

December 31.2016

1. Basis of agreement

All orders shall be executed on the basis of these General Terms and Conditions which may be changed at any time without prior notice by Maintenance Center Munich GmbH (hereafter M.C.M.). At the latest with the acceptance of the article/service by the customer, these terms and conditions shall be regarded as accepted. Only those customer specific amendments and additions to these terms that are made in writing and signed by both parties are valid. Any special terms or conditions of the customer shall not, unless explicitly stated in the M.C.M. order acknowledgement, impose any liability on M.C.M.

2. Quotations and orders

Quotations expire without notice 14 days after the date of the offer. M.C.M. shall only be bound by an order acknowledgement or agreement in writing. Quotations from M.C.M. may be based on information that M.C.M. has received from its vendors. In case that contrary to M.C.M.'s expectations, delivery of parts or services cannot be effected in accordance with the terms stated by the distributor, M.C.M. reserves the right to change or withdraw the offer at any time. All orders submitted to M.C.M. in writing, verbal, by telephone, electronically or by any other means shall be binding for the customer as from M.C.M.'s receipt thereof.

The customer's shall not be entitled to assign its rights, obligations or interests in this Contract to a third Party without the prior, written consent of M.C.M.

3. Order confirmation

A written order confirmation shall be provided only by explicit request of the customer.

4. Prices

Prices quoted by M.C.M. are based on the prices of M.C.M.'s vendors or sub-contractors valid at the date of the offer, or at the date of the order acceptance and the prevailing rates of exchange and customs duties per said date. Accordingly M.C.M. reserves the right to make such adjustments to the prices quoted as might follow from changes in the above matters and occurring prior to completion of M.C.M.'s invoice. Additional work not quoted but recognized only during the performance of the work ordered, but affecting the airworthiness of the aircraft or product may be carried out without particular authorization of the customer, unless other arrangements have been agreed by M.C.M. in writing. M.C.M. will pay attention that the costs and/or additional downtime of these additional tasks will not become unproportional to the ordered scope of work. M.C.M. will issue price lists for several aircraft types, or services which may be updated from time to time. M.C.M. reserves the right to invoice the services of sub-contractors or service providers as well as customer delivered parts with a mark-up as per the valid pricelists. If a daily rate has been agreed upon, this shall mean that the maximum man-hours shall still be limited by legal requirements applicable.

5. Terms and conditions of payment

Payment shall have been received in full prior to the Release to Service of the aircraft or component, if no other written and signed agreements have been made. M.C.M. reserves the right to set for any customer an individual credit limit or demand advance payment or demand payment prior to delivery. On work performed exceeding customer's agreed credit limit, M.C.M. reserves the right to forward invoices upon receipt of the order and as the work progresses. The customer shall not be entitled to withhold any payments or part thereof. The ownership of goods shall remain with M.C.M. until all receivables resulting from the business relationship have been settled in full. In case payment is overdue, M.C.M. shall without demand or legal request be entitled to interest on the overdue amount. Such interest of 8 (eight) percentage points above the base rate as per § 247 BGB [German Civil Code] shall be charged every month. To secure payment of any claim against the customer, including claims in respect of previously supplied goods and services as well as claims for damages in tort, M.C.M. shall have a legal right of lien from contract of work and the right of retention respectively with respect to goods handed over for repair as well as to any other property of the customer in M.C.M.'s possession according to paragraphs 647, 273 BGB [German Civil Code]. M.C.M. shall have a right of retention whether or not it has granted credit terms.

In the absence of any prior written and signed agreements M.C.M. shall not be required to accept any other means of payment other than cash, either in Euros or US Dollars or bank transfers in these two currencies, as noted in the invoice. All costs incurred for discounting, exchange of currencies and collecting shall be at the customer's expense.

6. Slot reservation

M.C.M. is entitled to receive up to 20% of the quoted costs of a maintenance layover at the time of a firm slot reservation.

7. Transportation and parking

Transportation to and from M.C.M.'s facilities shall be at the customer's expense and risk. If a customer for any reason does not collect the aircraft or other item or it is not released due to disputes regarding the payment, M.C.M. reserves the right to move and park the aircraft or other item on the airport parking space, or any other suitable space, for the account and risk of the owner. In such case M.C.M. reserves the right to charge the customer for fees, including daily parking fees, and additional cost which arise thereof, even in such case M.C.M.'s own parking space is utilized.

8. Delivery, Force majeure

Customer's own terms of delivery or terms for execution of the work shall not be binding for M.C.M. even where such terms have been stated on the order and acknowledged by M.C.M. M.C.M. will make every endeavour to meet agreed terms to the extent possible but shall not accept any liability for delays. The customer on his part shall not be entitled to any damages in the event of postponement of such terms. Where execution of the work is not possible by reason of force majeure M.C.M. shall without notice be entitled to postpone execution of the work or cancel the order. In such event the customer shall not be entitled to raise any claims for damages or losses against M.C.M. The following circumstances shall, inter alia, be deemed to constitute force majeure: war, warlike conditions, insurrection and civil disturbances, decisions or acts of any authority (national, municipal, port, airport or transport authorities etc.), strike, lockout, fire, non-delivery or defective supplies from sub-suppliers, accidents during repair work, during testing or in transit, or any other circumstances beyond the control of M.C.M.

9. Operation of Aircraft

The customer approves that M.C.M. shall be entitled to perform maintenance-flights, run-ups or the operation of any aircraft system, or application related to the order considered necessary by M.C.M., without further or prior approval. M.C.M. shall ensure that only properly qualified and licensed personnel shall perform such endeavour.

10. Acceptance

Acceptance of the work performed shall be performed at the premises of M.C.M. or at any location determined by mutual consent. There shall be no obligation for M.C.M. to check or verify the authorization of the person collecting the object of performance or the license of such person or persons to move or fly the aircraft. Acceptance shall be deemed as granted, if the customer will have failed to take delivery of the aircraft or product within a period of 3 (three) days after being notified of the completion of the work or the forwarding of the provisional or final invoice to the customer.

11. Passing of risks

All risks shall pass to the customer at the moment of the acceptance of work or if the customer is in default of acceptance as per § 9. Risks shall equally pass to the customer if and when the transport of the aircraft or component or appliance to its destination will be performed by M.C.M. If the customer wishes the aircraft or component or appliance to be delivered, this delivery shall be made to the account and at the risk of the customer.

12. Warranty, Liability and Indemnity

M.C.M. undertakes for a period of six months or one hundred flying hours – whichever comes first – to remedy defects or shortcomings in goods supplied, or work performed by M.C.M. employed personnel. M.C.M. shall not be under any obligation to remedy defects caused by wrong or inexpedient maintenance or misapplication, exposure to extraordinary climatic conditions or circumstances which may directly or indirectly result from repair work, modifications or technical intervention carried out by any other than M.C.M. and without the intervention of M.C.M. Moreover M.C.M. excludes liability for goods, spare parts materials or assistance rendered by suppliers or sub-suppliers of M.C.M. but undertakes an obligation to assist the customer in enforcing any claims against such parties. No warranty shall be entertained for customer delivered spares, or used exchange components and parts.

M.C.M. liability shall be limited to repairing or replacing parts repaired or supplied by M.C.M. on condition:

- a.) that claims in writing are made forthwith at such time as the defect has been or should have been detected, but not later than 8 days after the first detection of the failure. If no written complaint will be submitted within the said period of time, any such claim shall become null and void.
- b.) that the defective goods are returned to M.C.M.
- c.) that all transport charges are prepaid by the customer.
- d.) that no repair attempts have been made by other persons than authorized M.C.M. technical personnel
- e.) that after recognizing the defect no further attempts have been made to operate the system or appliance in question, without explicit approval of M.C.M. in writing.

M.C.M.'s liability shall be limited to remedying as described above and M.C.M. explicitly disclaims liability for any indirect loss suffered by the customer, including consequential loss, lost wages as well as loss caused by the customer non-performance of his obligations to any third party. As an alternative to remedying defects M.C.M. may elect to issue a credit note. M.C.M. shall be liable towards the customer for any property damage or bodily injury only where it is proved that such damage or injury was caused by the gross negligence or the wilful misconduct on the part of M.C.M., its directors, officers, employees or agents. The customer shall indemnify and hold harmless M.C.M., its directors, officers, employees or agents from and against all claims of third parties related to damages, loss injury or death unless such damage, loss injury or death is caused by the gross negligence or the wilful misconduct of M.C.M., its directors, officers, employees or agents. The liability and indemnification include all necessary costs, expenses and fees incident thereto. However, under no circumstances shall M.C.M., be liable for any indirect, incidental or consequential loss.

If agreed and in consent with the customer that M.C.M. agreed to settle the customer's warranty claims with any supplier, the customer shall bear any costs arising out of such endeavour. M.C.M. shall be entitled to immediate settlement of the warranty claim including M.C.M.'s charges by the customer, in case of denied warranty.

13. Retention of Title

M.C.M shall retain title and property for all spares and accessories, as well as components and/ or replacement units until all claims regarding the business relationship between M.C.M., one of its subsidiaries or partner organizations will have been settled and paid in full. In any case where M.C.M.'s property became absorbed by incorporation as result of assembly, incorporation, processing, repair, installation, compounding etc. then M.C.M. shall, at the ratio of the values and services which were supplied by M.C.M., become co-owner of the object concerned for which the products or services were supplied and delivered. Whenever services and/or spares delivered or provided by M.C.M. were covered under special agreements between the customer and third parties, M.C.M. shall receive the right to become the primary beneficiary of such agreements.

The customer shall be entitled to sell, rent or lease the object which is subject to such retention of title only with the explicit approval of M.C.M., following a written agreement how the unsettled claims to which M.C.M. is entitled to will be secured. The customer shall notify M.C.M. immediately if any third party or parties were to proceed to an attachment or seizure of any of the objects subject to M.C.M. retention of title or claims so assigned to M.C.M. Any and all costs occasioned by any potential intervention shall be paid in full by the customer.

14. Right of Retention and Lien

M.C.M. shall also have the right to claim and enforce such retention and contractual lien on grounds of claims M.C.M. shall have the right of retention as well as a contractual lien over and in respect of the object or objects which became possessed by M.C.M. as a result of an order, to cover all of the claims resulting from such order. These rights shall be valid independently of the customer's proprietary rights. for maintenance services rendered, delivery of spares, or any other services provided at earlier dates, insofar as these services were rendered in any way to the object of performance or having been ordered by the operator of the object of performance.

15. Language

These terms and conditions were translated from the M.C.M. Allgemeine Geschäftsbedingungen. In case of any doubt the German version shall prevail and shall be ruling.

16. Final provisions

If any term or provision in these terms and conditions shall be held to be illegal or unenforceable, in whole or in part, under any enactment or rule of law, such term or provision or part shall to that extent be deemed not to form part of this document but the validity and enforceability of the remainder of this document shall not be affected.

Any and all legal disputes arising out or in connection with M.C.M.'s delivery to or work for the customer shall be settled in Munich and governed by German law for all work-orders accepted by Maintenance Center Munich GmbH

M.C.M. shall be entitled to bring suit at the court of Justice which has general competence of jurisdiction for the domicile of the customer's principal location of business.

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