

GENERAL TERMS AND CONDITIONS

for deliveries and services by Augsburg Air Service GmbH

I. General

1. Unless expressly agreed otherwise in writing between the parties, the following terms and conditions shall apply exclusively for all deliveries and services under the relationship between Augsburg Air Service GmbH („Augsburg Air Service“) and the purchaser or client (hereinafter "the Client"). Any services and deliveries, especially those involving aircraft, components, devices or other parts of any kind thereof will be rendered or, respectively, made by Augsburg Air Service exclusively on the basis of the following terms and conditions. Any deviating or supplementary terms of the Client shall be applicable only if confirmed in writing by Augsburg Air Service in advance.

2. The terms and conditions of Augsburg Air Service shall also apply for any future business dealings with the Client even if not agreed expressly once more.

3. The terms and conditions of Augsburg Air Service are applicable only vis-à-vis entrepreneurs as defined in Sec. 14, German Civil Code (BGB).

II. Offer, cost estimate, scope of an agreement

1. An offer or a cost estimate shall be binding only if made in writing and expressly designated as binding in the text. Modifications, technical changes and deviations with regard to material, shape, colour or weight corresponding to the state of the art made by the manufacturer shall be accepted by the Client to a reasonable extent.

2. If it should turn out while working on an order that additional work is necessary, Augsburg Air Service is entitled to carry out such extra work also without the separate consent of the Client provided these are measures required to maintain or restore airworthiness or safety of traffic of the object that is the subject matter of the order unless the extra cost would be clearly disproportionate to the scope of the order as such.

3. Augsburg Air Service is entitled, but not obliged to provide services under the contract using replacement parts as common in the industry. Upon acceptance of the contractual service or part the dismantled part becomes the property of Augsburg Air Service.

4. An order placed with Augsburg Air Service comprises the authority to conduct trial flights, trial runs and other work subject to charges as necessary to test the object of the order.

III. Delivery

1. Delivery dates and deadlines shall be binding for Augsburg Air Service only if confirmed by Augsburg Air Service expressly and in writing and without any reservations (for example after an examination). If additional work as set forth in paragraph II.2 should become necessary, binding delivery dates shall be extended accordingly.

2. Augsburg Air Service is entitled to make partial deliveries and to perform partial services unless this constitutes an unreasonable disadvantage for the Client.

3. To the extent Augsburg Air Service has given dates or deadlines – also with binding effect – these shall be subject to the proviso of timely and complete deliveries to Augsburg Air Service itself by relevant suppliers or subcontractors. In the event that, in such cases, Augsburg Air Service does not receive sufficient or timely deliveries from suppliers or subcontractors for reasons which Augsburg Air Service cannot be held responsible for, Augsburg Air Service shall be entitled to either postpone the delivery date or the performance by the duration of the impediment or to rescind the contract. Irrespective of the legal basis, damage claims of the Client are ruled out in this case as well as in cases of force majeure and other unforeseeable events which Augsburg Air Service cannot be held responsible for. The foregoing shall be without prejudice to the Client's right of rescission as stipulated by law.

IV. Prices and terms of payment

1. In the event that no fixed price has been agreed, the fixed prices set forth in the Augsburg Air Service price lists and the hourly rates for material and man-hours in force at the time the contract is concluded shall apply. All prices are ex Augsburg Air Service factory. All prices are net prices plus turnover tax in the amount applicable from time to time if prescribed by law.

2. In the event that a part or a device is replaced, replacement prices can be calculated only if the replaced part or device is complete and not in a state which is either irreparable or can be repaired only at an unreasonably high cost. To that extent, billing by Augsburg Air Service is subject to the proviso of correction where necessary.

3. Augsburg Air Service is entitled to request an adequate down payment or to issue adequate partial invoices at any time.

4. Unless otherwise agreed, invoices are due for payment without deduction immediately. In case of default, default interest in the amount of 8 % points above the respective basic interest rate p.a. as defined in Sec. 247 BGB will be billed to the Client. The foregoing is without prejudice to Augsburg Air Service claiming higher damages as the result of default.

5. The Client is not authorised to offset claims of Augsburg Air Service against claims of its own, unless such a counter-claim has been declared valid by a court of law or is not disputed by Augsburg Air Service. The same applies for a possible right of retention on the part of the Client.

V. Acceptance, transfer of risk

1. In the event that acceptance of a service or delivery by the Client is required, the acceptance procedure shall take place at the Augsburg Air Service factory or another site agreed by both parties. The Client is obliged to arrange for acceptance as soon as it has been notified of completion and within three (3) business days at the latest. A delivery or service is deemed to have been accepted by the Client if the Client is in default with timely acceptance of the object of the order by more than one week.

2. Augsburg Air Service is not obliged to inspect the power of attorney of the individual collecting the aircraft or his/her licence to fly.

3. If the Client is in default concerning acceptance, Augsburg Air Service is entitled to bill the Client for the customary parking or storage fees. In such a case, the object of the order may also be duly parked or stored elsewhere on the usual conditions and at the expense of the Client.

4. Unless provided otherwise in the confirmation of the order, delivery will be "ex factory".

5. The risk of accidental destruction or accidental deterioration of the object of the order or delivery shall transfer to the Client upon acceptance, default in acceptance or, if no acceptance procedure has been scheduled, upon handing the object over to the Client at the Augsburg Air Service factory. In the event the object of the order is shipped, the risk shall be transferred upon surrender to the shipping company, irrespective of the place of shipping. The cost of packaging and shipping shall be billed to the Client, unless expressly agreed otherwise in the confirmation of the order.

VI. Warranty claims and liability

1. Augsburg Air Service shall honour justified warranty claims for all new products and services for the duration of up to one year from the date of delivery or acceptance. After that, no warranty claims against Augsburg Air Service will be accepted due to expiry of the statute of limitations. If the defect is a material defect which a supplier or subcontractor of Augsburg Air Service is responsible for,

Augsburg Air Service, even now, assigns its own warranty claims against the subcontractor, with the consequence that warranty claims against Augsburg Air Service are ruled out in that respect.

2. Evident defects shall be reported in writing to Augsburg Air Service without delay, but no later than two weeks after acceptance or the delivery date. The same applies for defects which should have been identified if the delivery had been examined properly and immediately for completeness and the absence of defects. If no complaint is made on time, warranty claims shall be forfeited. For other defects, this time limit begins to run from the date they are identified.

3. Warranty claims are also ruled out if the defect is based on normal wear and tear, force majeure, inappropriate or faulty treatment, changes made by the Client or third parties or the failure to observe statutory regulations or technical instructions.

4. No warranty is granted for the delivery of used materials, unless Augsburg Air Service has offered a separate warranty in this respect.

5. In the event that the Client is entitled to rectification in case of a defect, Augsburg Air Service shall decide at its sole discretion whether such rectification can be made by elimination of the defect or by delivering a replacement or producing a new object free of defects. The Client is entitled to reduce the price or to rescind the contract only if rectification has failed for good.

6. Augsburg Air Service shall be liable for damage claims or claims for the reimbursement of expenditures as a result of breaches of obligations on the part of Augsburg Air Service or its legal representatives or agents, if the damage is based on premeditation or gross negligence. This limitation of liability shall not be applicable in the event of injury to life body and health. In the event of a breach of essential obligations under the contract, Augsburg Air Service shall be liable for negligence, but only up to the amount of the damage typical to the contract and foreseeable. Claims on the grounds loss of profits, saved expenditures or other indirect damages or consequential damages are ruled out.

7. As a matter of principle, repair of damages shall be carried out on the premises of Augsburg Air Service. However, Augsburg Air Service shall be entitled in exceptional cases to repair the defects at the site where the defective object is located either itself or by engaging a third party.

VII. Reservation of title, right of lien and right of retention

1. Augsburg Air Service reserves the title to any delivery or service until full payment has been made. Such reservation of title is extended to all claims under the current business relations with the Client. If ownership of Augsburg Air Service should cease as a result of compounding, mixing or processing, Augsburg Air Service shall become a pro-rata co-owner of the object into which the object delivered has been compounded, mixed or processed.

2. The Client is entitled to sell objects subject to reservation of title in the course of regular business transactions. Any claims against buyers or third parties the Client may be entitled to from such a sale or on another legal basis are herewith assigned to Augsburg Air Service, and Augsburg Air Service accepts said assignment. However, the Client is authorised to collect the assigned claim without any prejudice to the authority of Augsburg Air Service to collect such claims itself. The Client shall notify Augsburg Air Service immediately of any seizures or other confiscation of objects subject to reservation of title or of an assigned claim by third parties.

3. Augsburg Air Service is entitled to a right of retention and a contractual right of lien to objects that come into its possession in connection with all claims under the order or other claims from the business relation. Reservation of title and the contractual right of lien may also be asserted for claims relating to services and deliveries made in the past if such services and deliveries were connected to the object of the order.

VIII. Insurance

1. As a matter of principle, the Client is responsible for arranging insurance cover for an object ordered against damages of any kind. If so requested, the Client shall submit proof of sufficient insurance cover to Augsburg Air Service at any time.

2. In the event that the Client acts in breach of its obligation to submit evidence of insurance cover or if the necessary insurance cover does not exist, Augsburg Air Service is entitled to take out such insurance at the expense of the Client and to demand reimbursement of the insurance premium from the customer.

IX. Data protection

Augsburg Air Service is entitled to process and save any data it obtains in connection with the business dealings with the Client within the scope of the German Federal Data Protection Act or to arrange for processing and storage by third parties it has retained. Unless required for performing the contract, Augsburg Air Service shall not pass such data on to third parties without the consent of the Client.

X. Closing provisions

1. The place of performance for all obligations resulting from the contractual relationship shall be the domicile of Augsburg Air Service in Augsburg unless there is an exception from these conditions.

2. The courts of Augsburg shall have jurisdiction for all disputes arising from the contractual relationship. However, Augsburg Air Service is also entitled to take legal action at the domicile of the Client or before other courts having jurisdiction under national or international law.

3. The present terms and conditions are governed by the law of the Federal Republic of Germany, ruling out the United Nations Convention on the International Sale of Goods.

4. Unless expressly agreed in writing by Augsburg Air Service, the assignment of rights or claims by the Client to third parties is ruled out.

5. In the event that any provision of the present terms and conditions or other agreements should be or become invalid, the validity of all other provisions of these terms and conditions or other agreements shall not be affected.

6. Upon request, the customer will be provided with an English version of these terms and conditions which can also be called up on the homepage of Augsburg Air Service under <http://www.aas.augsburg.de/terms> In case of doubt, the German version shall prevail.

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