



## General Terms and Conditions of Autoflug GmbH

### Section 1 General Information

1. Our General Terms and Conditions shall apply to all deliveries and services provided by us presently or in the future, including any consultancy services we may provide to companies, legal persons under public law, or special funds under public law. Moreover, they shall also apply to all future transactions with the customer, even in individual cases where no further explicit reference is made hereto anymore.
2. Any terms and conditions used by the customer that are conflicting with, or deviating from, our General Terms and Conditions shall not be accepted by us, unless we have explicitly agreed thereto in writing. Our General Terms and Conditions shall apply even if we perform the delivery to the customer without reservation while having knowledge of conflicting or deviating terms and conditions of the customer.
3. Any and all agreements between us and the customer, in particular, any subsidiary agreements and/or any amendments, shall be made in writing.
4. The customer is not entitled to assign any claims which the customer may have against us to any third parties unless we have expressly consented thereto. The provision set forth in Section 354a HGB (German Commercial Code) shall remain unaffected.
5. Pursuant to Section 33 Bundesdatenschutzgesetz (German Federal Data Protection Act), it is pointed out to the customer that we will store the customer's data. The data procession shall be implemented in compliance with the Bundesdatenschutzgesetz (German Federal Data Protection Act).
6. If any provision of these Terms and Conditions is invalid, the validity of the remaining provisions shall remain unaffected. The invalid provision shall be replaced by the provision which is customary in the industry for such cases; in the event that no such customary provision exists, it shall be replaced by the corresponding statutory provision.

### Section 2 Offers

1. Our offers are nonbinding as to quantity, price, and period of delivery. An order shall become binding for us only where and insofar as we have issued an order confirmation or declared acceptance by performing the delivery.
2. We reserve the rights of ownership and copyrights to any illustrations, drawings, calculations and other documents. They shall not be made available to any third parties unless we have given prior express consent to a disclosure to third parties.

### Section 3 Prices and Payment

1. Unless otherwise specified in the order confirmations, our prices are ex works and exclusive of additional costs such as transportation charges, customs duty, packaging, and insurance.
2. Value added tax is not included in our prices and will be indicated separately on the invoice in the amount prescribed by statutory law.
3. If more than six months pass between the formation of the contract and the scheduled delivery date, and if – after the formation of the contract – there occurs an increase in costs of more than 5% with respect to the delivery item, e.g., in particular, due to price increases on the part of our suppliers, we shall be entitled to increase (i.e., to the extent of the increase of our purchase costs) the prices for those parts of the overall delivery which are designated to be dispatched after six months have passed. In the event that we demand a price increase that exceeds 5% of the price of the overall delivery, the customer shall be entitled to withdraw from the contract within two weeks after receiving our notification regarding the price increase.
4. Unless otherwise agreed, our claim shall be due upon delivery (in case of partial deliveries, a prorated payment shall become due). Payment shall be made immediately without any deductions, in particular without any deduction of discounts or money transfer fees. After the claim has become due and the customer has received the invoice, we shall be entitled to charge maturity interest at a rate of 5% per year. In the event of default of payment, we shall be entitled to charge default interest at a rate of 9 percentage points

above the basic rate of interest per year. If we are able to prove that greater damage occurred because of the default, we shall also be entitled to assert such damage caused by default.

5. We are not obliged to accept bills of exchange or checks. If we do agree that a bill of exchange or a check is submitted, their acceptance on account of payment shall be subject to discount options in return for reimbursement of all expenses incurred by us. We neither assume any liability for the provision of bills of exchange or checks in good time, nor for protesting bills of exchange or checks, provided that this results from slight negligence.
6. The customer shall only be entitled to a right to set-off and a right of retention if its counterclaims have been finally and non-appealably established, are undisputed, or we have acknowledged such claims.

### Section 4 Delivery

1. Any delivery dates referred to by us shall only become binding when they have been expressly confirmed as binding delivery dates.
2. Our delivery obligation is subject to the condition that we have received complete, correct and timely supply ourselves, to the extent to which we are obtaining the goods, in whole or in part, by a sub-supplier. This shall not apply if we have caused the failure to deliver or the delay.
3. The compliance with delivery periods and dates requires that the customer fulfils its contractual duties in good time. The delivery period shall commence after the clarification of any and all details of the execution of the order and subsequent to the receipt of all documents required for the execution of the order as well as of any other information that has to be provided by the customer, as well as, if applicable, any required export licenses, plus, if this has been agreed, upon receipt of a corresponding prepayment that has to be made by the customer. The delivery period shall furthermore be deemed to be complied with if the goods leave our factory and/or the indicated dispatch station, or if the customer has been notified that the goods are ready to be dispatched, but the goods nonetheless cannot be dispatched in good time through no fault of our own. The same shall apply to delivery dates.
4. The delivery period shall be reasonably extended in the event of any actions pertaining to industrial disputes or when any unforeseen impediments should occur which are beyond our control, to the extent to which such impediments have a significant effect on the completion or the dispatch of the goods. This shall also apply if a sub-supplier is affected by any such circumstances. In the event that delays in delivery resulting from any abovementioned circumstances exceed a period of two months, either party shall be entitled to withdraw from the contract. However, the customer shall not be entitled to withdraw until the following has occurred: there was a request by the customer and we have failed to declare within a period of one week that we either wish to withdraw or that we wish to execute delivery within a period of two weeks. The same right to withdrawal shall arise if, irrespective of the abovementioned period of time, the implementation of the contract cannot be reasonably expected anymore from one of the parties when taking the delay into consideration.
5. Furthermore, we shall be entitled to withdraw from contracts we have entered into if, due to catastrophes, war incidents, or any other reasons, it becomes significantly more complicated to procure the goods in comparison to the point in time when the contract was formed. A significant complication shall exist by all means if the market price of the object of purchase has risen by more than 25% in the period between the point in time when the respective contract was formed, and the scheduled delivery date.
6. Moreover, we shall be entitled to a right of withdrawal in cases where the execution of the contract requires a permission pursuant to the Außenwirtschaftsgesetz (German Foreign Trade and Payments Act), the Außenwirtschaftsverordnung (German Foreign Trade and Payments Ordinance), or any other provisions governing foreign trade, and it is not possible to



obtain such permission, provided that the contract is not already rendered invalid anyways as a result of this impossibility. We shall not assume the risk for obtaining a corresponding permission in this respect.

7. Even where a time specified by reference to the calendar has been set for the performance, or where a date that chronologically follows a prior event can be calculated using a calendar, default shall not be deemed to exist until we have received a written reminder. If we are in default with the delivery, the customer shall be obliged to indicate an adequate grace period. Such grace period shall not amount to less than two weeks.

8. Unless otherwise indicated in the order confirmation, delivery shall be ex works. The risk of destruction and the risk of deterioration shall pass to the customer as soon as the goods were handed over to the forwarder, carrier, or any other person specified to carry out the shipment, including our own staff. This shall also apply to deliveries "free at domicile". In the event that dispatch is delayed due to reasons beyond our control, the risk shall pass already as soon as the customer is notified that the goods are ready to be dispatched.

9. The customer shall be obliged to also accept partial deliveries within a reasonable scope. Moreover, the customer shall also be in default in acceptance even if we merely have offered a delivery to it in writing, provided that the other prerequisites of default in acceptance are present. In cases of delivery "on call", a failure to call within the agreed period of time shall constitute a material breach of duty.

10. In the event that the customer is in default of payment of an invoice for a period exceeding two weeks, or in the event that an application for the opening of insolvency proceedings against the customer's assets has been filed, or if the customer has initiated out-of-court proceedings for the purpose of debt regulations, or has suspended payments, or if there are any other circumstances which substantially diminish the customer's creditworthiness, thus potentially placing the claim for the counterperformance owed to us in jeopardy, we shall be entitled to demand collateral for any outstanding deliveries by means of either an advance payment or a bank guarantee (at the customer's choice), while giving at least one week's notice, and we shall be entitled to refuse to provide any performance on our part until such collateral has been provided. After an appropriate grace period has expired without any result, we shall furthermore be entitled to withdraw from this contract as well as from other contracts, and to claim damages.

#### **Section 5 Quality of the Goods**

1. Unless when expressly labelled as guarantees, any specifications describing our goods shall be mere indications of quality.

2. Minor deviations as to material thickness, weight, volume, stability, wear resistance, physical and chemical properties, dimensions, designs, and shades of color shall not constitute a defect, unless such deviations are conflicting with product-specific military aviation or civil aviation licenses and/or adversely affect the functioning of the goods.

3. Any impediment caused by normal wear and tear, misuse or careless use, excessive stress, employment of unsuitable operating materials, or improper modifications or repairs, shall not constitute a defect.

4. Any statements that were made and any information that was given regarding the construction, suitability, use and manufacturing, cleaning, or treatment of our goods shall not mean that the customer is exempted from the duty to perform inspections and tests of its own.

5. Regarding the use of our goods, it is the customer that bears sole responsibility for the compliance with any requirements imposed by statutory law, by the authorities, or by Berufsgenossenschaften (professional associations/liability insurance associations).

#### **Section 6 Liability for Defects**

1. Claims for defects asserted by the customer require that the customer has duly complied with its obligation to duly examine and give notice of any defects pursuant to Section 377 HGB (German Commercial Code).

The notification of a defect must be made in writing.

2. To the extent to which there is a defect in the goods, we shall be entitled, at our choice, to cure the defect by means of subsequent performance by either repairing the defect or by delivering substitute goods which are free from defect. In such case, the customer shall bear any additional costs that are incurred due to the fact that the delivered goods had to be transferred to another place than the place of performance.

3. In the event that the subsequent performance fails or cannot be reasonably expected of the customer, or if we refuse it, or if it is delayed beyond an adequate period of time for reasons for which we are responsible, the customer shall be entitled to withdraw from the contract, or to reduce the purchase price—irrespective of any damage claims.

4. Claims for defects that are not directed at obtaining damages shall become statute-barred one year after the goods were delivered. However, this shall not apply with respect to a willful breach of duty, a breach of warranty, or any building-related defects within the meaning of Section 438 Subsection 1 No. 2, Section 634a Subsection 1 No. 2 BGB (German Civil Code).

5. In the event that we have mandatory liability in the context of the "re-course of the entrepreneur" concept, Section 478 and Section 479 of the BGB (German Civil Code) shall prevail.

6. To the extent to which claims for defects are directed at the obtaining of damages or the reimbursement for futile expenses, Section 7 hereof shall apply additionally.

#### **Section 7 Limitation of Compensation Claims**

1. Claims for damages asserted against us or the persons whom we used to perform our obligations shall be excluded in the event of a slightly negligent breach of a non-essential contractual obligation. As to other claims for damages for unintentional breach, liability shall be limited to foreseeable damages typically arising in connection with this type of agreement.

2. As to slightly negligent breaches, claims for damages asserted against us or the persons whom we used to perform our obligations shall become statute-barred within one year. This shall not apply with respect to damages for any building-related defects within the meaning of Section 438 Subsection 1 No. 2, Section 634a Subsection 1 No. 2 BGB (German Civil Code).

3. The exclusions and limitations of liability set forth above shall not apply in the case of a breach of guarantee or injury to life, body, or health.

4. To the extent to which we have mandatory liability for damage to property or personal injury pursuant to the Produkthaftungsgesetz (German Product Liability Act), the provisions of the Produkthaftungsgesetz (German Product Liability Act) shall prevail. As to a compensation within the internal relationship pursuant to Section 5 Subsection 2 Produkthaftungsgesetz (German Product Liability Act), the abovementioned provisions shall remain unaffected.

#### **Section 8 Retention of Title**

1. The delivered goods shall remain our property until the purchase price and any other claims we may have against the customer have been paid in full ("Retained Goods"). The retention of title shall continue to remain in effect if individual accounts receivable of ours are included in a current account and the account has been settled and approved, whereupon the retention of title serves the purpose of securing the account balance.

2. In the event that the customer processes or treats the Retained Goods delivered by us, any such processing or treatment shall be deemed to have been carried out on our behalf so that we are the producer within the meaning of Section 950 BGB (German Civil Code).

3. In the event that our Retained Goods are combined, intermixed, or processed together with the customer's own goods or with goods that are subject to a third party's retention of title, we shall acquire co-ownership in the new thing or in the intermixed inventory in the proportion of the value of our Retained Goods in comparison to the other goods at the time of



the combination, intermixing, or processing. If the customer acquires sole ownership in the new thing, we and the customer are in agreement that the customer shall grant us co-ownership in the new thing in proportion of the value of the processed and/or combined or intermixed retained goods and that the customer shall safeguard the new thing for us free of charge. We shall not assert any claims in connection with the added value resulting from the combination, intermixing, or processing.

4. The goods owned by us pursuant to Section 8 No. 2 hereof, and the goods co-owned by us pursuant to Section 8 No. 3 hereof, shall secure our accounts receivable in the same way as the Retained Goods we originally delivered. We shall be entitled to revoke the customer's entitlement to combine, intermix, and process our Retained Goods if the customer is in default of payment.

5. The customer shall only be entitled to re-sell our Retained Goods as well as the goods owned by us pursuant to Section 8 No. 2 hereof and the goods co-owned by us pursuant to Section 8 No. 3 hereof in the context of its usual business operations and only subject to the condition that the purchase price claim resulting from the re-sale passes over to us pursuant to Section 8 No. 6 hereof. The customer shall not be entitled to any other dispositions regarding the Retained Goods as well as the goods owned by us pursuant to Section 8 No. 2 hereof, in particular, the customer shall not be entitled to a pledge or to a transfer of ownership by way of security.

6. Already as of the date hereof, the customer hereby assigns to us any accounts receivable along with any ancillary rights that may arise from the re-sale of our Retained Goods as well as the goods owned by us pursuant to Section 8 No. 2 hereof and the goods co-owned by us pursuant to Section 8 No. 3 hereof for the purpose of serving as a security for any and all claims we may be entitled to at the point in time of the re-sale. In the event that the goods co-owned by us pursuant to Section 8 No. 3 hereof are being re-sold, only that part of the account receivable which corresponds to the value of our co-owned share shall be deemed to have been assigned.

7. The Customer shall be entitled to assign the account receivable resulting from the re-sale by means of the concept of non-recourse factoring, provided that we are notified of such assignment and that the factoring proceeds are at least the same, or exceed, the merchandise value of our Retained Goods, of the goods owned by us pursuant to Section 8 No. 2 hereof, or of the goods co-owned by us pursuant to Section 8 No. 3 hereof, from the re-sale of which the respective account receivable results. Already as of the date hereof, the customer hereby assigns to us the accounts receivable and any other claims against the factor from the sale of the accounts receivable that were assigned to us as a security; they shall likewise serve the purpose of securing our claims. We hereby accept the abovementioned assignments.

8. If the realizable value of the accounts receivable that have been assigned to us exceed our claims against the customer by more than 10%, we shall be obliged, upon the customer's request, to release the exceeding collateral.

9. The customer shall be entitled to claim the accounts receivable on our behalf. However, this authorization, as well as the authorization to re-sell, shall expire if the customer is in default as against us, files an application for the opening of insolvency proceedings, or if there is a ground justifying insolvency. In such case, we shall be authorized to notify the customer's buyers/acceptors on behalf of the customer about the assignment. The customer shall be obliged to submit to us the information required for the assertion of our rights against the customer's buyers/acceptors, in particular, the customer shall indicate the names of the buyers/acceptors, and hand over the required deeds and documents.

10. The customer shall be obliged to obtain adequate insurance for our Retained Goods as well as for the goods owned by us pursuant to Section

8 No. 2 hereof, and the goods co-owned by us pursuant to Section 8 No. 3 hereof against fire, theft, water, and other similar dangers, and to provide evidence to us about such insurance upon our request. The customer hereby assigns to us its claims for compensation, to which it is entitled against insurance companies or any other parties that are obliged to provide compensation – if applicable, on a pro rata basis. We shall be notified of any impairment whatsoever of our Retained Goods as well as of goods owned by us pursuant to Section 8 No. 2 hereof, and the goods co-owned by us pursuant to Section 8 No. 3 hereof; the same shall apply if any third parties have or have had access to any of the abovementioned goods.

11. In the event that the authorization to re-sell expires, the customer shall be obliged, upon our request, to provide information about the inventory of our Retained Goods as well as goods owned by us pursuant to Section 8 No. 2 hereof, and the goods co-owned by us pursuant to Section 8 No. 3 hereof, and the customer shall be obliged to return the Retained Goods if we demand this. The provision set forth in Section 449 Subsection 2 BGB (German Civil Code) is waived by this contract in this respect. For the purpose of asserting our claims for return, we shall moreover be entitled - after a prior announcement and after having stipulating a deadline - to enter the customer's premises and to take the Retained Goods with us.

12. Furthermore, we shall be entitled to use the returned Retained Goods to satisfy our claims as soon as we have either withdrawn from the contract or the prerequisites for the assertion of damages in lieu of performance (Translator's note: a special concept under German law) are present. The assertion of retention of title, in particular the acceptance of returned items or the pledging or utilization of items, shall only be constructed as a withdrawal from the contract if we expressly declare this in writing.

#### **Section 9 Place of Jurisdiction and Applicable Law**

1. If the customer is a Kaufmann ("merchant"), or a legal person under public law, or a special fund under public law, our place of business shall be the place of jurisdiction. However, we shall be entitled to also file a suit at the customer's place of general jurisdiction.

2. All legal relationships with the customer shall be governed exclusively by German law, however, to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).

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