

General Conditions of Maintenance and Delivery of Aero-Dienst GmbH, as of 5th October 2018

1. Scope and Contents of Contract

- 1.1. The following General Conditions of Maintenance and Delivery shall be subject to all deliveries and works undertaken agreed between Aero-Dienst GmbH and the Customer. All deliveries made or to be made - inclusive of future deliveries - as well as service performances rendered shall exclusively be made on the basis of these General Conditions of Maintenance and Delivery. The Customer's Purchasing Conditions are hereby rejected. Even if not expressly and specifically contradicted once more after their receipt by Aero-Dienst, the Customer's purchasing conditions shall not be deemed as having been acknowledged by Aero-Dienst. It is and will be at the latest as per and with the receipt of the object subject to work or repair by the Customer that these present General Conditions of Maintenance and Delivery shall be deemed as having been accepted by the Customer.
- 1.2. Any and all modifications or amendments to the contract must be made in writing; commitments made by any representatives shall be subject to the written confirmation of Aero-Dienst.
- 1.3. The Customer's rights arising from the Contract shall not be transferable.

2. Offer

- 2.1. Offers shall not be binding, unless and until they will have been submitted in writing and their wording expressly refers to such offers as binding. The documents enclosed with the offers shall only serve as information for the Customer and shall be returned by request of Aero-Dienst. Specifically, a surcharge for costs, insurance and freight (CIF) for the procurement of parts by Aero-Dienst is recognized in the offer.
- 2.2. If and when Aero-Dienst were to determine in the process of working on and implementing the order that additional work is required, such additional work may also be done without the Customer's consent insofar as such work consists of measures which are to ensure the maintenance and/or restoration of the operating safety or airworthiness of the object subject to work or repair, or as long as the total sum of the binding offer will not be exceeded by more than 10 %.

3. Prices

- 3.1. If no fixed price has been agreed upon, applicable prices shall be those labor rates per hour of work undertaken, which are common and ordinary for the business of Aero-Dienst, as well as sums spent on the acquisition of material and/or spare parts. These prices shall be applicable ex works or facilities of Aero-Dienst. Where legally prescribed, the current statutory amount of VAT shall be added to the prices. ADN shall be entitled to bill the Customer for overhead for special packaging.
- 3.2. Unless otherwise agreed, invoices shall be payable due net immediately. Interest due on arrears shall be at least 8 % above the respectively valid basic interest rate as defined in Section 247 of the German Civil Code. Any and all setoffs against any potential counter-claims by the Customer shall be barred and precluded, unless such counter-claim is uncontested and its legal validity has been determined. The same shall also apply for any and all potential rights of retention to which the Customer may be entitled.
- 3.3. Cheques, money orders or similar means of payment shall be accepted by Aero-Dienst on account of payment only. In such instances, the payment shall be deemed to have been made only upon presentation of discretionary credit entry. All charges and fees thereby incurred shall be borne by the Customer.
- 3.4. Agreed currency conversions shall be made on the basis of the previous month's exchange rate for supply/performance published by the German Ministry of Finance.
- 3.5. Aero-Dienst shall be entitled to demand a reasonable advance payment.

4. Exchange Parts

- 4.1. Should a relevant removed aircraft spare part be beyond economic repair, Aero-Dienst shall be entitled to provide or install exchange parts if available. The Customer shall be notified thereof.
- 4.2. Should a reduced exchange price be invoiced, this shall take place expressly under reserve.
- 4.3. The resulting price advantage shall require the timely return of an identically constructed core unit with an identical part number and fully completed documentation.
- 4.4. The removed core unit shall become the property of Aero-Dienst.
- 4.5. If the repair of the core unit is no longer economically profitable, the repair costs exceed the standard estimate by the manufacturer or the used part is returned after the deadline set by Aero-Dienst, the Customer shall undertake to reimburse the costs to the full extent.

5. Acceptance

- 5.1. Acceptance of the work shall take place either in the premises of Aero-Dienst or at a location which will have been determined for such acceptance by mutual consent. There shall be no obligation for Aero-Dienst to verify the authorization of the person who comes to collect the ordered item and such person's license to fly the aircraft. Moreover it shall be deemed that acceptance has been granted if the Customer delays taking delivery of and accepting the ordered item by more than 2 weeks.
- 5.2. If the partial deliveries are to undergo tests under any specific special conditions, then their acceptance shall take place in the facilities of Aero-Dienst. Costs for the implementation of such acceptance as such shall be paid for by Aero-Dienst. All other costs, more particularly travelling and other expenses which may be incurred for any one official whose attendance and collaboration might be required for the implementation of the acceptance procedure shall be paid for by the Customer. If the Customer waives acceptance in the facilities of Aero-Dienst, it shall be deemed that the goods have been accepted at the moment where they will leave these facilities.

6. Delay in taking delivery and acceptance

The Customer shall be deemed to be late in taking delivery, if the Customer fails, within a period of 3 days following the Customer's being notified of the completion of the work to collect the ordered item. If the ordered item is not collected after the expiration of these time periods, Aero-Dienst shall be entitled to charge the ordinary storage and parking charges. Aero-Dienst may, in its free discretion, properly and at the usual conditions park or place the object subject to work or repair under shelter at another location. If the object subject to work or repair is an aircraft, ordinary regular hangar space or parking charges will be charged and invoiced as from that date and time on where the work has been completed, insofar as the Customer does not take delivery and collect such aircraft within a term of 3 days following the receipt of the notification of completion of the work.

7. Transfer of risks

- 7.1. All risks shall pass to the Customer as per and with the acceptance of the work, at the latest, however, at the time where the object subject to work or repair is delivered in the premises of Aero-Dienst (Inco terms EXW – ex Works) or when it leaves such premises upon the Customer's instructions or in accordance with contractual arrangements and agreements, or if the Customer is late in taking delivery and acceptance. Risks shall equally pass to the Customer if and when the transport of the object subject to work or repair is taken care of by Aero-Dienst.

- 7.2. If the Customer wishes the object subject to work or repair to be delivered, this delivery will be made for the account and at the risk of the Customer.

8. Warranty and liability

- 8.1. The warranty granted shall include and cover freedom from defects of incorporated or installed spare parts, accessory components and replacements in line with the current state of the art, as well as the proper workmanship of the maintenance, repair and replacement work done.
- 8.2. In case of a defect, Aero-Dienst shall be entitled to, at its option, remedy such defect up to two times or produce a new work or supply and deliver an object which is free from defects. The Customer shall not be entitled to reduce the price or to rescind the contract, unless and until either re-work or replacement by defect-free material to remedy such defects will have finally failed.
- 8.3. Notifications of complaints concerning recognizable defects shall be submitted in writing within a period of two weeks after acceptance of the object of the order. If no complaint is submitted within said period of time, any such claim will become null and void. As far as other defects are concerned, this period of time shall begin at that moment where such defects are recognizable.
- 8.4. The warranty period shall be 1 year for all deliveries made and service work rendered regardless of the operating hours of the aircraft. This period of time shall commence as per and with the date of acceptance of the object subject to work or repair.
- 8.5. There shall be no warranty for used exchange components and parts. As far as legally possible, warranty claims vis-à-vis upstream suppliers in this respect shall be assigned to the Customer.
- 8.6. No warranty can be claimed for defects or deficiencies which were caused by or are due to the fact that the Customer itself has worked on, altered or modified the object subject to work or repair or had such work, alterations or modifications done by any third party or parties.
- 8.7. If it is in agreement and consent with the Customer that Aero-Dienst agrees to settle the Customer's warranty claims with the suppliers, then the Customer shall pay for the costs resulting from this.
- 8.8. Aero-Dienst shall be liable for damages which were caused by neglect of duty on the part of either Aero-Dienst or its legal representatives or vicarious agents only insofar as such damage is due to willful action or to gross negligence – even by a legal representative or vicarious agent/assistant. In the event of breach of material contractual obligation by Aero-Dienst and/or its vicarious agents or assistants, the liability for property damage whose amount shall be limited to foreseeable damage which is of a type which is typical for the Object of the Contract. This shall not apply in case of injury to the life, the limb, the body or the health of any person as well as violation of a material contractual obligation. There shall be no liability for lost profit, expenses saved and other consequential damages.
- 8.9. ADN is not liable for any damages or other direct or indirect economic loss resulting from the provision of services or goods proving to be or become impossible through infringement of relevant economic, trade or financial sanctions or embargoes imposed by the European Union or the Federal Republic of Germany against other countries or on account of other relevant international rules of foreign trade legislation. This applies equally to economic, trade or financial sanctions or embargoes imposed by the United States of America, as far as these do not run contrary to European or German legislation. In all such cases, ADN is released from any obligation to provide the agreed performance.

9. Retention of title

- 9.1. Aero-Dienst shall retain title and property of all accessories and spare parts as well as of replacement units or components until all claims ensuing from the business relationship have been fully paid. Should the property of Aero-Dienst be absorbed as a result of any combination, merging or processing thereof, then Aero-Dienst shall, at the ratio of the values which were supplied by Aero-Dienst, become co-owner of the object concerned with which the objects supplied and delivered by Aero-Dienst were so combined, merged or into which they were processed.
- 9.2. The Customer shall be allowed to sell the goods which are subject to such retention of title as part and in the due course of its business only. The Customer shall in advance transfer, cede and assign to Aero-Dienst all of the claims that the Customer will be entitled to on the grounds of their sale or resale or any other legal grounds, in order to thus provide security for Aero-Dienst. The Customer shall be entitled to collect the so assigned claims. If and when the claims of Aero-Dienst are due for payment, the Customer shall keep collected amounts separately and shall immediately transfer the same to Aero-Dienst. The Customer shall immediately notify Aero-Dienst of any third party seizures of any of said goods which are subject to such retention of title or of any of the claims which have so been assigned. The Customer shall pay for any and all costs which might arise from interventions which may be required.

10. Right of retention and lien

Aero-Dienst shall have a right of retention as well as a contractual lien over and in respect of the objects which come into the possession of Aero-Dienst as a result of the order, to cover all of the claims resulting from such order. The right of retention and the contractual lien may also be claimed and enforced on the grounds of claims which are due as a result of maintenance services rendered, deliveries of spare parts and other services which were provided at earlier dates, insofar as they are in any way connected with the object subject to work or repair. As far as any other claims arising out of the business relationship are concerned, the contractual lien shall apply insofar only as such claims are either uncontested or based on a legally valid title and the object transferred is the property of the Customer.

11. Insurance

The Customer shall ensure that the object subject to work or repair has been adequately insured.

12. Data Protection

- 12.1. Aero-Dienst collects, processes and uses data within the work scope solely on behalf of the Customer and for the intent of the contract. Aero-Dienst commits to transfer data to a third party only after confirmation of the Customer and according to his requirements.
- 12.2. Aero-Dienst commits to adhere to orderly practice of IT, to monitor compliance and to ensure essential data storage within the common rules of conduct of the work scope, to provide security and thus to take organizational and technical measures to prevent unintentional alteration, damage or disclosure of data.

13. Final Provisions

- 13.1. The place of performance for all of the liabilities ensuing from the Contract shall be the principal place of business of Aero-Dienst (Nuremberg).
- 13.2. The place of jurisdiction and venue for any and all disputes which may be arising out of this contractual relationship shall be Nuremberg. Aero-Dienst shall also have the right to bring suits before that particular Court of Justice which has general competence of jurisdiction for the Customer's principal place of business.
- 13.3. German law shall apply to the exclusion of the Hague Convention of 01.07.1964 relating to Uniform Laws on the International Sale of Goods and the United Nations Convention of 11.04.1980 relating to Contracts for the International Sale of Goods
- 13.4. If any of the provisions of this Contract were to be of no legal force and effect, then this shall not release and relieve the Customer from having to comply with the other remaining provisions of this Contract. In such case, the validity of the remaining provisions shall not be affected.