



GATSTM
Global Aircraft Trading System

e-Terms

NOTE 1:
to be uploaded to GATS Platform
and to be agreed by each GATS Party on a one-time, click-through basis

NOTE 2:
Please see the Annex for details of the transitional provisions applicable to the period prior to the GATS Effective Date (as defined below)

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1. General

1.1 These terms and conditions, which incorporate the Site Terms of Use (collectively, these **GATS e-Terms**), establish the 'Global Aircraft Trading System' (**GATS**) and apply to any person who is from time to time participating in **GATS** as a **GATS** participant (each such person, a **GATS Participant**) or a **GATS** trustee (each such person, a **GATS Trustee** and, collectively with each **GATS** Participant, the **GATS Parties**), each of whose names are recorded in the **GATS e-Ledger** from time to time.

1.2 Each **GATS** Party agrees to accept be bound by and comply with these **GATS e-Terms**.

2. Definitions and Interpretation

The following definitions (in addition to those in Clause 1.1 above) and rules of interpretation apply in these **GATS e-Terms**.

2.1 Definitions

Advance Requirement means any requirement that is electronically specified by a **GATS** Party and that needs to be electronically confirmed as being satisfied or waived

through the **GATS** Platform prior to the effectiveness of a Designated Transaction.

Advance Requirement Certificate means, in relation to a Designated Transaction, a certificate issued for the benefit of an Advance Requirement Party identifying each Advance Requirement applicable to such Designated Transaction and indicating whether each such Advance Requirement was satisfied or waived.

Advance Requirement Parties means, with respect to an Advance Requirement relating to a Designated Transaction, Advance Requirement Party A, Advance Requirement Party B, each Advance Requirement Party C relating to such Advance Requirement, or any of the foregoing.

Advance Requirement Party A means, with respect to an Advance Requirement relating to a Designated Transaction, either: (a) in the case of the establishment of a **GATS** Trust or migration of a trust into **GATS** as contemplated by Clause 3, or a Security Interest Grant, the **GATS** Participant who will be the **GATS** Beneficiary of the relevant **GATS** Trust immediately after such Designated Transaction has been recorded as having taken effect, (b) in the case of a Security Interest Transfer or a Release and Discharge, the Instructing Secured Party, or (c) in the case of all other

Designated Transactions, the existing GATS Beneficiary of the relevant GATS Trust

Advance Requirement Party B means, with respect to an Advance Requirement relating to a Designated Transaction, the person in whose favour such Advance Requirement has been granted.

Advance Requirement Party C means, with respect to an Advance Requirement relating to a Designated Transaction, each GATS Party to whom Advance Requirement Party A has granted access to information relating to such Advance Requirement.

Agreement to Participate means an agreement to participate in GATS formed pursuant to Clause 16.2.

Amendment Instrument means an amendment instrument in the form of the applicable GATS Amendment Form giving effect to the transaction contemplated in such GATS Amendment Form.

Associated GATS Trust means: (a) in relation to a GATS Beneficiary, a GATS Trust for the benefit of such GATS Beneficiary, (b) in relation to a GATS Secured Party, a GATS Trust in respect of which, pursuant to a Security Interest Grant relating to such GATS Trust, such GATS Secured Party is the Instructing Secured Party, or (c) in relation to a GATS Trustee, a GATS Trust in respect of which it is GATS Trustee.

Associated GATS Trustee means, with respect to a Trust Branch, any GATS Trustee from time to time associated with such Trust Branch, as determined in accordance with Clause 8.4 or 9.3.

Associated Trust Branch means, in relation to a GATS Trustee, any Trust Branch from time to time associated with such GATS Trustee, as determined in accordance with Clause 8.4 or 9.3.

AWG means the Aviation Working Group and any entity which it controls, or has decision-making authority over, for purposes of any part of Clause 13, whether directly, by contract, or through delegation.

Beneficial Interest Transfer means the transfer of the beneficial interest in any GATS Trust to a GATS Beneficiary.

Business Aircraft Participant means a legal person, other than a Lessor or a Financier, whose bona fide business or activities is or includes the ownership or leasing of aircraft equipment operated for business aviation or private aviation purposes.

Cleared GATS Participant means, in relation to a GATS Trustee, any GATS Participant who such GATS Trustee designates, in the GATS e-Ledger, as cleared by it with respect to one or more of its Associated Trust Branches.

Designated Transaction means any of the following transactions: (a) the establishment of a GATS Trust or migration of a trust into GATS as contemplated by Clause 3, (b) a Beneficial Interest Transfer, (c) a Successor Trustee Transaction or a Trust Branch Transfer, (d) a Security Interest Grant, a Security Interest Transfer, or a Release and Discharge, (e) a Permitted Amendment, and (f) the termination of a GATS Trust.

Dispute means, in respect of a GATS Party's Agreement to Participate, a dispute among any of the parties to such

agreement arising out of, or relating to the performance, validity or enforceability of such agreement, but excluding any dispute arising out of or relating to any GATS Instrument or any Trust Services Agreement.

Dispute Notice means, in relation to a Dispute, written notice of such Dispute served by one party to such Dispute on each other party to such Dispute in accordance with Clause 15.3, setting out the nature and full particulars of such Dispute, and referring such Dispute to mediation.

Financier means: (a) a person or group of persons whose bona fide business is or includes financing of or secured by aircraft equipment or related collateral, (b) a person acting as arranger, agent or trustee of any such financier, or (c) a person who is both of the foregoing.

GATS Amendment Forms means the GATS Forms providing for a Permitted Amendment.

GATS Beneficiary means, at any time, any GATS Participant: (a) who is at such time the beneficiary of a GATS Trust or (b) who will become, pursuant to a Transfer Instrument executed at such time, the beneficiary of a GATS Trust.

GATS e-Ledger means the computerized system (including any blockchain technology incorporated therein) in which is recorded, from time to time: (a) the name of each GATS Participant and its contact details, (b) the name of each GATS Trustee, its contact details and its Associated Trust Branches, (c) each Cleared GATS Participant relating to each GATS Trustee, and (d) each Designated Transaction.

GATS e-Ledger Support Provider means the person appointed by AWG from time to time to establish, design, develop, maintain and operate the GATS e-Ledger and the GATS Platform.

GATS Effective Date means 15 December 2019, being the date on which (a) Designated Transactions can be entered in the GATS e-Ledger, and (b) the GATS Forms are made available for use through the GATS Platform.

GATS Forms means the GATS forms of trust, transfer and security related documentation substantially in the forms marked or described from time to time as the 'GATS Forms' on the <GATS Forms> page of the GATS Platform, which, in each case may (but need not) comprise (i) a set master terms and (ii) a specific document expressly incorporating such master terms.

GATS Guidance Materials means the materials prepared by and designated as such by AWG and published on the GATS Platform providing guidance on the use of GATS, including an optional template transfer clause designed to minimize the burden on the lessee during of the trading or financing of leased aircraft equipment effected by a Beneficial Interest Transfer or a Security Interest Grant.

GATS Instrument means a Trust Instrument, a Transfer Instrument, a Security Instrument, an Amendment Instrument or a Termination Instrument.

GATS Platform means the portal, website and related systems and architecture (including the GATS e-Ledger), which can be accessed via <https://e-gats.aero/>.

GATS Search Certificate means a certificate describing data and information recorded on the GATS e-Ledger relating to a GATS Trust.

GATS Secured Party means, at any time any GATS Participant: (a) in whose favour a security interest over the beneficial interest in a GATS Trust has been granted or transferred pursuant to a Security Instrument, or (b) who will become, pursuant to a Security Instrument executed at such time, the person in whose favour such security interest is to be granted.

GATS Security Forms means the GATS Forms providing for: (a) a Security Interest Grant, (b) a Security Interest Transfer, or (c) a Release and Discharge.

GATS Transfer Forms means the GATS Forms providing for: (a) a Beneficial Interest Transfer, (b) a Successor Trustee Transaction, or (c) a Trust Branch Transfer.

GATS Trust means each trust established or migrated into GATS in accordance with and pursuant to any request contemplated by Clause 6.1(a)(i) or Clause 6.1(a)(ii), respectively, and for so long as there has been no Non-GATS Transfer of the beneficial interest in relation to such trust.

GATS Trust Forms means the GATS Forms providing for (a) the establishment of a GATS Trust under a Trust Branch, or (b) the migration of a trust that is not a GATS Trust into GATS under a Trust Branch.

GATS Trust Termination Forms means the GATS Forms providing for the termination of a GATS Trust.

ICC means the International Chamber of Commerce.

Instructing Secured Party means: (a) in respect of a Release and Discharge relating to a Security Interest Grant which has not been transferred pursuant to one or more Security Interest Transfers, the GATS Secured Party in whose favour such security interest was granted, (b) in respect of a Release and Discharge relating to a Security Interest Grant which has been transferred pursuant to one or more Security Interest Transfers, the GATS Secured Party in whose favour such security interest was transferred pursuant to the most recent such Security Interest Transfer, and (c) in respect of a Security Interest Transfer, the GATS Secured Party transferring such security interest.

KYC Policies and Procedures means, with respect to a GATS Trustee, policies and procedures designed to ensure compliance with all 'know your customer', anti-money laundering, and other legal requirements and obligations that would need to be satisfied in the relevant Associated Trust Branch substantively equivalent to those applicable in that Trust Branch to persons regulated as a bank acting as a professional trustee in the jurisdiction of such Trust Branch.

Lessor means a person or group of persons whose bona fide business is or includes: (a) the leasing of aircraft equipment to lessees, (b) the trading of or investment in such leased aircraft equipment, or (c) both of the foregoing.

Majority GATS Participants means, in relation to any notice given by AWG to all GATS Participants, those GATS Participants whose Associated GATS Trusts hold a majority (by number) of all Principal Aircraft Equipment held in the

Associated GATS Trusts of the Responding GATS Participants (it being understood that the Principal Aircraft Equipment held in an Associated GATS Trust of a GATS Beneficiary may be counted a second time for the GATS Secured Party in respect of whom such GATS Trust is also an Associated GATS Trust).

Non-GATS Transfer means, in respect of a GATS Trust, the transfer of the beneficial interest in such GATS Trust: (a) to a person who is not a GATS Participant, or (b) effected pursuant to a transfer instrument not in the form of the applicable GATS Transfer Form.

Permitted Amendment means an amendment to reflect: (a) the addition or removal of any aircraft equipment to or from a GATS Trust which is specifically described in the Trust Instrument, (b) an updated GATS Form as contemplated by Clause 15.1, (c) in relation only to any information or provision in any schedule to a GATS Instrument, the correction of any errors or as required by mandatorily applicable law, and (d) any other amendment expressly contemplated as a permitted amendment in a GATS Form.

Principal Aircraft Equipment means either: (a) an airframe or helicopter owned in a GATS Trust, or (b) an aircraft engine (other than an auxiliary power unit) owned in a GATS Trust which does not also own any airframes or helicopters, and which, in each case, is recorded in the GATS e-Ledger as being owned by such GATS Trust.

Release and Discharge means the release and discharge of the security interest granted pursuant to a Security Interest Grant (and any notification to and consent by the applicable GATS Trustee in respect thereof).

Responding GATS Participants means, in relation to any notice given by AWG to one or more GATS Participants in accordance with Clause 15.3 requesting a response, each GATS Participant who has so responded in a notice to AWG given in accordance with Clause 15.3 no later than 15 calendar days after the date of the original notice from AWG.

Responding GATS Trustees means, in relation to any notice given by AWG to one or more GATS Trustees in accordance with Clause 15.3 requesting a response, each GATS Trustee who has so responded in a notice to AWG given in accordance with Clause 15.3 no later than 15 calendar days after the date of the original notice from AWG.

Security Instrument means an instrument in the form of the applicable GATS Security Form giving effect to the transaction contemplated in such GATS Security Form.

Security Interest Grant means the grant of a security interest by a GATS Beneficiary over its beneficial interest in a GATS Trust in favour of a GATS Secured Party (and any notification to and consent by the applicable GATS Trustee in respect thereof).

Security Interest Transfer means the assignment by a GATS Secured Party to another GATS Secured Party of a security interest granted pursuant to a Security Interest Grant (and any notification to and consent by the applicable GATS Trustee in respect thereof).

Site Terms of Use means the website terms applicable to any person using the GATS Platform, which apply in addition to any Agreement to Participate.

Successor Trustee Transaction means, with respect to a GATS Trust, the replacement of the existing GATS Trustee of such GATS Trust with a successor GATS Trustee.

Super-Majority GATS Trustees means, in relation to any notice given by AWG to all GATS Trustees, those GATS Trustees whose Associated GATS Trusts hold 75% or more (by number) of all Principal Aircraft Equipment held in the Associated GATS Trusts of the Responding GATS Trustees.

Termination Instrument means a termination instrument in the form of the applicable GATS Trust Termination Form giving effect to the transaction contemplated in such GATS Trust Termination Form.

Transfer Instrument means a transfer instrument in the form of the applicable GATS Transfer Form giving effect to the transaction contemplated in such GATS Transfer Form.

Trust Branch means each of the United States, Ireland, Singapore and each of the other jurisdictions from time to time added to GATS as a trust branch in accordance with Clause 9.2 and described from time to time as a trust branch on the <Trust Branches> page of the GATS Platform.

Trust Branch Transfer means, with respect to a GATS Trust, a change of the Trust Branch applicable to such GATS Trust.

Trust Company Service Agreement means, in relation to a GATS Trustee and a GATS Participant, the service agreement, including any fee agreement relating thereto and any standard terms of service incorporated by reference therein, entered into between such GATS Trustee in its individual capacity, or the service provider who has agreed to manage trustee functions on its behalf, and such GATS Participant or its applicable affiliate or sponsor.

Trust Instrument means a trust instrument in the form of the applicable GATS Trust Form giving effect to the transaction contemplated in such GATS Trust Form.

2.2 Interpretation

In these GATS e-Terms, unless otherwise expressly stated:

- (a) words in the singular shall include the plural, and vice versa;
- (b) the terms 'include', 'including' and similar terms shall be construed as if followed by the phrase 'without limitation';
- (c) references to **Clauses** are to the clauses of these GATS e-Terms;
- (d) references to an **acknowledgment, agreement, approval, certification, consent, document, instrument, notification or request** means a reference to an acknowledgment, agreement, approval, certification, consent, document, instrument, notification or request which has been or must be signed, executed, delivered, given, authenticated or time-stamped digitally or electronically through the GATS Platform;

- (e) references to **signature, execution and delivery** means electronic or digital signature, execution or delivery (and references to **sign, signed, execute, executed, deliver and delivered** shall be construed accordingly);
- (f) references to **persons** includes a reference to any firm, body corporate, company, unincorporated association, entity or partnership of any kind;
- (g) reference to a **legal person** means any person who is not a natural person;
- (h) references to any period of time shall be by reference to London time; and
- (i) references to an amendment of a GATS Instrument do not include (i) the supplementing, amendment or disapplication of any provision by another document which is not a GATS Instrument which is expressly permitted or contemplated by the corresponding GATS Form, (ii) a waiver given by one party to such GATS Instrument to any other in respect of such other party's performance of its obligations under such GATS Instrument, or (iii) any provision in another document which is not a GATS Instrument to the extent such provision neither conflicts nor is inconsistent with such provision.

3. Establishment of GATS Trusts and Migration of Trusts into GATS

Pursuant to and in accordance with Clause 6.1(a) (but subject to Clause 4.2):

- (a) any GATS Participant may establish a new trust as a GATS Trust under the laws of any Trust Branch; and
 - (b) any trust may be migrated into GATS under the laws of any Trust Branch,
- provided that, in each case, at the time such trust is to become a GATS Trust, the trustee of such trust is an Associated GATS Trustee of such Trust Branch.

4. Clearance of GATS Participants by GATS Trustees

- 4.1 Upon a GATS Trustee approving a request to clear a GATS Participant with respect to an Associated Trust Branch, such clearance shall be automatically entered in the GATS e-Ledger.
- 4.2 No GATS Participant shall be entitled to make any request to a GATS Trustee pursuant to Clause 6 unless such GATS Participant is designated in the GATS e-Ledger as a Cleared GATS Participant of such GATS Trustee in respect of the applicable Associated Trust Branch.
- 4.3 No GATS Trustee shall be required to execute or consent to any GATS Instrument pursuant to a request under Clause 6 unless the GATS Participant, who is or will be the GATS Beneficiary of the relevant GATS Trust of the relevant GATS Trust immediately after such Designated Transaction has been recorded as having taken effect, is and remains a Cleared GATS Participant of such GATS Trustee in respect of the applicable Associated Trust Branch.

5. Non-GATS Transfers

5.1 Execution and delivery of the instrument effecting a Non-GATS Transfer need not be effected through the GATS Platform and shall be effected manually or by any other means.

5.2 Each GATS Beneficiary agrees to enter any Non-GATS Transfer of any trust that was, immediately prior to such Non-GATS Transfer taking effect, an Associated GATS Trust, in the GATS e-Ledger, together with the effective time and date thereof, promptly after such Non-GATS Transfer is expressed to take effect.

5.3 The entry of a Non-GATS Transfer in the GATS e-Ledger is evidence only that the relevant trust is no longer a GATS Trust, and is not evidence that such transfer was effective, nor that it was executed by or with the consent of the GATS Trustee.

5.4 Upon any Non-GATS Transfer of the beneficial interest in any GATS Trust taking effect, such GATS Trust shall cease to be a GATS Trust, but may later be re-migrated into GATS pursuant to Clauses 3(b) and 6.1(a)(ii) as if it were being migrated into GATS as a new GATS Trust.

6. GATS Trustee functions

6.1 Requests by GATS Participants

A GATS Trustee shall, subject to Clause 4:

(a) upon request from time to time by a GATS Participant:

(i) establish one or more GATS Trusts under the laws of any Associated Trust Branch, by executing a Trust Instrument, in the form applicable to such Trust Branch and entered into between such GATS Trustee as trustee and such GATS Participant as beneficiary; and

(ii) migrate into GATS any trust existing under the laws of any Associated Trust Branch, by executing a Trust Instrument which has the effect of amending and restating the trust instrument of such trust, in the form applicable to such Trust Branch and entered into between such GATS Trustee as trustee and such GATS Participant as beneficiary; and

(b) upon request from time to time by a GATS Beneficiary of an Associated GATS Trust execute or consent to any other GATS Instrument relating to such GATS Trust,

in each case (A) in the form applicable to such Trust Branch, and (B) subject to and in accordance with any service standards, KYC Requirements, fees, costs and other terms agreed to in the Trust Company Service Agreement relating to such GATS Participant.

6.2 KYC Requirements of GATS Trustees

Each GATS Trustee agrees, at its expense:

(a) in respect of each jurisdiction of its Associated Trust Branches, to maintain and effectively apply KYC Policies and Procedures;

(b) in respect of each jurisdiction of its Associated Trust Branches in which it is not regulated as a bank acting as a professional trustee, to provide AWG or its designee, at the time of its application to become a GATS Trustee, and, thereafter once per calendar year,

verification from an independent third-party satisfactory to AWG that KYC Policies and Procedures applicable to such jurisdiction are maintained and effectively applied.

7. Designated Transactions

7.1 Each GATS Party agrees, without limiting Clause 11, that each Designated Transaction shall be effected by the applicable GATS Instrument, which:

(a) shall be in electronic or digital form for the applicable Trust Branch as generated through the GATS Platform; and

(b) if in the form of a manually executed duplicate, shall be in the same form as the electronic or digital form of such instrument, including the conspicuous display of the trademarked term 'Global Aircraft Trading System' or 'GATS' on the first page of such manually executed instrument.

7.2 The GATS Platform will not record a Designated Transaction as having taken effect or enter such Designated Transaction in the GATS e-Ledger unless:

(a) each party to such Designated Transaction (as determined by the applicable GATS Instrument) has electronically or digitally executed such GATS Instrument through the GATS Platform;

(b) each Advance Requirement applicable to such Designated Transaction has been satisfied or waived through the GATS Platform by Advance Requirement Party B or the objection period relating thereto set out on the GATS Platform by Advance Requirement Party A with the consent of Advance Requirement Party B has lapsed; and

(c) all fees described on the <GATS Schedule of Fees> page of the GATS Platform which are applicable to such Designated Transaction and which are then due and payable have been paid.

7.3 The GATS Platform will not permit the execution and delivery of a Security Instrument, nor record a Security Interest Grant as having taken effect, nor enter such Security Interest Grant in the GATS e-Ledger unless there is currently no other Security Interest Grant recorded on the GATS e-Ledger which has not been recorded as having been released and discharged.

8. Admission of GATS Participants and GATS Trustees

8.1 Business activities of GATS Participants

Each GATS Participant agrees that at all times it is, when taken together with the activities of its affiliates and its servicer, any one or a combination of the following: (a) a Lessor, (b) a Financier, or (c) a Business Aircraft Participant.

8.2 Compliance with laws

Each GATS Party agrees that, solely by entering into and being a party to an Agreement to Participate or a Designated Transaction, neither it nor any other party to such agreement or transaction shall, as a result of entering into such agreement or transaction, be in

breach of any sanctions, anti-corruption or anti-money laundering laws in effect in any Trust Branch.

8.3 Admission of new GATS Participants

- (a) Any legal person may at any time become a GATS Participant by:
- (i) applying in accordance with the applicable procedures on the <GATS Participant> page of the GATS Platform (which will include an agreement to be bound by these GATS e-Terms as a GATS Participant, and a confirmation that it is compliant with Clause 8.1);
 - (ii) unless such person has applied solely as a Financier, receiving clearance by at least one GATS Trustee in accordance with such procedures that such person will be, upon admission, a Cleared GATS Participant of such GATS Trustee; and
 - (iii) paying any fees due and payable by it in accordance with the terms described on the <GATS Schedule of Fees> page of the GATS Platform, and as determined in accordance with Clause 13.1(f)(ii).
- (b) Upon completion of the requirements set out in paragraph (a), the admission of such person as a GATS Participant and the clearance of such person by each initial clearing GATS Trustee(s), shall be automatically entered in the GATS e-Ledger.

8.4 Admission of new GATS Trustees

- (a) Any legal person who is not a GATS Trustee may at any time become a GATS Trustee of one or more Trust Branches by:
- (i) applying in accordance with the applicable standards and procedures on the <GATS Trustee> page of the GATS Platform (which will include an agreement to be bound by these GATS e-Terms, as a GATS Trustee and shall permit such person to select its initial Associated Trust Branches) and meeting such standards; and
 - (ii) receiving clearance in accordance with such procedures and as contemplated by Clause 13.1(h); and
 - (iii) paying any fees due and payable by it in accordance with the terms described on the <GATS Schedule of Fees> page of the GATS Platform, and as determined in accordance with Clause 13.1(f)(ii).
- (b) Upon completion of the requirements set out in paragraph (a): (i) the admission of such person as a GATS Trustee, and (ii) the Trust Branch(es) initially associated with such newly admitted GATS Trustee, shall be automatically entered in the GATS e-Ledger.

9. Trust Branches

9.1 Association between GATS Trustees and Trust Branches

No GATS Trustee shall act or be required to act as a GATS Trustee with respect to any Trust Branch, or sign, execute or deliver any documents in such

capacity, except to the extent it has become an Associated GATS Trustee of such Trust Branch in accordance with Clause 8.4 or 9.3.

9.2 Addition of new Trust Branches

AWG may from time to time add a new Trust Branch to GATS. No such addition shall take effect until:

- (a) the <Trust Branches> page of the GATS Platform shall have been updated by AWG to note the effective date of such addition; and
 - (b) the GATS Forms relating to such new Trust Branch, developed by AWG, shall have been uploaded by AWG to the <GATS Forms> page of the GATS Platform.
- ### 9.3 Changes to Trust Branches associated with a GATS Trustee
- (a) A GATS Trustee may:
- (i) become associated with a Trust Branch with which it is not already associated upon satisfying the requirements described in Clauses 8.4(a)(ii) and (iii) in respect of such Trust Branch; or
 - (ii) subject to paragraph (c) below, cease to be associated with a Trust Branch,

in each case by following the applicable procedures on the <GATS Trustee> page of the GATS Platform.

- (b) Upon completion of the foregoing procedures, the addition or deletion of the Trust Branch(es) associated with such GATS Trustee shall be automatically entered in the GATS e-Ledger.
- (c) A GATS Trustee shall not cease to be a GATS Trustee of a Trust Branch unless
- (d) it is not, at such time, the trustee of any GATS Trusts of such Trust Branch.

10. GATS e-Ledger; Search Functions; Advance Requirements

10.1 Entries in the GATS e-Ledger

- (a) The admission of new GATS Participants in accordance with Clause 8.3 and the clearance by GATS Trustees of GATS Participants in accordance with Clause 4 shall be effected and recorded electronically through the GATS Platform.
- (b) Each GATS Party agrees that, with respect to a Designated Transaction and upon the requirements described in Clause 7.2 being satisfied, such Designated Transaction shall be automatically entered in the GATS e-Ledger.
- (c) Each Non-GATS Transfer shall be entered in the GATS e-Ledger in accordance with Clause 5.2.
- (d) No Security Interest Transfer nor Release and Discharge shall be entered into the GATS e-Ledger unless the applicable Instructing Secured Party has executed the Security Instrument relating to such Security Interest Transfer or such Release and Discharge.

10.2 Certificates

- (a) Each GATS Search Certificate shall:

- (i) relate to a single GATS Trust;
 - (ii) list each Designated Transaction relating to such GATS Trust, the parties to each such Designated Transaction and the effective date and time of each such Designated Transaction (but shall not disclose the existence, terms or status of any Advance Requirements); and
 - (iii) set out information in chronological order.
- (b) Each GATS Search Certificate and each Advance Requirement Certificate shall constitute conclusive evidence of the facts stated therein.

10.3 Search functions and GATS e-Ledger data

- (a) The search criteria for GATS e-Ledger shall be:
- (i) the name of each GATS Trust;
 - (ii) the unique identification number of each GATS Trust;
 - (iii) the existing GATS Beneficiary of a GATS Trust, or any person who was at any time the GATS Beneficiary of a GATS Trust; and
 - (iv) the manufacturer's serial number or registration mark of any aircraft equipment recorded as being held in each GATS Trust.
- (b) The GATS e-Ledger shall be searchable by, and a GATS Search Certificate shall be issued to, any GATS Party and, subject to the Site Terms of Use, the general public, for a fee.
- (c) Additional search criteria and certifications may be added in connection with expanded functionality of the GATS Platform under Clause 14.3(a), provided that no such search or certification shall disclose proprietary information, it being agreed that the existence of transactions recorded by GATS Parties shall, within the terms of any such expanded functionality, be deemed non-proprietary.
- (d) The following shall be made available to each GATS Party through the GATS Platform:
- (i) the listing of GATS Parties, the Associated Trust Branches of each GATS Trustee, and each of their Cleared GATS Participants; and
 - (ii) electronically authenticated copies of all GATS Instruments relating to each of its Associated GATS Trusts; and
 - (iii) all other information entered in the GATS e-Ledger relating to each of its Associated GATS Trusts

10.4 Advance Requirements

- (a) At any time prior to a Designated Transaction being recorded as taking effect, Advance Requirement Party A may, with the consent of the relevant Advance Requirement Party B, add, modify and remove an Advance Requirement to such Designated Transaction.
- (b) The GATS e-Ledger shall permit Advance Requirement Party B to update electronically the GATS e-Ledger to

confirm that each Advance Requirement granted in its favour has been satisfied or waived.

- (c) Only an Advance Requirement Party relating to a Designated Transaction is entitled to an Advance Requirement Certificate relating to such Designated Transaction.
- (d) Neither the existence, the terms nor the status of any Advance Requirement to a Designated Transaction, may be searched or made available through the GATS Platform to any person other than an Advance Requirement Party with respect to such Advance Requirement.

11. Use of GATS Forms

No GATS Participant is required, expressly or impliedly:

- (a) to use the GATS Forms for the establishment or termination of, transfer of or grant or assignment of a security interest over any beneficial interest in, or any other transaction relating to any trust other than a GATS Trust, except any transaction effecting the migration of a trust into GATS as a GATS Trust; or
- (b) to incorporate any template lease transfer clause forming part of the GATS Guidance Materials, or any part thereof, into the terms of any lease of aircraft equipment beneficially owned by it.

12. Disclaimers

12.1 Without prejudice to the terms of any agreement or other document binding on it:

- (a) to the maximum extent permitted by law, no GATS Party, the AWG, the GATS e-Ledger Support Provider or its sub-contractors, nor any of their respective affiliates, shareholders, directors, officers or employees will be liable to any other such party or any other person, whether in contract, tort (including negligence), for breach of statutory duty, or otherwise, arising under or in connection with GATS, participation in GATS, any Agreement to Participate or the GATS Platform for:
 - (i) any interruption or unavailability of the GATS Platform or the GATS Forms;
 - (ii) loss of profits;
 - (iii) loss of sales or business;
 - (iv) loss of agreements or contracts;
 - (v) loss of use or corruption of software, data or information; and
 - (vi) any indirect or consequential loss whether or not foreseeable, even where the likelihood of such loss or damage has been advised; or
 - (vii) in the case of AWG, the clearing, refusal to clear or delay in clearing any GATS Trustee pursuant to Clause 13.1(h), or any other action taken or not taken pursuant to Clause 13, including taking or refraining to take any action relating to (A) fees pursuant to Clause 13.1(f)(ii), or (B) termination or suspension of access to the GATS e-Platform, or (C) any court order.

(b) except as expressly stated in these GATS e-Terms, no person specified in Clause 12.1(a) above gives any representations, warranties or obligations in relation to GATS, its participation in GATS or the GATS e-Ledger, and the term implied by s.13 of the Supply of Goods and Services Act 1982 is, to the maximum extent permitted by law, excluded from each such agreement.

12.2 Without limiting Clause 12.1, under no circumstances shall the AWG or the GATS e-Ledger Support Provider have liability to any party beyond the fee paid by such party with respect to the Designated Transactions relating to the relevant Dispute.

12.3 This Clause 12 shall survive the termination of each Agreement to Participate.

13. Role of Aviation Working Group

13.1 Role of Aviation Working Group

Without incurring any liability or obligation to any GATS Party or any other person, AWG may, whether acting directly, through a third party service provider or otherwise:

- (a) assess and facilitate the consistent use, implementation, and legal effect of GATS, including (i) practicalities associated with the GATS Platform (ii) acceptance of trusts generally, (iii) the legal enforceability of documents in the form of the GATS Forms, and (iv) the applicability of tax treaties thereto, and report on the foregoing to the GATS Parties;
- (b) coordinate with relevant law firms for the provision of legal opinions relating to the enforceability of documentation in the form of the GATS Forms under the respective selected governing law of such documentation;
- (c) prepare, update and maintain the GATS Guidance Materials;
- (d) convene periodic meetings to review and assess these GATS e-Terms and the GATS Forms, and, as necessary, suggest amendments thereto to be implemented in accordance with, and subject to, Clause 15.1;
- (e) secure through ownership or, where has AWG has agreed, licensing arrangements: (i) intellectual property rights relating to the use of 'Global Aircraft Trading System' and 'GATS' names and the GATS Forms, and (ii) ownership of the GATS domain name, all content hosted on GATS Platform (other than content stored pursuant to Clause 14.3(a)) and the GATS e-Ledger (including intellectual property rights subsisting therein);
- (f) without limiting Clause 13.1(e):
 - (i) contract with, and provide technical assistance to, the GATS e-Ledger Support Provider for the establishment, design, development, operation and maintenance of the GATS Platform and the GATS e-Ledger, in each case as contemplated by these GATS e-Terms;
 - (ii) set, review, and modify fees payable: (A) by the GATS Parties to participate in GATS, and effect

and record Designated Transaction on the GATS Platform (which, in each case, may differentiate between transaction types, categories of aircraft equipment or among Lessors, Financiers and Business Aircraft Participants), (B) by any person searching the GATS e-Ledger as contemplated by Clause 10.2 or receiving a certificate relating to any such search, and (C) for any other use of the GATS Platform or GATS e-ledger, including any increased functionality described in Clause 14.3(a);

- (iii) acting on behalf of GATS and to the extent permitted by applicable law, set and modify the fees payable to GATS Trustees as described in Clause 14.5(b); and
- (iv) retain, assign or distribute the fees described in Clause 13.1(f)(ii), or use such fees or any portion thereof to fund or finance the operation of the GATS, as it determines in its sole discretion.

- (g) in respect of the GATS Platform: (i) take any action permitted by Clause 14.4 or 14.7, (ii) add all or part of the functions described in Clause 14.3(a) and add any content, including forms, documents, certificates and other content relating to the sale, leasing or financing of any aircraft equipment, and (iii) enhance or improve its functionality or design, provided that no change may be made to any GATS Forms or these GATS e-Terms except in accordance with Clause 15.1; and
- (h) clear a person applying to become a GATS Trustee if such person:
 - (i) is authorized under the laws of the jurisdiction of each of its Associated Trust Branches to act as a professional trustee of one or more GATS Trusts established in such Trust Branch; and
 - (ii) is in compliance with Clause 6.2.

13.2 Technical Amendments to GATS e-Terms and GATS Forms

These GATS e-Terms and any GATS Form may be amended at any time by AWG acting unilaterally and without the consent of any GATS Party for the purposes only of (a) correcting any errors, or (b) complying with any applicable law or regulation (including, in the case of the Trust Branch in the United States, compliance with any applicable requirements of the U.S. Federal Aviation Administration). Any such amendment shall take effect upon compliance with Clause 15.1(d).

14. e-Transaction Requirements; GATS Platform Functionality; Fees

14.1 e-Transaction requirements

- (a) Except as expressly provided in Clause 14.6, all Designated Transactions shall be:
 - (i) effected by the applicable GATS Instrument;
 - (ii) signed, executed, delivered, effected, authenticated and time-stamped digitally or electronically; and

(iii) upon the requirements described in Clause 7.2 being satisfied, entered automatically in the GATS e-Ledger,

in each case, through the GATS Platform.

(b) Each GATS Party agrees that, with respect to each GATS Instrument to which it is a party and for so long as the related GATS Trust is not terminated pursuant to a GATS Termination Instrument or subject to a Non-GATS Transfer, it shall not amend such GATS Instrument except to the extent such amendment is effected pursuant to an Amendment Instrument or another GATS Instrument.

14.2 Legal effect of e-transactions and e-actions

Each GATS Party agrees that, with respect to each GATS Instrument to which it is a party and the Designated Transaction to which such GATS Instrument relates:

(a) each other GATS Party who is a party thereto shall be entitled to rely on (i) the signature, execution, delivery, effect, authentication and time-stamping of such GATS Instrument effected electronically or digitally through the GATS Platform, and (ii) any approval, consent or other action given or taken electronically or digitally through the GATS Platform in connection with such Designated Transaction (including the satisfaction or waiver or other action taken in respect of any related Advance Requirement); and

(b) the signature, execution, delivery, effect, authentication and time-stamping of such GATS Instrument, effected electronically or digitally through the GATS Platform, shall constitute a legally binding agreement of such GATS Party and conclusive evidence of such agreement,

(c) any approval, consent or other action given or taken electronically or digitally through the GATS Platform in connection with such Designated Transaction (including the satisfaction or waiver or other action taken in respect of any related Advance Requirement) shall be legally binding on such GATS Party and conclusive evidence of such approval, consent or action

in each case as if it had been, as applicable, signed, executed, delivered, effected, authenticated, time-stamped, given or taken manually.

14.3 Expanded GATS Platform functionality

(a) In connection with a Designated Transaction or the sale, leasing or financing of any aircraft equipment, the following additional functionality may be made available through the GATS Platform to GATS Parties and their customers and other counterparties:

(i) the electronic exchange and delivery of information, documents, notices, and other materials,

(ii) the electronic granting of acknowledgments, consents and approvals (including those which may be conditions to such transactions taking effect);

(iii) the electronic or digital signing, execution, delivery, authentication and time-stamping of other contracts which relate to or facilitate such transactions;

(iv) the electronic recordation of property interests and contractual and other legal rights;

(v) the deployment of smart contract technology in relation to the items described in paragraphs (i) to (iv) above; and

(vi) the storage of the items described in paragraphs (i) to (iv) above.

(b) The additional functions contemplated by Clause 14.3(a), to the extent made available on the GATS Platform, are entirely optional in nature, and no GATS Party is required, expressly or impliedly, to use them. None of the information, documents, notices or other materials referred to in Clause 14.3(a) shall be made available to or searchable by any person other than the persons to whom the relevant GATS Party grants access or requests access be granted.

14.4 Non-compliance and suspension or termination of access to GATS Platform

(a) In the event that a GATS Party:

(i) fails to pay any fees under Clause 14.5(a) on the due date for payment;

(ii) fails to comply with Clause 6.2 (to the extent applicable to it) or Clause 8.2; or

(iii) takes action whose purpose or effect is to misuse the GATS Platform or disrupt the operation or functionality of the GATS Platform,

such GATS Party's access to the GATS Platform may be suspended or (whether or not then suspended) terminated without notice until it is determined that such failure or action has been remedied (if capable of remedy). In the event any such suspension gives rise to a Dispute, the affected GATS Party's access to the GATS Platform need not be restored until such Dispute has been fully and finally resolved in accordance with Clause 16.5 and, if applicable, Clause 16.6.

(b) In the event that a GATS Party's access to the GATS Platform is terminated pursuant to Clause 14.4(a), AWG shall be entitled to terminate such GATS Party's Agreement to Participate effective upon notification to such GATS Party.

(c) In the event that a GATS Party terminates its Agreement to Participate in accordance with Clause 16.3, such GATS Party's access to the GATS Platform shall be terminated with immediate effect.

14.5 Fees

(a) Each GATS Party agrees to pay, through the GATS Platform, all GATS fees determined in accordance with Clause 13.1(f)(ii) which from time to time become due and payable by it in accordance with the terms described on the <GATS Schedule of Fees> page of the GATS Platform.

- (b) Each GATS Trustee agrees, in consideration of providing professional trustee services to each GATS Beneficiary of an Associated GATS Trust, to charge fees under the relevant Trust Company Services Agreement in accordance with the terms described on the <GATS Schedule of Fees> page of the GATS Platform.
- (c) The setting or modification of any fees will not take effect until the start of the next calendar year after being posted on the <GATS Schedule of Fees> page of the GATS Platform in accordance with Clause 13.1(f)(ii) and 13.1(f)(iii).

14.6 Unavailability of GATS Platform due to Force Majeure

- (a) Upon AWG announcing a force majeure or other extraordinary event disrupting the operation or functionality of the GATS Platform, and during the period until AWG announces that such operation and functionality has been restored:
 - (i) each affected GATS Party shall be entitled to effect a Designated Transaction relating to an Associated GATS Trust pursuant to a manually executed and delivered GATS Instrument in the applicable GATS Form, without modification except as required to reflect the absence of electronic or digital execution and delivery (and any Beneficial Interest Transfer effected thereby shall not constitute a Non-GATS Transfer for the purposes of Clause 5); and
 - (ii) without incurring any liability or obligation to any GATS Party or any other person, AWG will, in accordance with Clause 13.1(a), urgently consult with the e-Ledger Support Provider to (A) restore functionality as soon as possible, and (B) provide a means for affected GATS Parties to enter in the GATS e-Ledger each manually effected Designated Transaction, if any, which has taken effect during such period as contemplated by Clause 14.6(a)(i).
- (b) Upon AWG announcing that such operation and functionality has been fully restored, each GATS Party shall, with respect to each relevant Associated GATS Trust and within a reasonable time after the end of such period, either, through the GATS Platform: (i) amend and restate the Trust Instrument or the Security Instrument, as applicable, GATS Platform, or (ii) execute a duplicate of the relevant GATS Instrument, in either case to reflect each manually effected Designated Transaction and using the applicable procedures described on the GATS Platform.

14.7 Court orders

Notwithstanding any other term in these GATS e-Terms, upon the issuance of a binding order by any court having competent jurisdiction over any matter relating to a Designated Transaction, a GATS Instrument, a GATS Party, AWG or the GATS e-Ledger Support Provider:

- (a) the GATS e-Ledger may be corrected or updated; and
- (b) any action may be taken or refrained from being taken with respect to the GATS Platform,

as may be instructed by AWG in accordance with the terms of such court order.

15. Miscellaneous provisions

15.1 Amendments

- (a) These GATS e-Terms and any GATS Form may be amended at any time:
 - (i) as contemplated by and in accordance with Clause 13.2; or
 - (ii) subject to Clause 15.1(b), by AWG with the consent of the Majority GATS Participants following prior written notice to all GATS Parties no later than one calendar month prior to such amendment taking effect.
- (b) No amendment to or which has the effect of amending Clauses 4.2, 6, 7.2, 12 or this Clause 15.1 shall take effect without the consent of the Super-Majority GATS Trustees. This Clause 15.1(b) shall not apply to any amendment contemplated by and effected in accordance with Clause 13.2.
- (c) To the extent a GATS Form is amended pursuant to Clause 15.1(a), no GATS Trustee shall be required to enter into any GATS Instrument in the form of such amended GATS Form unless it shall have consented to such amendment. No consent of any GATS Party shall be required for the creation of the GATS Forms applicable to a new Trust Branch added to GATS in accordance with Clause 9.2.
- (d) No such amendment to these GATS e-Terms or to any GATS Form shall take effect until the GATS Platform shall have been updated with the updated version of these GATS e-Terms or such GATS Form (noting the effective date of such amendment).
- (e) Any GATS Form which has been superseded by an amended version of such GATS Form shall continue to be the applicable GATS Form for a GATS Trust where:
 - (i) the GATS Trustee of such GATS Trust has not consented to the amended version of such GATS Form; or
 - (ii) the Trust Instrument creating such GATS Trust (or migrating the trust originally created thereunder into GATS as such GATS Trust) was entered into prior to the amended version of such GATS Form taking effect.
- (f) The addition of a new GATS Form (for example, to expand GATS into the jurisdiction of another territorial unit within an existing Trust Branch) which does not replace any other GATS Form shall not be, nor be deemed to be, an amendment of any existing GATS Form.

15.2 Entire Agreement

Each Agreement to Participate, which incorporates these GATS e-Terms, together with any statements made and information given by a GATS Party during its application to become a GATS Party on the GATS Platform in accordance with Clauses 8.3 and 8.4, contain the entire agreement among the parties to

such agreement in relation to its subject matter. Each party to such agreement acknowledges that it has not relied on any statement, promise or representation or assurance or warranty that is not set out in these GATS e-Terms.

15.3 Communications

- (a) All notices to any GATS Party under or connection with these GATS e-Terms shall be given in writing and in English. References in these GATS e-Terms to 'in writing' means, unless otherwise stated, by email or, to the extent that such facility is available on the GATS Platform, sent to such GATS Party through the electronic notification facility provided by the GATS Platform.
- (b) All notices to any GATS Party under or connection with these GATS e-Terms shall be for the attention of the person and delivered to the email from time to time recorded in the GATS e-Ledger as the contact name and email of such GATS Party which can be accessed, browsed and searched from the <GATS Participant> and <GATS Trustee> pages of the GATS Platform.
- (c) All notices to the GATS e-Ledger Support Provider under or connection with these GATS e-Terms shall be for the attention of the person and delivered to the email from time to time posted to the <About GATS> page of the GATS Platform.
- (d) All notices to AWG under or connection with these GATS e-Terms shall be for the attention of the 'GATS' and delivered to GATS@awg.aero (unless an alternative email is provided by AWG and posted to the <About GATS> page of the GATS Platform).
- (e) Any notice delivered in accordance with this Clause 15.3 shall be deemed received at the time of transmission. If deemed receipt under this Clause 15.3 would occur outside business hours, it shall be deferred until business hours resume. In this Clause 15.3, 'business hours' means 9.00am to 5.00pm, London time, Monday to Friday on a day that is not a public holiday in London or the jurisdiction of any Trust Branch.

15.4 Third party beneficiary

The GATS e-Ledger Support Provider and its sub-contractors shall be third party beneficiaries of each Agreement to Participate. No consent of the GATS e-Ledger Support Provider shall be required for any amendment of these GATS e-Terms or termination of any Agreement to Participate, other than an amendment to Clause 12 in respect of which its prior written consent shall be required.

16. Legal Effect and Dispute Resolution

16.1 Site Terms of Use

In the event of any inconsistency between any provision in these GATS e-Terms and any provision in the Site Terms of Use, the provision in these GATS e-Terms shall prevail.

16.2 Agreement to Participate in GATS

- (a) Upon a GATS Party's acceptance and agreement to be bound by and comply with these GATS e-Terms, an

Agreement to Participate is made between (i) the AWG, acting for the practical application, effectiveness and functioning of GATS, and (ii) such GATS Party.

- (b) No GATS Party, by reason only of its admission as a GATS Party, shall have entered into or be deemed to have entered into any Agreement to Participate or any other agreement with any other GATS Party.
- (c) Any obligation under these GATS e-Terms of a GATS Trustee, a GATS Participant, a GATS Beneficiary or a GATS Secured Party (each as a separate class of GATS Party), which is not also an obligation of another class of GATS Party, shall not constitute an obligation of any GATS Party of any such other class.
- (d) The AWG shall not be under any obligation to enforce any obligation of a GATS Party under an Agreement to Participate for the benefit of another GATS Party.
- (e) The GATS e-Ledger Support Provider is not a party to any Agreement to Participate in GATS nor has or shall have any obligations under these GATS e-Terms.

16.3 Termination of an Agreement to Participate

- (a) Any GATS Participant may terminate each Agreement to Participate to which it is a party effective at any time upon notification to the AWG.
- (b) Effective immediately upon a GATS Trustee ceasing to be associated with any Trust Branch in accordance Clause 9.3, each Agreement to Participate to which it is a party shall automatically terminate.
- (c) Effective immediately upon any such termination, all functionality of the GATS Platform available to GATS Parties shall be immediately withdrawn from the terminating GATS Party.
- (d) Termination of an Agreement to Participate will not affect the rights and remedies of any party thereto that have accrued as at termination.
- (e) Any provision of these GATS e-Terms that expressly or by implication is intended to come into or continue in force on or after termination will remain in full force and effect.

16.4 Governing law

Each Agreement to Participate, and any non-contractual obligations arising in connection with it, are governed by and shall be interpreted in accordance with the laws of England.

16.5 Mediation

- (a) A Dispute relating to an Agreement to Participate arises on the day that a Dispute Notice is deemed to have been received by any party to such agreement named in such Dispute Notice (other than the party delivering it) pursuant to Clause 15.3(e).
- (b) Unless the parties named in the Dispute Notice resolve all issues set out in the Dispute Notice within 7 days of deemed receipt, the party to the relevant Agreement to Participate who sent the Dispute Notice must commence mediation in respect of any outstanding issues within 21 days.

- (c) The mediation shall proceed in accordance with the ICC Mediation Rules, which are hereby incorporated.
- (d) Unless all parties to the Dispute agree an extension in writing, the mediation must finish within 15 days of its commencement or within such extended period as may be agreed, it will be deemed to have finished and any party may proceed to commence arbitration proceedings in accordance with Clause 16.6(a).
- (e) Unless otherwise agreed between the parties to the Dispute, the mediator will be nominated by the ICC.
- (f) The mediation will take place in London and the language of the mediation will be English.

16.6 Arbitration

- (a) Subject to compliance with Clause 16.5, if a Dispute is not settled before the completion or deemed completion of the mediation, such Dispute shall be referred to and finally resolved by arbitration.
- (b) The arbitration shall proceed in accordance with the ICC Rules of Arbitration, which are hereby incorporated. The ICC shall administer the arbitration and, unless agreed otherwise by the parties to such Dispute, shall appoint the arbitrator.
- (c) The language of the arbitration shall be English.
- (d) In any arbitration commenced pursuant to this Clause 16.6, the number of arbitrators shall be one and the seat or legal place of arbitration shall be London, England.

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ANNEX

Transitional Provisions

There will be a Transitional Period (as defined below) during which the GATS Platform or the GATS e-Ledger is not yet operational.

No trust established or existing pursuant an instrument entered into using a Transitional GATS Form (as defined below) shall constitute a 'GATS Trust' for the purposes of these GATS e-Terms until it has been migrated into GATS in accordance with and pursuant to any request contemplated by Clause 6.1(a)(ii).

Transitional GATS Forms means the documents so designated by AWG for use in advance of, and which anticipate the migration to, the GATS Forms.

Transitional Period means the period of time, if any, between the date on which the Transitional GATS Forms are made available for use, as announced by AWG and provided on the GATS Platform, and the GATS Effective Date.