

General Terms and Conditions for Deliveries and Services of Rheinland Air Service GmbH

A. Definitions

1. A "**Consumer**" shall be any natural person concluding an act of legal significance for a purpose out of the range of his/her commercial and/or freelance occupation.
2. A "**Merchant**" shall be a natural or legal person or a partnership having legal capacity acting within the range of his/her/its commercial or freelance occupation when concluding an act of legal significance.
3. A "**Customer**" can be either a Consumer or a Merchant.

B. Scope of Application, Conclusion of Contract

1. These General Terms and Conditions for Deliveries and Services ("**GTCs**") shall govern the contractual relationship between the Customer and Rheinland Air Service GmbH for providing deliveries and services in connection with aviation equipment. Any deviating or supplementing terms and conditions of the Customer shall not apply, even if these terms and conditions are not explicitly objected to by us.
2. Our offers and cost estimates shall generally be non-binding and shall constitute a request made to the Customer to submit an offer, unless otherwise agreed in the individual case. We shall accept the offer by explicit confirmation or performance of the delivery or service. Consumers shall be bound by their offer for the period of five working days; if we neither explicitly confirm the offer nor perform the delivery or service within this period, this shall be deemed a rejection of the Consumer's offer.
3. If an order for repair or maintenance work was placed with us, we shall also be authorised to carry out test flights, motor test runs or other measures necessary to check that the work has been carried out properly.
4. We shall be authorised to have our duties performed by another appropriate business in the country or abroad if the Customer does not incur any unreasonable disadvantages as a result. We shall be liable for the deliveries or services provided by the relevant business as for our own deliveries and services within the framework of the provisions of these GTCs.
5. We shall only be obligated to carry out an order if the Customer is the owner of the relevant item or provides evidence to us for the owner's consent to placing the order.
6. The Customer shall be obligated to accept partial performance to the extent this can be reasonably expected of the Customer.

C. Prices and Payments, Subsequently Claiming Value Added Tax

1. In principle, the prices indicated in our price list at the date of conclusion of the contract shall apply, plus statutory Value Added Tax ("**VAT**") applicable from time to time.
2. If VAT is not declared in our invoices, such tax is not included in the prices charged by us either.
3. If VAT has not been charged and if it subsequently turns out that VAT would have had to be charged, we shall be authorised to subsequently claim VAT from the Customer. The entitlement to subsequently claim VAT shall become statute-barred within six months after we obtained positive knowledge of our entitlement to subsequently claim VAT, but no earlier than three years after the end of the year in which the relevant delivery or service was provided by us.
4. All prices shall be understood to be ex Mönchengladbach Airport. If any service is performed out of the range of Mönchengladbach Airport, extra payment shall be requested for it.
5. Payments shall be due immediately without any deductions. Payment shall not be deemed effected until the amount can be disposed of by us in the Federal Republic

of Germany without any restrictions. Any deviations from this provision shall be subject to our special approval.

6. Set-off against a claim shall only be admitted if the counter-claim has been determined by law with legally binding effect and is undisputed by us. Consumers shall be authorised to set-off a claim for the costs of remedying defects or additional completion costs.

D. Delivery and Dates

1. Delivery dates shall be stated in each case individually in writing.
2. If the volume of the order increases in comparison to the original order, the delivery period shall be extended accordingly.
3. The Customer shall bear the costs for delivery of the subject of the order to a place other than the place of performance.

E. Acceptance

1. At our request, the Customer shall have a duty to formally accept delivery. The acceptance shall generally be carried out in our hangar in Mönchengladbach.
2. If the Customer is in delay of acceptance, it shall bear any additional costs (costs for storage and custody).
3. In the event the subject of the order is not accepted by the Customer, we shall be entitled to rescind the contract and claim damages after unsuccessful setting of a deadline. The damages shall amount to 15 per cent of the value of the order unless the Customer proves that the loss incurred was less or we prove that the loss incurred was higher.

F. Liability for Defects

1. If the Customer is a Consumer, we shall be liable for defects in our deliveries and services according to the statutory provisions. If we deliver used items to a Consumer, claims for defects shall become statute-barred within one year as of delivery. This shall not apply if we have caused or concealed a defect with intent or gross negligence or if a defect caused by simple negligence results in an injury to life, body or health. Our liability for damages owing to a defect shall be governed by the provisions under G of these GTCs.
2. If the Customer is a Merchant, our liability for defects shall be subject to the following provisions:
 - a. Claims owing to defects in deliveries and services shall become statute-barred within one year as of delivery or as of acceptance if such acceptance was agreed. No liability can be assumed for used items. The above limitations shall not apply if we have caused or concealed a defect with intent or gross negligence or if a defect caused by simple negligence results in an injury to life, body or health; in such cases, the statutory deadlines shall apply.
 - b. The Customer shall inspect items purchased from us without delay after we have delivered them and must notify us without delay of any defects that are revealed. If a defect was not recognisable during the inspection and is revealed later, the Customer must communicate this without delay after discovery. Otherwise, the delivery shall be deemed approved in view of this defect. This shall not apply if we have maliciously concealed a corresponding defect.
 - c. The defect shall be remedied at our choice by subsequent improvement or replacement unless this involves unreasonable costs. If the defect is not remedied by a deadline to be set for us or if subsequent improvement is impossible, the Customer shall be entitled to rescind the contract and claim damages after unsuccessful setting of a deadline. The damages shall amount to 15 per cent of the value of the order unless the Customer proves that the loss incurred was less or we prove that the loss incurred was higher.

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customer may exercise its statutory rights. Our liability for damages owing to a defect shall be governed by the provisions under G of these GTCs.

for the securitisation of our claims and there is an over collateralisation of at least 20 per cent.

G. Liability

1. If the Customer is a Merchant having its place of business in Germany or a Consumer, we shall be liable as follows:

- a. We shall be liable pursuant to the statutory provisions for intent and gross negligence committed by us, our corporate bodies, employees and vicarious agents. The same liability shall apply in the event of assumption of a guarantee or a procurement risk, in the event of culpable injury to life, body or health and in the event of liability under the Product Liability Act (*Produkthaftungsgesetz*).
- b. We shall be liable on the merits for culpable breach of a material contractual duty, that is, such a duty the due fulfilment of which the Customer relies on and may rely on, as a rule, for proper performance of the contract. The amount of our liability shall be limited to the typically occurring, foreseeable damage.
- c. Any further liability shall be excluded. The above limitations of liability shall be applicable in their entirety to the personal liability of our corporate bodies, employees and vicarious agents.

2. If the Customer is a Merchant having its place of business outside Germany, any claims of the Customer for damages or reimbursement of expenses for any legal reason whatsoever, in particular, owing to breach of duties arising from an obligation and from tort, whether committed by us, our corporate bodies, employees or vicarious agents, shall be excluded. This shall likewise apply to all claims of the Customer not explicitly mentioned for damages, reduction, termination of contract or withdrawal from contract. In no event shall we be liable for any indirect or consequential damage, such as production downtime, lost profits, loss of use and loss of orders. This shall not apply if liability is mandatory under applicable law (see J). If we are liable despite the above-mentioned exclusion of liability, the total liability shall be limited to the invoiced amount if this is permissible under applicable law (see J).

H. Insurance

We shall not maintain extra insurance for the subjects of the order handed over to us by the Customer. The Customer shall bear the risk of insurance coverage for the subject of the order while it is being repaired.

I. Retention of Title

1. If the Customer is a Consumer, we shall retain title to all items of delivery, accessories and replacement parts as well as exchange aggregates until payment of the respective delivered or exchanged items.

2. If the Customer is a Merchant, the following shall apply:

- a. We shall retain title to all items of delivery, accessories and replacement parts as well as exchange aggregates until complete payment of all claims arising from the business relationship has been received. If the title to parts provided by us becomes extinct due to mixing, combination or processing, we shall acquire title of joint ownership of the object which the goods provided by us have been transformed into by mixing, combination or processing in proportion to the respective values.
- b. If we have not agreed otherwise with the Customer, we shall acquire title to the parts replaced by us.
- c. We shall have the obligation to release collateral items at our discretion upon the Customer's written request as long as we no longer need these items

d. During the term of our retention of title, the Customer shall maintain the delivered goods in best condition and shall have necessary repairs done by us or at a hangar authorised by us at his own expense without delay. We shall have the right to inspect the goods to which title has been retained at any time.

e. The Customer shall have the obligation to inform us without delay of seizure, damage and loss of the goods to which title has been retained as well as of a change of owner and address. If the Customer breaches these duties, we shall be entitled to withdraw from the contract.

f. The Customer shall not be entitled to dispose of the items to which title has been retained by us without our prior approval in writing unless this is done within the Customer's ordinary course of business. In the event the Customer sells the item to which title has been retained, all claims in the amount of the final invoice (including value added tax) arising from the resale against his purchasers or third parties shall be assigned to us already at this time, regardless of whether the item to which title has been retained was resold without processing or after being processed. The approval of the resale shall be excluded if there is a valid prohibition of assignment under § 399 of the German Civil Code (*BGB*) in the relation between the Customer and his customers. Section 354a of the German Commercial Code (*HGB*) shall apply in other respects.

g. The Customer shall remain authorised to collect this claim even after such assignment; however, our authorisation to collect the claim ourselves shall remain unaffected. However, we undertake to refrain from the collection of the claim as long as the Customer meets its obligations to pay, is not in delay of payment and, in particular, no petitions to initiate insolvency or composition proceedings have been filed and payments have not been suspended.

h. We shall have a right of retention regarding all claims under the order placed with us as well as other claims based on the business relationship and a contractual lien beyond the statutory lien regarding the items handed over to us for performance of the contract.

i. The Customer shall take out sufficient insurance coverage for the items to which title has been retained against damage of all kind at his own expense if the value of the goods exceeds EUR2,500. The Customer shall hereby assign all claims under these insurance policies to us and shall immediately provide us with all documents required for their assertion.

j. If the Customer is in default of payment or fulfilment of other obligations arising from the retention of title, the remaining debts, including bills of exchange even prior to their maturity, shall become due immediately.

3. We shall be entitled to exercise the realisation of the subject of the order on the basis of claims due, in particular, to sell it by private contract, provided we have informed the Customer of this in writing at least 14 days in advance. In the event that the Customer is a Consumer, we shall have this right only if the Customer is at least two instalments in default of payment.

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- J. Severability Clause, Place of Performance, Venue, Applicable Law**
1. In the event that one of the above provisions is or becomes void, the validity of the remaining conditions shall not be affected.
 2. Mönchengladbach shall be the place of performance.
 3. If the Customer is a businessman, public body or special assets subject to public law or has no natural venue in the Federal Republic of Germany, stipulated venue shall be Mönchengladbach for all claims based on the contractual relationship.
 4. These GTCs shall be subject to German law excluding the United Nations Convention on Contracts for the International Sale of Goods. Swiss law shall apply to the liability towards Merchants having their place of business outside Germany (see G (2)).