

ADAC Heliservice

GENERAL TERMS AND CONDITIONS

of ADAC Heliservice GmbH, Richthofenstrasse 126, 53757 Sankt Augustin, Germany - hereinafter referred to as AHS -
for the performance of work on aircraft and of other services as well as the delivery and sale of spare parts

I General conditions

1. The Terms and Conditions below, to the exclusion of any other terms and conditions, shall apply to any and all service requests placed with AHS for the performance of work on aircraft (e.g. dismantling or assembly of helicopters and/or engines, servicing, overhaul and repair of components, including engine replacement and installation of accessories, maintenance and other work) and for the sale of replacement or spare parts. Any and all deliveries and services – including but not limited to future deliveries and services – shall exclusively be performed on the basis of the present Terms and Conditions. AHS herewith reject any Customer's terms and conditions and shall not be deemed to have accepted such Terms even upon AHS's failure to repeat this express rejection after receipt of a copy of any such Terms.
2. Service requests shall be deemed to include the permit to perform test flights, test runs and any other work required to test the item being the subject of the order without AHS being required to obtain specific authorisation. AHS may perform, at AHS's discretion, any additional measures exceeding the scope of the contract without Customer's prior consent, if such measures are deemed necessary to maintain or restore the transport safety and airworthiness of the item or if the related cost does not exceed the binding quotation's total by more than 10%.
3. AHS shall be entitled to subcontract any work requested from AHS to another company as their vicarious agent based in or outside Germany as AHS see fit.
4. The purchase of spares and replacement parts shall be reserved to final customers only. Customer expressly accepts the above. Any resale shall be subject to AHS's prior consent.

II. Quotation and price estimates

Any and all quotations and price estimates shall be non-binding. They shall not become binding unless otherwise indicated expressly in writing. Customer shall be charged for any extraordinary services or deliveries required for testing, dismantling etc. including any journeys undertaken to submit a quotation for requested services even if the services covered in the quotation or cost estimate were never performed or performed to different specifications.

III. Prices

1. Both the quotation/price estimate and the invoice shall itemise the rates for all parts, materials, test flights and extraordinary services and the rates for labour.
2. If the parties agree on a fixed price at the moment the order is placed, no other price shall be charged.
3. AHS shall be notified of any invoice complaints in writing and no later than 8 days after Customer's receipt of the invoice. Otherwise, the invoice shall be deemed accepted by Customer. Customer shall be made expressly aware of this circumstance at the moment of invoicing.

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IV. Delivery

1. An agreed service schedule shall be extended for the duration of default by AHS beyond AHS's control, and/or for the duration of any delay by Customer with regard to the valuable consideration or any commitment owed by Customer. Where the scope of work exceeds the original scope of services requested, the time of delivery shall be delayed accordingly.
2. If AHS are responsible for any late delivery, Customer shall be entitled to withdraw from the contract after granting a reasonable period of grace.

V. Verification

1. Delivery shall be effected at AHS' premises or any other place agreed between the parties.
2. The item shall be deemed as accepted by Customer, if Customer fails to take delivery of the item for a period exceeding 14 days after the notice of completion. Customer shall be made expressly aware of this circumstance in the notice of completion.

VI. Delay in acceptance

1. Customer shall be deemed to be in default, if failing to collect the item within 7 days after having received the notice of completion. For any items not collected within the time allowed, AHS shall be entitled to charge the customary rates for storage and safekeeping. AHS may at their discretion arrange for suitable third-party storage or safekeeping of the item under customary conditions. If the item is an aircraft, the customary rates for storage and safekeeping shall apply from the date of completion, unless Customer collects the aircraft within 7 days after having received the notice of completion.
2. During the delay in acceptance by Customer, AHS shall not be liable for any damage unless such damage was caused by intent or gross negligence.

VII. Warranty for defects

1. All installed spare parts, components and replacement parts shall be warranted free of defects in line with the state of the art. Same shall apply to workmanship during maintenance, servicing and replacement of parts.
2. AHS shall not be liable unless for poor workmanship unless AHS are at fault. If a defect is found to exist, AHS reserve the right to repair the item, at AHS's option twice, or produce a new item. Customer shall not be entitled to reduce the price or withdraw from the contract, unless the above corrective performance definitely failed.
3. AHS shall henceforth assign to Customer – to the extent permitted by (contract) law – all claims AHS may have against third parties in relation to any parts, which were not manufactured by AHS, or to third party material, spare parts and accessories used by AHS. Customer shall first pursue their claims against any such third party out of court. Customer shall be eligible to claim damages for defects from AHS on the basis of the present Terms and Conditions only after Customer was unable to obtain full compensation or removal of a defect from the relevant manufacturer out of court.
4. Customer shall be required to notify AHS in writing of any visible defects or discrepancy in quantity or quality within two weeks after taking delivery of the item. Having failed to report a defect in due time, Customer shall forfeit this claim. For hidden defects, this time limit shall commence on the date the defect would have reasonably been discovered.
5. Warranty claims for all deliveries and services shall become statute barred after one year irrespective of the hours of operation, commencing on the date Customer took delivery of the item.

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6. Customer shall have no claim for defects caused by Customer or third parties manipulating or modifying the item, or improperly using or operating the item for an unintended purpose.
7. Customer shall not be entitled to offset any claims against the warranty unless such claims are undisputed or have been awarded in final judgement. Customer may not exercise any lien or right of retention, if Customer is a registered merchant in terms of the German Commercial Code (HGB).

VIII. Liability

1. AHS shall not be liable for any damage except where such damage results from the intentional or grossly negligent breach of duty by AHS or by any of AHS's legal representatives or employees, servants or agents. This limitation of liability shall not apply to damage in respect of personal injury to life or limb or injury to heAHS and in the event of material breach of contract. In the event of material breach by AHS and/or any of their legal representatives or employees, servants or agents, the liability for damage to property or financial loss shall be limited to the extent of the foreseeable damage as is typical for this type of loss. Any liability for loss of profit, saved expenditure and other indirect or consequential damage shall be excluded.
2. AHS shall not be liable for additional items contained in the aircraft, unless such items were supplied to AHS for custody and safekeeping.
3. The risks associated with test flights/after repair flight checks/acceptance flights shall remain with Customer, if such flights are performed by Customer's staff.
4. AHS shall not be liable in the period Customer delays acceptance, unless any damage was caused intentionally or grossly negligently.
5. Notwithstanding AHS's liability as specified above, Customer declares to release AHS from any third-party liability and indemnify AHS for any claims third parties may raise against AHS on the basis of any order placed by Customer.

IX. Insurance

1. As a matter of principle, Customer shall be responsible for insurance covering the item against loss or damage of any kind. Customer shall provide AHS with proof of sufficient insurance coverage upon first request.
2. If Customer fails to comply with the above duty or does not produce the required proof of insurance did not take out the required insurance cover, AHS shall be entitled to take out the relevant cover at the expense of Customer, advance the premium and claim a refund from Customer.

X. Payment

1. Payment shall be due upon Customer having accepted the item, however not later than within 14 days after the completion notice and supply of the preliminary or final invoice. If the contract is about spares or replacement parts, payment shall be due upon signature of the sales contract. Customer shall make all payments without deduction and free of expenses into the account of AHS by the agreed due dates.
2. Customer shall not be entitled to offset any counterclaims against the payments unless such counterclaims are undisputed or have been awarded in final judgement.
3. AHS shall be entitled to demand advance payment of 50% of the anticipated cost.
4. Having failed to make the payment within 14 days after receipt of the invoice, Customer shall be automatically considered in arrears. In this case AHS shall be entitled to claim late payment interest at the base rate of the European Central Bank (ECB) applicable from time to time plus 5%. Where the

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parties to the sales contract are two businesses, late payment interest shall be due at the base rate of the European Central Bank (ECB) applicable from time to time plus 8%.

XI. Right of retention and lien

1. AHS shall have a right of retention and contractual lien for any type of AHS's claims on any items coming into AHS's possession in the framework of a contract. AHS may exercise such right of retention and the contractual lien also in respect of overdue payments for earlier provision of maintenance, delivery of spare parts or other services to the extent that such provision or delivery is related to the item being the subject of the order. To any other claims under this business relation the contractual lien shall only apply where such claim is undisputed or was awarded by final judgment and Customer is the owner of the surrendered item.
2. 8 weeks after the due date AHS shall be entitled to cover any unpaid amounts owed for this or any previous contracts by privately selling any items in AHS's possession without being required to notify Customer or observe any dates before such sale.

XII. Reservation of title

1. Title to all spare parts, components and replacement units shall remain vested in AHS until all claims hereunder have been paid in full. Where AHS property has been incorporated or manufactured into a third-party product, AHS shall have proportionate ownership rights over such finished product.
2. Customer shall not sell any items subject to reservation of title unless in the ordinary course of business. Any claims to proceeds of sale or otherwise Customer may have acquired shall pass *a priori* to AHS. Customer shall be authorised to collect such assigned claims on behalf of AHS. Further, Customer shall hold any collected sums on trust for AHS or pay out such sums immediately when due. Customer shall inform AHS without delay of any attempt by third parties to seize any items subject to the reservation of title clause or any assigned claims. Customer shall cover the cost of interventions, if any.

XIII. Final provisions

1. The place of performance for any and all obligations hereunder shall be the registered seat of AHS.
2. With a view to any disputes arising in connection with the contractual relationship, the parties submit to the jurisdiction of the courts in Siegburg/Germany. This shall not affect AHS's right to bring action at the Customer's place of residence or registered seat.
3. Jurisdiction of AHS's registered seat shall also apply if the Customer's personal jurisdiction is not or no longer vested in Germany (persons/entities who are not domiciled in Germany, who have taken up residence outside Germany after concluding the contract, or whose domicile or habitual residence is not known at the time action is brought).
4. Any and all claims under this contract shall be governed by and construed in accordance with the laws of Germany excluding the application of the United Nations Convention on Contracts for the International Sale of Goods.
5. The invalidity or unenforceability of any provision hereunder shall not have the effect of absolving Customer from complying with the remainder of the contract. The remaining provisions shall not be invalidated or rendered unenforceable thereby.

Last revised on 1 March 2015