- (v) If the Service provider is absent from its duties due to sickness, illness or accident he shall notify the Third operator as soon as possible and produce documents evidencing such sickness, illness or accident.

IN WITNESS WHEREOF, the Parties hereto have duly executed this Schedule as of the day and year first above written.

**FOR AND ON BEHALF OF THE COMPANY:**

By (name print) **VIKTORIJA DUNCIENE**

Signature \_\_\_\_\_

**FOR AND BEHALF OF THE SERVICE PROVIDER:**

By (name print) 

Signature 