

1. Scope

- 1.1. These General Terms and Conditions ("GTC") apply to all deliveries of goods and/or services ("Products") supplied by Diamond Aircraft Industries GmbH ("DAI").
- 1.2. The Customer accepts and agrees to be bound by the provisions of this GTC.
- 1.3. Any modification of these GTC must be agreed to in writing.

2. Offer

- 2.1. Offers by DAI are made without obligation, unless otherwise expressly agreed.
- 2.2. Specifications and quotes in catalogues, brochures and/or sales material are legally non-binding and are subject to alterations. Modifications of the Products are hereby explicitly accepted by the Customer. DAI is not obliged to carry out such modifications of Products already supplied earlier.
- 2.3. The content of the offer is DAI's intellectual property. The offer must neither be reproduced nor disclosed to third parties without DAI's consent.
- 2.4. Likewise, DAI shall not disclose the content and existence of the offer to third parties without the Customer's consent.

3. Contract

- 3.1. The Contract is effective only upon its conclusion by both parties, or the Customer's receipt of DAI's written confirmation of a purchase order and/or the confirmed Customer's advance payment.
- 3.2. Costs of any modification requested by the Customer or caused by circumstances not known to DAI at the time of the conclusion of the Contract shall be priced separately and are under the sole responsibility of the Customer.
- 3.3. The configuration and/or any additional equipment required by the Customer must be clearly defined and ordered in writing. The ordered configuration and/or any additional equipment becomes binding to DAI only by written confirmation. Any changes requested at a later date shall cause delays in the delivery and additional costs to the Customer.
- 3.4. The Customer's general terms and conditions and/or any other business or trading conditions shall be deemed non-binding even if DAI does not expressly raise any objection thereto, except for DAI's prior written consent.

4. Prices

- 4.1. The prices quoted are ex works DAI's premise (Incoterms 2010: EXW Wiener Neustadt, Austria), not including other services like (but not limited to): shipment/transport, packaging or any kind of ferrying, the handing over to the carrier (including the disassembling), insurance, training, certification and registration in the country of the Customer, unless offered and agreed upon in the Contract. These services shall be agreed upon in a separate written contract and shall be at the Customer's own risk and cost.
- 4.2. VAT shall be added to the quoted price when applicable.
- 4.3. Depending on the certification and/or use criteria of the particular state of registration and/or use, additional equipment requirements may be mandatory. The fulfilment of all certification and/or use requirements shall be under the sole responsibility of the Customer.
- 4.4. In case the delivery of Products is delayed by more than two (2) months for reasons beyond DAI's control the prices shall be - at DAI's sole discretion - adjusted at the time of delivery of the Products (i) according to any increases reflected in the latest Austrian Consumer Price Index published by the Statistik Austria (the Austrian

statistical office) or (ii) to DAI's latest published list prices.

- 4.5. All prices quoted shall be paid in EURO, unless otherwise expressly agreed.
- 4.6. The minimum order volume shall be no less than EUR 50.-. In case the order volume is below EUR 50.-, the total invoice value shall be increased automatically to EUR 50.-.
- 4.7. In case DAI arranges the shipment/transport, the Customer shall provide the shipment address. DAI does not bear any responsibility for the shipment. Any modification of the shipment address can only be accepted if confirmed by DAI in writing and made before the shipment arrangement. In such case, if the modified shipment address is different from the address provided by the Customer and DAI has already arranged the shipment, the Customer shall bear all expenses accordingly and shall arrange new shipment/transport. In the event the shipment/transport has not been arranged yet, DAI is entitled to charge a fee of EUR 45.-.
- 4.8. DAI does not provide any insurance unless expressly requested in the purchase order. In case DAI arranges the packaging, the Customer bears all expenses accordingly and shall be charged separately, any return of packaging material has to be agreed expressly.

5. Payments, Default of Payments

- 5.1. Unless agreed otherwise, the contract price shall be paid as follows:
 - a) A 30% advance payment shall be made within ten (10) days after the effective date of the agreement (as per Clause 3.1).
 - b) The payment of the remaining 70% of the contract price shall be made five (5) days prior to the delivery date.
- 5.2. Unless agreed otherwise, parts and customized goods shall be paid as follows:
 - a) Payment 100 % net of the contract price prior to delivery. A deposit according to DAI's instructions has to be paid for Customer's specific goods.
- 5.3. The Customer shall be notified by DAI within a reasonable time prior to the date ready to deliver of the Product. The Parties shall agree in writing on the delivery date. In case of no agreement within one week after notification, DAI shall be entitled to set the delivery date on - or at the maximum 5 working days after - the date ready to deliver. The Customer shall be solely responsible for the acceptance of the Product on the delivery date, where the risk of loss and/or damage of the Product shall pass to the Customer.
 - a) Payments shall be deemed settled when the account of DAI has been credited with the appropriate amount unencumbered.
- 5.4. If the advance payments as referred to in 5.1 are not paid by the Customer within ten (10) days after receipt of advance payment invoice, DAI shall be entitled to cancel the order and charge the advance payment (but at least 20% of the net price contract) as liquidated damages. If the Customer still wants to purchase the Products after cancellation, a new order has to be placed with DAI.
- 5.5. Wrongly ordered spare parts must be returned within fourteen (14) days after receipt of goods subject to prior written approval by DAI. A cancellation/restocking fee of 20% of the contract price shall be charged. Any and all related documents including - but not limited to - original certificates, copies of delivery note and invoice, and a copy of DAI's authorization must be sent back to DAI not later than the returned Products.
- 5.6. Aircraft On Ground ("AOG") orders receive accelerated processing. If AOG orders are received by 12 a.m. (CET) Monday to Thursday or by 10 a.m. (CET) on Fridays,

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Commercial Register: Landesgericht Wiener Neustadt: FN 239539p, UID (VAT): ATU 62107348

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EURO currency:
Oberbank AG
IBAN: AT281500004111440055
BIC/Swift Code: OBKLAT2L

EUR currency from China:
Bank of China (Hungary) Close Ltd.,
Vienna branch
IBAN: AT221954000000000101
SWIFT/BIC: BKCHATWWXXX

US Dollar currency:
Oberbank AG
IBAN: AT57 1500 0041 1105 0854
BIC/Swift Code: OBKLAT2L

EUR currency from CIS countries:
Sberbank Europe AG
IBAN: AT73740003501990550
BIC/Swift Code: SABRATWW

parts in stock shall be shipped on the same day. The Customer has to provide AOG aircraft serial and registration numbers with the order. AOG orders shall be charged with an expediting fee of 20% of the ordered value, but at least EUR 300.- per unit and line item. The order shall be processed separately from other orders, (i.e. packing and shipping). Only parts and quantities specifically required to recover from the AOG case shall be accepted.

- 5.7. Payments shall be deemed paid only when DAI's applicable bank account has irrevocably been credited with the appropriate amount without any reduction. Any and all payments must be done exclusively to DAI's applicable bank account as indicated in the footnote below. Any amendment of these bank accounts shall only be valid upon a written request for change which is signed by DAI's Chief Executive Officer and sent to the Customer.
- 5.8. On request the Customer shall prove the identity of the ultimate shareholder/owner of the Customer, the identity of the holder of its bank account and the origin of the funds.
- 5.9. DAI shall be entitled to dedicate incoming funds, independent of the Customer's dedication, to the eldest outstanding amounts.
- 5.10. Reminder costs and lawyer fees shall be borne by the Customer. If the payment period is exceeded, DAI is authorized to demand reminder fees of EUR 50.- starting with the second reminder. If the payment is not received on DAI's account after the third written reminder DAI is entitled to lock Customer's account on DAI's website. DAI shall unlock Customer's account upon full payment of the outstanding amounts (including reminder fees, unlocking fee of EUR 150, - and interest). In case of any default in payment DAI shall be entitled to instantly accelerate maturity concerning all outstanding amounts. Notwithstanding any further claims, interest on arrears of 12% p.a, but in any case, in the amount of statutory interest on arrears, shall be charged in the event of any default of payment. In case of delayed payment DAI is – in addition to the interest charge – entitled to postpone its own obligations until receipt of the payments due.
- 5.11. All rights and title to the Products shall remain with DAI until all outstanding amounts and claims and for repeated-orders or follow-up orders against the Customer are fully settled. Upon such settlement of all outstanding amounts and claims the ownership title to the Products shall pass to the Customer. The resale or other disposal of the Products subject to this retention of title, such as pledging or assignment as security, shall not be permitted. In the event of resale or other further disposal of the Products subject to this retention of title – even if not in accordance with the Contract – the Customer hereby assigns to DAI in advance any claims the Customer may gain against any third party on account of payment; however, the remaining obligations of the Customer under the Contract shall remain in force unchanged. Further, the Customer hereby assigns to DAI in advance any insurance benefits the Customer may gain in case of loss or damage of the Products subject to this retention of title.

In case of the Customer's default in payment and/or any other obligation under the Contract DAI or a third party authorized by DAI shall be entitled to secure and/or remove the Products subject to this retention of title and/or to have it secured and/or removed from the custody of the Customer or third parties at any time at the risk and cost of the Customer and without his further consent. DAI shall store or dispose of any of the Customer's belongings remaining in the Products which

have not been removed in time. After return of the Products subject to this retention of title DAI shall be entitled to dispose of the Products at its sole discretion.

The assertion of rights by DAI in connection with the retention of title shall not be deemed as a rescission from the Contract by DAI, and all obligations of the Customer under the Contract shall remain entirely in force. The Customer undertakes to declare and mark the Products as property of DAI vis-à-vis any third party at any time and shall inform DAI immediately of any measures concerning DAI's property, in particular of any official orders (e.g. the establishment of an enforceable lien) and shall provide DAI with all information necessary to secure and enforce DAI's rights. All costs connected with or resulting from the enforcement of DAI's rights shall be borne by the Customer and Customer shall hold DAI harmless.

6. Delivery and Transfer of Risk

- 6.1. Any offered delivery plan shall not be legally binding, unless confirmed otherwise by DAI in writing. In the event of Customer's default in any obligation (even partially) under the Contract (including – but not limited to – payments, supply of documents, approvals or information) any delivery plan – albeit it has been confirmed – shall become null and void.
- 6.2. The handover of Products to the Customer and/or a representative authorized by the Customer and/or a carrier by DAI shall constitute delivery to the Customer. The transfer of risk occurs on the delivery date. DAI shall be entitled – but not obliged – to check the authority of the Customer's representative.
- 6.3. The Customer shall be responsible for checking the Products to a reasonable extent and for giving immediate written notice of any defects; otherwise the Products shall be deemed to have been accepted free from such defects. The Customer shall confirm the receipt of the Products.
- 6.4. In case the Customer does not accept the Products (i) within five (5) working days after the notification of ready to deliver or (ii) on the agreed delivery date or (iii) the delivery of the Products ready to deliver is not possible due to reason attributable to the Customer, the Customer shall – without any further reminder – be deemed to be in default of acceptance and delivery shall be deemed as performed. For Products not accepted by the Customer DAI shall charge parking and storage customary for the place of location. DAI shall further be entitled to store the Products outside (even outdoor), unguarded and not insured, at the Customer's risk and cost.
- 6.5. After one (1) month default of acceptance, DAI shall be entitled – at its sole discretion – to request to accept and pay the Products or to rescind from the Contract and to dispose of the Products in any other way and to charge the Customer for any costs and damages resulting therefrom or relating thereto. If it becomes necessary due to default of acceptance by the Customer to reissue the Products related documents, DAI is entitled to retain advance payments as liquidated damages and additionally to claim for damages exceeding the advance payments and to claim for fulfilment of the Contract.
- 6.6. The Customer is entitled to (i) rescind from the Contract or (ii) partially rescind from the Contract if the remaining parts remains airworthy if the delay has continued for more than three (3) months due to DAI's reason.
- 6.7. If a delay in delivery is caused by public authority (in regard of registration or acceptance tests) that necessitate changes in the design and therefore prolong

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EUR currency from China:
Bank of China (Hungary) Close Ltd.,
Vienna branch
IBAN: AT221954000000000101
SWIFT/BIC: BKCHATWWXXX

US Dollar currency:
Oberbank AG
IBAN: AT57 1500 0041 1105 0854
BIC/Swift Code: OBKLAT2L

EUR currency from CIS countries:
Sberbank Europe AG
IBAN: AT737400003501990550
BIC/Swift Code: SABRATWW

the production process, the delivery date shall be deferred by the equivalent period of such delay.

7. Confidential Information

7.1. Confidential Information shall mean (but not limited to) all trade secrets and information which is proprietary to DAI including, but not limited to, type design data, drawings, photographs, specifications, models, prototypes, designs, materials, construction or assembly, computer hardware and software (whether in machine-readable or human-readable form), technical, commercial and operational information concerning products, information concerning manufacturing methods and techniques, quality control and test methods, marketing data including target customers, customer list and market plans, cost and pricing data and product applications (including confidential information collected by the Customer and/or its employees, agents, customers and/or other persons related to the Customer) whether or not acquired through visits or discussions and whether or not covered by intellectual property rights, which is in the possession of or belonging to DAI, whether written or oral, and whether or not explicitly designated as confidential. The Customer agrees to keep the Confidential Information obtained hereunder in strict confidence and to use it only for the purpose of the use of the Product as defined by the manufacturer and/or DAI, and not to disclose directly or indirectly to any third party, nor to use, copy, summarise, evaluate or incorporate within or outside of its business. The Customer agrees that the Confidential Information shall be accessed and disclosed only to its employees and having a need to know who have been properly advised of the confidential nature of the Confidential Information, and who are under binding obligations of confidentiality, use and non-disclosure complying with the requirements hereunder. The Customer agrees that the Contract is confidential information and that it shall not be disclosed without express written consent of DAI.

8. Software Use

8.1. For any software supplied with the Product, DAI grants the Customer the non-exclusive and non-transferable right to use the software including its documentation only for the time being defined by DAI and only in relation with Products supplied together with the software.

8.2. The Customer shall not use the software in another context and shall be entitled to duplicate, translate, or modify only with DAI's prior written consent and within the legal scope according to the applicable law.

8.3. The Customer is not entitled to remove the manufacturer's data or instructions, including copyright notations, without DAI's prior written consent.

9. Warranty

9.1. The warranty of the Products shall be in compliance with Austrian laws, standards, and regulations.

9.2. The Customer shall examine Products provided under the Contract upon receipt and shall notify DAI in writing of any obvious defect within ten (10) days. In case of latent defects the Customer shall notify DAI in writing of within thirty (30) days from notice of such defect. Unless this duty of examination and immediate written notification is adhered to, warranty claims are forfeited. The Customer shall not be entitled to claim for any warranty in the following cases:

a) The Products are not operated, inspected, serviced, maintained and/or stored within the limits and in strict compliance with all operating, inspection, service, maintenance and storage instructions and procedures

issued by DAI and (where applicable) by the component manufacturer.

- b) The Products have been subject to misuse, negligence, unauthorized alteration or accident (including – but not limited to – composite delamination due to damage of skin because of stone fall, ice or bird strike, interior upholstery and rubber seals, paint or striping). The authorization of any alteration of Parts is only valid if specifically applied for and granted by DAI in writing.
 - c) Any work on the Products is executed by anyone other than an authorized DAI service center listed at the moment of service at www.diamondaircraft.com and/or other official DAI service partner with a valid Service Partner contract.
 - d) The Customer operates the Products with parts or components, which have no certification of conformance issued by DAI or (where applicable) by the component manufacturer, and/or continues operation of a Part after and despite the detection of an alleged defect shall not be covered under this Warranty.
 - e) The Customer does not maintain complete records in English language of operation, inspection, service and maintenance of the Aircraft, and/or does not make such records available to DAI.
 - f) A manufacturer's trade mark and/or name and/or serial number has been removed so that the origin(s) cannot be identified.
 - g) This aircraft warranty does not apply to fluids, gases, agents and other consumables subject to normal operational consumption and/or servicing (including - but not limited to - fuel, oil, hydraulic fluid, oxygen, nitrogen, battery electrolytes, lubricants, polishes, waxes, or cleaning agents). This Warranty does not apply to wear and tear parts (including - but not limited to - tires, tubes, brake pads etc.). Even though for consumables and wear and tear parts other warranty applies, for defects due to extraordinary wear or exposure, including - but not limited to - the effects of hail, volcanic eruption, "acid" rain, dust and/or sand storms, chemical discharges, foreign objects and other such unpredictable phenomenon, whether natural or manmade, no warranty at all shall apply. The provisions regarding any representations and warranties and guarantees of manufacturers and/or suppliers of components of the Aircraft (such as engine(s), propeller and propeller accessories, and installed avionics) shall be applicable with respect to these components only. DAI shall, however, not be liable for such parts vis-à-vis the Customer and DAI does not make any representations or warranties or guarantees with respect to these components, and any representation or warranty or guarantee shall be excluded.
- 9.3. Procedure and Costs
- a) The Customer shall make any claims to DAI or to one of its authorized service centers (<https://www.diamondaircraft.com>) and/or its official DAI service partner with a valid Service Partner contract only. The Customer shall bear the burden of proof. Only DAI can acknowledge a claim under this Warranty.
 - b) The Customer shall notify an alleged defect not later than thirty (30) days from its discovery and shall deliver the alleged affected item to the DAI authorized service center and/or the official DAI service partner with a valid Service Partner contract. Upon request of DAI and/or of the service center and/or the official DAI service partner with a valid Service Partner contract, the Customer is obliged to proof the origin of equipment and/or components. DAI may require to ship the alleged affected item for evaluation to DAI prior or subsequent to the confirmation of a defect. All such sent items which

are replaced due to Warranty shall become the sole property of DAI. The Customer shall be responsible for the shipment of items (and parts) at its risk.

- c) Upon acknowledgement of a claim under this Warranty, DAI's sole obligation under this Warranty shall be the correction of the defect of the item to an airworthy condition in accordance with DAI's technical and design specifications. DAI reserves the right to replace items and/or its components with repaired, overhauled or new components when available, provided that each such replacement-Part shall be of at least equivalent specification, and quality and has a remaining life time of the Part replaced. The applicable warranty period (9.3. and/or 9.4.) for repaired and/or replaced Parts shall be the remainder of the original warranty period (9.3. and/or 9.4.) as stated in 9.5 above.
 - d) DAI shall bear the costs for the correction of the defect and/or the replacement, except for: all shipment and all other costs related to the transport of items (components / parts), travel expenses for any personnel required, sales or use taxes, overtime, labor costs other than for dismantling and for the replacement of a defective part or for a correction of defective installations as necessary under this Warranty.
 - e) If a notified defect cannot be confirmed as such or as a Warranty claim, the Customer shall bear any and all costs accrued by DAI and/or a service center and/or the official DAI service partner with a valid Service Partner contract in connection with the examination of the alleged defect. The service center and/or the official DAI service partner with a valid Service Partner contract is entitled to charge its accrued costs to the Customer.
- 9.4. All other rights, representations and warranties, whatsoever, express or implied shall be excluded. Therefore in particular, any implied warranties of merchantability or fitness for a particular purpose or use shall be excluded.

10. Liability

- 11.1 The liability, if any, of DAI, its directors and representatives, employees and/or agents in connection with or resulting from the Contract, the Products, and in particular, but not limited to the Warranty under 9. above, shall be excluded, as far as no legal liability exists for gross negligence and intention. This shall not apply to direct personal injury. The liability for indirect, special, exemplary, punitive or consequential damages, loss of profit, loss of the Product use or of business, resulting from omissions or default, performance or non-performance of the Contract, irrespective whether the basis of the liability is default, tort, breach of contract or of statutes, by the persons mentioned above or by third parties, including for fines and fees, shall be excluded. DAI's and/or its directors' and representatives', its employees' and/or its agents' liability shall in any event be limited with the amount of the total contract price. All claims for damages shall be time-barred and prescribed within 6 months after the Customer has received knowledge of the damage or – at the latest - 5 years after the delivery of the Product or the respective delivered item.
- 11.2 This liability of DAI cannot and shall not be amended or extended in any way by (i) services or acts of third parties, in particular, but not limited to, by DAI employees or service centers, manufacturers, and/or (ii) by any resale, or transfer of ownership of the Product, and/or (iii) because of remaining Product with DAI to execute additional orders after the risk has passed to the Customer.

11. Force Majeure

- 11.1. In case a non-performance of a party is caused by force majeure, the other party shall have no claim (including but not limited to rescind from the Contract and/or to claim for warranty and/or for compensation of any kind). Force majeure shall mean events caused by circumstances beyond the control of the affected party, and the consequences of which cannot be averted by the affected party with reasonable efforts within a period of six (6) months. Irrespective of the cause, a lack of financial resources and/or changes in market conditions shall not constitute force majeure. Force majeure shall include (but is not limited to) acts of state, fire, storms, explosions, riots, war, sabotage, vandalism, accidents, strike, lock out or other labour conflicts, unplanned shutdown of production because of technical defects or insolvencies of suppliers, epidemics and/or orders or directives of a public authority including (but not limited to) delayed registration or delayed official acceptance tests resulting in necessitated modifications and/or adaptations.

12. Customer's Data

In case of any changes of the Customer's name, company's name, address, registration number, legal form of company or (subject to clause 5 payment) paying agent DAI shall be informed thereof immediately.

13. Export & Compliance

- 13.1. The Customer shall be responsible to provide DAI with an end-user declaration and a declaration of final country of destination if the purchased Product may be controlled items and classified as Dual-Use Goods and Technologies and may require approval and/or (other) export licenses from Austrian and/or US Authorities and/or any other authority as applicable (if requested). While DAI will use its best efforts to ensure the timely receipt of such approvals, DAI accepts no responsibility for any delays due to delays in receipt or approval of such export licenses. Any date of delivery is contingent on receipt of respectively appropriate authorities' approval for end destination and end user.
- 13.2. On the basis of the current export control regulations, the (re)-export of classified items and civil goods could also be prohibited if the receiver is a listed designated person or organization or other way listed. Furthermore, the export or resale to some countries or any type of military end use is prohibited. The Customer agrees to comply to the EU and US embargo measures in case of resale and end-use. If in doubt, the Customer shall get in contact with DAI and/or the competent Federal Ministry of the Republic of Austria.

14. Termination

- 14.1. One party is entitled to terminate with immediate effect by giving a written notice to the other party if any of the following occurs:
 - a) a bankruptcy proceeding is instituted against the other party's assets, or such proceeding is not instituted because of insufficient assets;
 - b) the other party materially breaches the contract and fails to remedy such breach within two (2) months after written notice is given.
 - c) The other Party is materially insolvent (e.g. objective and permanent inability to pay all monetary debts due and/or imminent insolvency including debts falling due soon and/or over-indebtedness)
- 14.2. In addition to Clause 14.1 DAI is entitled to terminate with immediate effect by giving a written notice to the Customer, if
 - a) delivery becomes impossible for reason attributable to the Customer ;

GENERAL TERMS AND CONDITIONS

- b) the Customer's financial situation has worsened notably after signing of the Contract and the Customer is unable or unwilling to provide adequate security for payment of its financial obligations under the Contract;
- c) due payments are not received from the Customer despite DAI's fulfilment of its obligations and Customer fails to pay within a reasonable grace period established in writing; or
- d) a change of Customer's ownership or management control takes place which has a substantial impact on DAI's interests.

15. Applicable Law, Disputes and Jurisdiction

- 15.1. This GTC shall be governed and interpreted in accordance with the laws of Austria, except for its conflict of law rules and the United Nations Convention on Contracts for the International Sale of Goods, 1980.
- 15.2. In the event the Customer has its domicile and/or place of business within the European Union the exclusive place of jurisdiction shall be the Commercial Court in Vienna, Austria.
- 15.3. In the event the Customer has its domicile and/or place of business outside of the European Union any disputes or claims arising out of or in connection with the Contract and/or this GTC, including disputes relating to its validity, breach, termination or nullity, shall be finally settled under the Rules of Arbitration (Vienna Rules) of the Vienna International Arbitral Centre (VIAC) of the Austrian Federal Economic Chamber by one (1) arbitrators appointed in accordance with the said Rules. Venue is Vienna (Austria), language is English. The decision of the arbitrators in such proceedings shall be final and binding on the Parties. However, DAI shall be entitled to initiate legal proceedings, such as injunctions or other preliminary measures to secure DAI's rights hereunder or the Product subject to its retention of title before the courts having respective jurisdiction.

16. Storage Fees

- 16.1. Shipments assigned by the Customer:
Prepared orders/shipments, ready for dispatch are to be collected within three (3) business days. Warehouse fees of EUR 5.- per package (not per order) and EUR 8.- per pallet shall be charged each business day thereafter. For all shipments assigned by the Customer an additional administrative fee of EUR 200.- shall be charged.
- 16.2. General warehouse charges:
Prepared orders/shipments, ready for dispatch can be stored without charge up to three business days. Warehouse fees of EUR 5.- per package (not per order) and EUR 8.- per pallet shall be charged each business day thereafter.
- 16.3. In case of advance payment (see Clause 5.2) warehouse storage fees shall start two weeks after date of invoice.

17. Set-off, Retention, Assignment

- 17.1. The Customer has no right of set-off against any counter-claims unless they have been determined by final judicial decision or have been acknowledged in writing by DAI.
- 17.2. Any Customer's right of retention shall be excluded. Any assignment by the Customer of any rights and obligations under the Contract requires the prior written consent of DAI or shall be made according to clause 9.4. warranty (where applicable).

18. Amendments/Supplements, Writing

- 18.1. No amendments or supplements shall be effective unless made in writing. This formal requirement may only be waived in writing by both Parties.

- 18.2. The parties shall accept e-mails and/or scanned and/or signed documents sent per e-mail as writing if such e-mail and/or the scanned and signed document (if any) is received by the receiving party and returned by the addressee of the receiving party to the addressee of the sending party in full and unchanged content with a confirmation of acceptance by the receiving party.

19. Severability

- 19.1. Should any provision of the GTC be or become invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining provisions. In such event the invalid provision shall be substituted by a provision so as best to accomplish the economic objective of such invalid provision.

1. Scope

- 1.1 These General Terms and Conditions apply to all deliveries of goods and services („Products“) supplied by Austro Engine GmbH („AE“).
- 1.2 By accessing and using products provided by AE the buyer accept and agree to be bound by provisions of this Terms and Conditions.
- 1.3 Any modification of these General Terms and Conditions must be agreed to in writing.

2. Offer

Offers by AE are made without obligation, except if stated to the contrary.
Specifications and quotes in catalogues, brochures, etc. are only binding if expressly referred to in the offer or order confirmation.
The content of the offer is AE's intellectual property. Therefore, the offer must neither be reproduced nor disclosed to third parties without AE's consent.
Likewise, AE will not disclose the content and existence of the offer to third parties without the buyer's consent.

3. Contract

- 3.1 The contract is effective only upon the signature of the contract by both parties, or the buyer's receipt of AE's written confirmation of a purchase order, and, if agreed upon, AE's receipt of the buyer's down payment.
- 3.2 No contract may be cancelled or altered by the buyer except on terms and conditions acceptable to AE, as evidenced by AE's written consent.
- 3.3 Any costs of a modification requested by the buyer or caused by circumstances not known to AE at the time of the signing of the contract shall be priced separately and are the buyer's responsibility.
- 3.4 AE reserves the right to modify specifications of Products. AE is not obliged to carry out such modifications of Products already supplied earlier.

4. Prices

- 4.1 The prices quoted are ex works AE's factory (Incoterms 2000: EXW Wiener Neustadt, Austria), exclusive of packaging, shipping and VAT. Any fees, taxes, duties and other expenses are the buyer's responsibility.
- 4.2 In case the delivery of Products is delayed by more than 2 months for reasons outside AE's control the prices will be adjusted at the time of delivery of the Products according to any increases reflected in the latest Austrian Consumer Price Index published by the Central Office for Statistics in Vienna.
- 4.3 All prices quoted are payable in EURO, except if stated to the contrary.
- 4.3.1 The minimum order volume have to be no less than EUR 50. In case if the order volume is less than EUR 50.- (without transport and packing), the total invoice value will automatically be increased to EUR 50.
- 4.3.2 AE does not bear any responsibility if the delivery address is different to the invoice address. In case if delivery address is different to the invoice address and AE has already arranged a delivery, the buyer shall bear all expenses in relation to that and arrange a new delivery by itself. In case if delivery has not been arranged yet, and indicated addresses are different, AE has a right to charge EUR 10, as a fee.

5. Payments

- 5.1 Unless agreed otherwise, the contract price shall be paid as follows:
 - a) A down payment or production slot deposit, if agreed upon, shall be made within 7 days

after the effective date of the contract (as per Clause 3.1).

- b) The payment of the remainder of the contract price shall be made immediately upon delivery of Products.

5.2 Unless agreed otherwise, all payments for AE's Products supplied pursuant to the contract are due immediately upon receipt of AE's invoice. Interest will be charged on overdue accounts at the fixed rate of 12% p.a. In case of delayed payment AE is, in addition to the interest charge, entitled to postpone its own obligations until receipt of the payments due.

5.3 The buyer shall not be entitled to withhold or reduce any payments due because of alleged claims against AE.

5.4 Until the buyer has fulfilled all financial obligations, the Products supplied shall remain AE's property.

5.5 If AE agreed on partial payment before shipment, the buyer is not allowed to modify or resell the engine until completing payment in any case.

5.6 The buyer shall be obliged to meet all legal requirements in order to safeguard AE's property or security interest. In case of attachment or other kinds of seizure the buyer shall evidence AE's title and notify the latter immediately. The retention of title shall not affect the passing of risk under Clause 6.

5.7 With excess of the payment term AE is authorized to demand reminder fees of EUR 50,- starting with the second reminder.

5.8 If the payment is not received on AE's account after the third written notification (reminder) the account will be locked. At successful payment of the outstanding amount (including created reminder fees and interest) AE charges an unlocking fee of EUR 150,-.

5.9 Aircraft On Ground („AOG“) orders receive accelerated processing. If AOG orders are received by 10 a.m. (CET) Monday to Thursday or by 08 a.m. (CET) on Fridays, parts in stock shall be shipped on the same day. The Customer has to provide AOG aircraft and engine serial, as well as registration numbers with the order. AOG orders shall be charged with an expediting fee of 20% of the ordered value, but at least EUR 300.- per unit and line item. Engines are excluded from this procedure and can therefore not be ordered under AOG condition. The order shall be processed separately from other orders, (i.e. packing and shipping). Only parts and quantities specifically required to recover from the AOG case shall be accepted.

6. Delivery and Passing of Risk

The handover of Products to the buyer or a carrier by AE shall constitute delivery to the buyer. All risk of loss or damage in transit or thereafter shall be borne by the buyer.

If delivery of Products ready for handover is not possible or not desired by the buyer, Products can be stored by AE at the buyer's cost and risk, and delivery shall then be considered as performed.

If a delay of more than 2 (two) months in partial or total delivery of Products is caused by any of the circumstances mentioned in Clause 12 or by an act or omission of the buyer, including the failure to procure any required permits for delivery in the buyer's country, the delivery shall be extended by a period which is reasonable considering all the circumstances or, at AE's discretion, AE shall have the right to cancel the contract or parts thereof.

If a delay of more than 2 (two) months in partial or total delivery of Products is caused by circumstances other than mentioned herein

Clause 12 but for reasons within AE's control, the buyer is entitled to cancel the contract or parts thereof.

7. Intellectual Property Rights

Any information, including but not limited to drawings, technical documents, and software relating to Products in any manner, submitted by one party to the other, prior or subsequent to the conclusion of the contract, shall remain the exclusive property of the submitting party and shall be treated as confidential information by the receiving party, and may be utilised only in relation to the fulfilment of the contract.

8. Software Use

For any software relating to Products supplied, AE grants the buyer the non-exclusive and non-transferable right to use the software including its documentation only for the period of time defined by AE and only in relation with Products supplied together with the software.

The buyer shall not use the software in another context but may duplicate, translate, or modify it within the Austrian laws and regulations. The buyer shall not remove the manufacturer's data or instructions, including copyright notations, without AE's prior written consent.

9. Warranty

Products will be in compliance with Austrian laws, standards, and regulations as well as with those regulations in countries pertinent for buyer's purposes to the extent they have been communicated in writing to and accepted by AE. No warranty is made for the compliance with any law, standard, regulation or any condition imposed by a foreign authority not communicated in writing to AE and confirmed by AE prior to the formation of the contract.

The buyer shall examine Products provided under the contract upon receipt and shall notify AE in writing of any defect within 30 (thirty) days. Unless this duty of examination and immediate written notification is adhered to, warranty claims are forfeited.

The buyer shall arrange for the recording of all required operating conditions, characteristic data and results of analyses for the duration of the warranty period to be able to document any warranty claim. In case of deficiencies of Products (including incomplete or incorrect documentation) AE will either repair such deficiencies (complete or correct documentation) or replace deficient goods (parts) by new ones. Any warranty claims shall be forfeited if a Product is modified or repaired without AE's prior written consent.

THE WARRANTY CONTAINED IN THIS CLAUSE 9 IS EXCLUSIVE AND IN LIEU OF ALL OTHER REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED. SPECIFICALLY EXCLUDED ARE DAMAGES CAUSED BY NON-OBSERVANCE OF INSTRUCTIONS FOR USE AND MAINTENANCE OF PRODUCTS, WARNING, SAFETY AND OTHER REGULATIONS PROVIDED BY AE, AND IMPROPER HANDLING OF PRODUCTS. AE SHALL NOT BE LIABLE FOR FURTHER (CONSEQUENTIAL) DAMAGES RESULTING FROM DEFICIENT PRODUCTS, UNLESS AE IS HELD RESPONSIBLE FOR INTENT OR GROSS NEGLIGENCE. FURTHER, AE DISCLAIMS ANY LIABILITY FOR DAMAGES OR MALFUNCTION THE CAUSE OF WHICH DOES NOT LIE WITHIN THE SCOPE OF USE OF PRODUCTS.

In general warranty only applies to certified and non-modified products except stated to the contrary.

10. Buyer's Data

The buyer's data provided will be electronically data processed by AE and, as provided in the scope of AE's business, forwarded to the respective business partners or public authorities in Austria and abroad. In case of any changes of the buyer's data, including but not limited to the buyer's name, address, registration number, or legal form, AE shall be informed thereof immediately.

11. Liability

AE, ITS REPRESENTATIVES, AND EMPLOYEES SHALL BE LIABLE FOR DAMAGES ONLY IF AE IS HELD RESPONSIBLE FOR INTENT OR GROSS NEGLIGENCE. ANY LIABILITY FOR INDIRECT AND/OR CONSEQUENTIAL DAMAGES, INCLUDING LOSS OF PROPERTY OR PROFIT, COSTS OF PRODUCT RECALL, IS SPECIFICALLY DISCLAIMED. AE, ITS REPRESENTATIVES, AND EMPLOYEES SHALL NOT BE SUBJECT TO ANY OBLIGATIONS ARISING FROM STRICT LIABILITY CLAIMS AND SHALL BE INDEMNIFIED BY BUYER AGAINST ANY AND ALL LOSSES, LIABILITIES, DAMAGES AND EXPENSES THAT AE MAY INCUR AS A RESULT OF ANY PRODUCT LIABILITY CLAIM.

12. Force Majeure

In the event AE or one of its component or system suppliers is subject to an event of force majeure or an event beyond the control of AE or its component or system suppliers, such as war, acts of God, governmental interventions and bans, energy and raw-material shortages, strikes, civil unrest, transport damages or delay, AE shall be entitled to extend the time of delivery set forth in AE's offer, provided AE notifies buyer within 14 days in writing of such event.

13. Premature Termination of Contract

Either party may immediately terminate the contract by giving written notice to the other party if any of the following occurs:

- a) a bankruptcy proceeding is instituted against either party's assets, or such proceeding is not instituted because of insufficient assets;
- b) such other party materially breaches the contract and fails to remedy such breach within 2 (two) months after written notice is given.

In addition to the circumstances set forth in Clause 13.1 AE may immediately terminate the contract by giving written notice to the buyer, if

- a) delivery becomes impossible for reasons attributable to the buyer;
- b) the buyer's financial situation has worsened notably after signing of the contract and the buyer is unable or unwilling to provide adequate security for payment of its financial obligations under the contract;
- c) due payments are not received from the buyer despite AE's fulfilment of its obligations and buyer fails to pay within a reasonable period of grace established in writing; or
- d) a change of buyer's ownership or management control takes place which has a substantial impact on AE's interests.

14. Severability

The provisions contained herein are severable. If any provisions are held to be invalid or unenforceable by a court or governmental agency, the remaining provisions shall continue to be binding. In either case, the parties agree to use

their reasonable best efforts to replace any such invalid or unenforceable provision with a valid and

15. Applicable Law and Jurisdiction

The contract shall be construed and interpreted according to Austrian law. It is mutually agreed that the United Nations Convention on Contracts for the International Sale of Goods does not apply.

In the event the buyer has its domicile and/or place of business within the European Union the exclusive place of jurisdiction shall be the Commercial Court in Vienna, Austria.

In the event the buyer has its domicile and/or place of business outside of the European Union any disputes or claims arising out of or in connection with the Contract and/or this General Terms and Conditions, including disputes relating to its validity, breach, termination or nullity, shall be finally settled under the Rules of Arbitration (Vienna Rules) of the Vienna International Arbitral Centre (VIAC) of the Austrian Federal Economic Chamber by one (1) arbitrators appointed in accordance with the said Rules. Venue is Vienna (Austria), language is English. The decision of the arbitrators in such proceedings shall be final and binding on the Parties. However, DAI shall be entitled to initiate legal proceedings, such as injunctions or other preliminary measures to secure DAI's rights hereunder or the Product subject to its retention of title before the courts having respective jurisdiction.