

# Terms and Conditions Aircraft & Component MRO BV

## 1. Application of the Terms and Conditions.

The supplies, services and proposals of Aircraft & Component MRO are provided exclusively on the basis of these General Terms and Conditions (GTC). These GTC apply for all future transactions, even without express agreement being repeated. These GTC are deemed to be accepted at the latest on receipt of the goods or service. Differing General Terms and Conditions (GTC) of the purchaser are hereby expressly contradicted. The GTC of the purchaser do not become a part of the contract even if they are not expressly contradicted in the individual case, except where Aircraft & Component MRO has in the individual case expressly agreed to this, in writing.

## 2. Conclusion of contract / Proposal.

The proposals of Aircraft & Component MRO are not binding but are rather to be understood as an invitation to the purchaser to make a purchase or services offer to Aircraft & Component MRO. The contract only comes into existence with the order of the purchaser (offer/service) and its acceptance by Aircraft & Component MRO. If this differs from the order, it constitutes a new proposal of Aircraft & Component MRO, which is subject to confirmation. Supplements to the proposal, alterations and auxiliary agreements, together with information, recommendations, advice, agreements and acceptances of Aircraft & Component MRO or his employees or appointees are not binding until confirmed in writing. Cost estimates and shipping information given are not binding. Aircraft & Component MRO reserves the right to undertake alterations to the products by way of further development, insofar as this the purchaser can reasonably be expected to accept them.

## 3. Prices.

All prices are stated EXW (Incoterms 2000) as a matter of principle and are subject to the domestic VAT or other foreign taxes applicable on the day of supply. Should prices in general rise during the period between the conclusion of the contract and supply, the purchaser is entitled to withdraw from the contract within a period of two weeks from being informed of the price increase. This right of withdrawal does not apply for contracts for supply on a continuing basis. The prices in proposals and invoices relate to standard trading units. For small volumes, special manufacture and requested deviations from standard trading units, surcharges will be charged in accordance with the notes to the GTC.

## 4. Payment.

Invoices are due within 30 days from date of invoice. Payments are not deemed to have been made until the amount is credited to the bank account of Aircraft & Component MRO.

## 5. Payment arrears and doubtful creditworthiness.

Payment arrears begin when the claim becomes due. In the case of payment arrears, Aircraft & Component MRO is entitled to charge interest on the sum owed at the rate of 5% above the respective basic rate.

Claiming and proving greater or lesser damages remain reserved both to Aircraft & Component MRO and the purchaser. In the event of payment arrears, all open invoices immediately become due for payment. All rebates, bonuses, prompt payment discounts and other benefits lapse. In addition, Aircraft & Component MRO reserves the right to withdraw from existing contracts. Aircraft & Component MRO also has this right when circumstances become known which cast doubt on the creditworthiness of the purchaser (credit unworthiness, application for insolvency, purchaser exceeds his credit limit through call off of goods, etc.)

## 6. Delivery schedule, force majeure.

Maintenance of the delivery schedule is dependent on performance by the purchaser of contractual obligations.

The delivery schedule is extended accordingly for all events and circumstances whose occurrence is beyond the sphere of influence of Aircraft & Component MRO, such as natural phenomena, war, official directives, industrial strife, embargo, shortage of raw materials or energy, traffic and operational disruptions, and release Aircraft & Component MRO from his contractual obligations for the duration of the disruption and to extent of its effects. This also applies when these circumstances occur at suppliers of Aircraft & Component MRO. In such a case, Aircraft & Component MRO is also entitled to withdraw wholly or partly from that part of the contract, which has not yet been fulfilled. Aircraft & Component MRO is entitled to make part deliveries insofar as no disadvantages of use thereby arise for the purchaser. The obligation to supply lapses if the purchaser exceeds his credit limit through call-off of goods.

## 7. Contract fulfilment.

Delivery shortages or surpluses of up to 10 % of the agreed quantity shall be regarded as contract fulfilment.

## 8. Packaging.

If supply is made in loaned packaging, this is to be returned within 90 days from receipt of the delivery, emptied of residues, and freight paid. Loss and damage to loaned packaging, insofar as it has not been returned to Aircraft & Component MRO, are at the cost of the purchaser. Loaned packaging may not be used for other purposes or for receiving other products. It is intended only for the transport of the goods supplied. Inscriptions may not be removed.

## 9. Transfer of risk/dispatch costs.

Deliveries - even where they are freight paid - are made from works at the risk of the purchaser.

The risk transfers to the purchaser with handover of the shipment to the persons carrying out the transportation. Shipment is at the cost of the purchaser.

If shipment is impossible, without us being responsible for this, the risk transfers to the purchaser on notification of readiness for dispatch. Goods not collected are stored at the cost and risk of the purchaser.

Insofar as no differing agreement is expressly made, Aircraft & Component MRO determines the nature and route of the transportation as the agent of the purchaser. Aircraft & Component MRO covers insurance only on the instructions and at the cost of the purchaser.

## 10. Cancellation costs.

If the purchaser without entitlement withdraws from an order already given, Aircraft & Component MRO can, without prejudice to the possibility of claiming higher actual damages, require 10% of the sale price for the costs incurred in processing the order and for lost profit. The right to prove lesser damage is reserved to the purchaser.

## 11. Retention of ownership.

Aircraft & Component MRO retains ownership of the goods supplied until performance of all payment obligations of the purchaser, including future payment obligations, and is entitled to withdraw from the contract if the purchaser falls into arrears with payment, until all payments have been received.

The retention of ownership continues to exist even when individual claims of Aircraft & Component MRO are taken up into a running account and the balance is drawn and acknowledged. The purchaser is entitled to process or to dispose of the retained goods in orderly commercial dealings, so long as he is not in arrears. This entitlement ends when the purchaser ceases payment or applies for or opens insolvency proceedings. In the case of processing with goods not belonging to the Vendor, Aircraft & Component MRO acquires co-ownership of the new goods in the proportion of the invoice value of his retained goods to the total value.

The purchaser keeps the retained goods safe for Aircraft & Component MRO, without charge. He has to insure against the usual risks, such as fire, theft and water, to the customary extent.

As a precaution, the purchaser assigns to Aircraft & Component MRO in the amount of the invoice value of the goods all claims arising from onward sale of the retained goods and the claims to compensation for damages to which he is entitled from damage such as that named above against insurance companies and other persons obligated to compensation.

If goods in which Aircraft & Component MRO is entitled to a co-ownership share are sold, the advance assignment includes a share of the claim in the amount of the invoice value of the co-ownership share. Subject to revocation, the purchaser is entitled to collect claims, which have been assigned. This does not disturb the entitlement of Aircraft & Component MRO to collect the claim himself. The Vendor undertakes, however, not to collect the claim himself so long as the purchaser fulfils his payment obligations, is not in payment arrears, and insolvency proceedings are not opened against his assets. In this case, the authorization of the purchaser to collect lapses without expressly being revoked.

Pledging the retained goods or the assigned claims or assigning them as security is not permitted. Aircraft & Component MRO is to be informed immediately of distraints, stating the bailee.

Aircraft & Component MRO undertakes to release the securities to which he is entitled on the request of the purchaser insofar as their value exceeds the claim to be secured by more than 20%.

## 12. Properties of the goods, technical advice, use and processing

Insofar as nothing different is agreed, the properties of the goods are as stated in the work orders. Properties of samples, specimens, and statements in work orders are binding only insofar as they are expressly agreed as properties of the goods.

All statements and information on suitability, application and use of the goods of Aircraft & Component MRO are however without obligation and do not release the purchaser from his own examination of the products for their suitability for the process and purpose intended or from carrying out manufacturing checks.

## 13. Complaints of defects

Complaints of defects are only taken into account when they are made without delay, in writing, at the latest within 14 days after arrival of the goods, with transmittal of vouchers, samples, packing slips and statement of the invoice number, the invoice date, and the marking on the packaging.

## 14. Rights of the purchaser in case of defects

As a matter of principle, Aircraft & Component MRO is liable for defects for the period of six months. Where there is a defect, Aircraft & Component MRO is entitled within the framework of subsequent performance to choose between subsequent supply and rectification of the defect. Aircraft & Component MRO reserves the right to two attempts at subsequent performance.

The purchaser only has an entitlement to compensation for damages instead of performance insofar as intentional or grossly negligent infringement of obligations by Aircraft & Component MRO has occurred. Otherwise, the provisions defined under "Liability" apply to the warranty. The purchaser has - if necessary, by means of trial processing - to examine in advance whether the goods supplied are suitable for the use intended. Entitlements to warranty are excluded if the purchaser has failed to preserve rights of recourse against third parties (e.g. official railway statements of the facts of the case, certification of quantity shortfalls). Measures of Aircraft & Component MRO for reduction of damage do not constitute acknowledgement of a defect.

## 15. Liability

Neither Aircraft & Component MRO nor its employees, agents or subcontractors, shall be liable towards the Customer for any damage, loss, debts or bodily injury whatsoever sustained by, or claims filed against, the Customer in connection with or arising from the Services or any tools, spare parts or other items rented out to the Customer and the Customer shall waive any rights of recourse and shall indemnify and hold Aircraft & Component MRO harmless against any claim whatsoever filed by third parties and against any liability imposed by law in connections with or arising from the Services of the items rented to the Customer, and shall assume all costs incident thereto except in case of wilful misconduct of Aircraft & Component MRO

Neither Aircraft & Component MRO nor its employees, agents of subcontractors shall be liable towards the Customer for any piece of advice given in relation to the service. The Customer shall hold Aircraft & Component MRO free and harmless from all liabilities and expenses arising from any patent infringement in connection with the sale and/or delivery of goods ordered by the Customer.

## 16. Provisions of foreign trade law

Insofar as performance of the legal transactions and supplies offered require permission under The Netherlands or foreign trade law or the US export control regulations, contractual performance is subject to a condition precedent. If this permission is not granted or maintained or if auxiliary provisions of substance are not fulfilled, this frees Aircraft & Component MRO from the obligation to performance of the contract. The purchaser undertakes to co-operate constructively in the permission proceedings, and particularly to procure all documents necessary. Costs and fees arising from this are to be borne by the purchaser.

Observation and execution of the relevant provisions of foreign trade law (e.g. export control regulations, import licences, foreign exchange transfer permissions etc.) and other laws applicable outside The Netherlands fall exclusively into the area of responsibility of the purchaser. Information which Aircraft & Component MRO gives to the best of his knowledge on foreign trade law is not binding. It does not release the purchaser from himself inspecting observation of the regulations of foreign trade law with respect to the products.

Submission of a boycott declaration in foreign trade is without effect (The Netherlands Foreign Trade and Payments Regulation).

## 17. Place of fulfilment, place of judgment, applicable law

The law of The Netherlands applies exclusively for the terms and conditions of business and for all legal relationships.

UN sales law (CISG) finds no application.

Place of performance for all supplies and place of judgment is Eindhoven, the Netherlands. In addition, the Vendor is entitled, at his discretion, to claim his own entitlements at the place of judgment of the purchaser. The purchaser is not permitted to enter a counteraction before courts other than the court of the action or to set off his claim against the claim of the action before courts other than the court of the action.

## 18. Final provision

Should any provision of these General Terms and Conditions be or become ineffective, the effectiveness of the remaining provisions remains undisturbed by this.