

Standard Terms and Conditions of the company Stahl Aircraft & Materials GmbH, referred to as Stahl

Rev. October 2019

I. Validity of own and third-party Standard Terms and Conditions:

1. The following Standard Terms and Conditions of Stahl shall apply to all present and future contracts with its customers, meaning

- contracts for work and services and
- contracts for work, services and materials, both governing work on aircraft and aircraft parts, as well as
- contracts of sale for aircraft and aircraft parts (exchange parts, spare parts, accessories and additional parts).

2. Deviating and/or supplementary own Standard Terms and Conditions from Stahl's customers shall not become contents of the respective contracts for work and services/ contracts for work, services and materials and contracts of sale, even if Stahl does not explicitly object to them and/or provides contractual services for its customers without reservation and/or accepts contractual services without reservation.

II. Conclusion and fulfilment of the contract, special customer obligations

1. Contracts for work and services/ contracts for work, services and materials and contracts of sale that place Stahl under obligations must be in writing, at all events written order and/or confirmation of order. Oral ancillary agreements do not apply and do not exist. Written declarations and confirmations from Stahl must be objected to in writing without delay; otherwise they shall be deemed to be approved.

2. Any item sent by the Customer to be repaired, inspected and/or overhauled shall be sent to Stahl carefully packed.

3. Stahl shall be entitled to provide its contractual services, or have them provided, through third-party companies.

4. Stahl may withdraw from the contract in the event of the occurrence of force majeure (including embargos and/or import/export restrictions in the area of material procurement) and in case of unforeseeable obstacles to performance and/or obstacles to performance that cannot be overcome through acceptable expense. This shall not include obstacles to performance for which Stahl is responsible.

III. Offers, quotations/ costs estimates, down payments

1. If the Customer does not accept the quotation, the item on its request and expense will be returned by Stahl. The investigations, administration and transportation costs will be invoiced to the Customer by Stahl.

2. If it is seen after the award of the contract (among other things during dismantling, evaluation or other unforeseeable reasons) that additional work is necessary to fulfil the contract and/or there is a demand for additional material, Stahl shall not be bound by quotations and/or concluded contracts. In this case, the actual costs are newly determined in order to enable the Customers to place a new order taking into account the further costs. Anyhow, estimates from Stahl are always nonbinding and based on the information available at the time of contact. Also offers from Stahl are principally nonbinding estimates since particularly work and spare parts costs may be subject to significant upward or downward fluctuations. Offers are only binding upon Stahl's written confirmation in individual cases.

3. The provision of materials by its customers shall require Stahl's approval.

4. Stahl may make the implementation of the contract dependent on the prior payment of a reasonable down payment and in addition provide partial deliveries and invoice the latter in part.

IV. Delivery, delivery dates and acceptance

1. Delivery dates or delivery periods shall not commence before the award of the contract, the provision of aircraft or of aircraft parts, the documents that have otherwise to be made available and the necessary approvals or before the part payments to be provided by the customers. Stahl may demand approval of a suitable extension to the performance period if the violation of the limit was not foreseeable when the contract was awarded. Customers shall not be entitled to set a period of grace with a threat to rescind the contract until it has expired.

2. The handover of aircraft and aircraft parts shall be carried out in principle from Rheinmuenster (Baden-Airpark).

3. Stahl may demand formal acceptance and make the handover of aircrafts or aircraft parts dependent on the prior payment of its provisional or final invoice. The handover shall take place in principle within five working days of the notification of completion. Following this Stahl shall be entitled to park or store the aircraft or aircraft part concerned against reimbursement of the parking or storage charges. Parking may also take place in the open. The accruing costs must be paid before the handover. Stahl shall be liable for damages occurring during parking or storing as follows: Stahl shall not be liable for injuries to life, body and health resulting from a negligent violation of duties by Stahl or a deliberate or negligent violation of duties by its legal representative or its vicarious agent. With regard to any other damages, Stahl shall only be liable in cases where damages result from a grossly negligent violation of duties by Stahl or from a deliberate and grossly negligent violation of duties by its legal representative or its vicarious agent.

4. If Stahl supplies spare or accessory parts on exchange base its Customer shall return an acceptable core without compensation at its own expenses and its title of ownership and appropriate technical documents attached within 30 days after the availability of the exchange item.

A core part shall be deemed to be acceptable if it has the agreed part number (P/N), shows only the usual wear and tear and it is in a condition that can be repaired economically. In other cases Stahl reserves the right to make an additional charge in the amount of the value of an acceptable core. The exchange item becomes the Customer's property. Upon delivery of the exchange item to the Customer, the removed one returns to Stahl property. At that time, the Customer will save the removed core for Stahl what substitutes the handover of the property. The Customer ensures unrestricted power of disposition on the removed core. The Customer cannot request to get back the initial item. If the Customer fails to return the core part within the said period of time, Stahl may invoice additional charges for the exchange item based on the respective valid list price for new items.

5. Any item which is found non-repairable after inspection, as well as parts which have been removed as "scrap" during inspection, will be scrapped 30 days after notification given by Stahl to the Customer. Customer may advise within this time frame that the item(s) shall be returned in "as-is" condition at Customer's expenses. In case of no answer, Stahl shall be entitled to scrap the item(s) without Customer's consent. In both cases investigation, scrapping, transportation and administrative costs will be charged to the Customer.

6. If for transportation or safety reasons fuels and lubricants must be drained from an aircraft, these substances will be properly stored by Stahl for at least 30 days upon having informed the Customer on this measure. During this period, the Customer has the possibility to take possession of the corresponding substances at his free disposal. After the expiration of this term of 30 days, Stahl will take care of the proper disposal. The corresponding costs shall be invoiced to the Customer, possibly also at a later date, provided that the disposal costs can be clearly associated with the container of the respective Customer.

7. If part and/or item are exported directly by sea, air, and road to a country outside the European Union, Stahl will take over the responsibility to provide appropriate customs documentation to the Customer or its designated forwarder. The Customer guarantees correct closure of the respective customs procedure on leaving the European Union. In case of non-compliance, the Customer shall be liable for the full amount of any additional costs and charges imposed on Stahl by national tax administration.

V. Prices, payment

1. All invoice prices shall be due for payment immediately without deduction. Discounts (among other things rebates) shall be promised in writing and shall only apply subject to the condition that all invoice prices are paid on time. All payments shall be made without costs.

2. Terms of payment granted to the customer shall lapse and outstanding amounts due to Stahl shall become due immediately if the customer petitions for bankruptcy or if its financial situation deteriorates to such an extent that the claim or claims appear endangered, if the customer made a false statement on its creditworthiness or if the cover promised by a credit underwriter insurer is revoked or reduced.

3. Setting counterclaims off against claims by Stahl shall only be permitted if the counterclaims are not disputed, or if they are ready for discussion or legally established.

4. Stahl prices are exclusive any charges resulting from administrative and legislative regulations in force in the Customer's country and of any customs and duty charges, which are the Customer's responsibility.

5. For orders below a material value of EUR 100,00 Stahl charges a handling fee of EUR 10,00.

6. For particularly urgent inquiries (e.g. „AOG“) Stahl charges a lump sum in the amount of EUR 50,00.

7. For restocking Stahl charges a stocking fee amounting to 5% of the merchandise value, but minimum 10,00 €.

8. In the event of delays in payments the legal rule § 288 German Civil Code (BGB) shall be applicable. If the Customer is in delay of payment, Stahl shall be entitled to also stop the work related to any current orders or to terminate the contract in writing.

9. Accordingly, in the event that the Customer fails to pay according to the contractual payment terms, Stahl reserves the right to rescind the contract through notification sent by registered letter and, if the items/spare parts are already delivered, to demand that said items be returned.

VI. Guarantee, liability

1. Place of guarantee performance (work and material) is the registered office of Stahl or optionally the place of the branch executing the order, or at the discretion of Stahl also the registered office of the Customer resp. the place where the subject matter of the contract is located.

2. In case of the purchase of aircraft or aircraft parts Stahl shall be given an initial opportunity in the framework of the guarantee to provide subsequent performance under § 439 (1) German Civil Code (BGB).

In case of contracts of any kind for work and service and for work, labour and materials Stahl shall initially be given an opportunity for subsequent performance. Rights under § 634 No. 2 to 4 BGB may only be claimed after unsuccessful subsequent performance.

Assignment of all guarantee claims to third parties is excluded.

3. In a guarantee case, Stahl shall only be liable for injuries to life, body and health resulting from a negligent violation of duties by Stahl or a deliberate or negligent violation of duties by its legal representative or its vicarious agent. In addition, Stahl shall only be liable for other damages resulting from a grossly negligent violation of duties by Stahl or from a deliberate and grossly negligent violation of duties by its legal representative or its vicarious agent.

4. In the event of a loss and/or damages of items which are not fixedly attached to the aircraft or part of the aircraft and of other contents of aircrafts or part of aircrafts, in the event of damages occurring in the context of workshop flights, test runs and static tests, Stahl shall only be liable for damages to life, body and health resulting from a negligent violation of duties by Stahl or a deliberate or negligent violation of duties by its legal representative or vicarious agent. In addition, Stahl shall only be liable for other damages resulting from a grossly negligent violation of duties by Stahl or from a deliberate and grossly negligent violation of duties by its legal representative or its vicarious agent.

VII. Retention of title/Realisation rights

1. Goods, parts and other accessories delivered by Stahl shall remain in the property of Stahl until full payment by the Customer.

2. Surrender of an aircraft or aircraft part may be refused until the full and complete payment of Stahl's claims in respect of the aircraft or aircraft concerned. In addition, a contractual lien on the aircraft or aircraft concerned will be created for Stahl to secure the respective claim. If the customer is in default for longer than 60 days, has not raised any substantiated objections up to then and Stahl has notified a corresponding action by the 75th day of default it may realise the aircraft or aircraft concerned in accordance with the statutory rules for the enforcement of liens and obtain satisfaction from the proceeds of realisation.

VIII. Applicable law

1. All contracts concluded with Stahl shall exclusively be governed by German law.

2. As far as permissible, the exclusive place of jurisdiction for disputes resulting from the contract shall be the registered office of Stahl, Rheinmuenster, Germany.