



General Selling Conditions

PFW Aerospace GmbH, Am Neuen Rhein-
hafen 10, D-67346 Speyer (“**Seller**”)

I. Applicability

1. These General Selling Conditions (“**GSC**”) are applicable to business transactions with enterprises, legal entities under public law and special funds under public law (collectively “**Purchaser**”).

2. These GSC apply exclusively; all contractual supplies and other services (collectively “**Services**”) as well as offers made by the parties shall be rendered solely pursuant to these GSC. Deviating, conflicting or supplementary general terms and conditions of the Purchaser or third parties shall only apply to the extent the Seller explicitly agrees to these in writing; an explicit rejection by the Seller is not required. The approval requirement shall apply without reservation and including the case that the Seller, having taking note of the general terms and conditions of the Purchaser, accepts without reservation. The acceptance of the services by Purchaser constitutes acceptance of the GSC.

3. Deviations from these GSC require the explicit written approval of the Seller.

4. Even without previous separate agreement, the GSC shall also be applicable in their current version insofar as an ongoing business relationship is established, as well as for all future services and offers to or by the Seller, insofar as GSCs of a newer version are not agreed upon.

II. Requirement of Written Form

1. All contractual or other legally relevant declarations, including the termination of contracts, require the written form for them to be effective and binding. This also applies to modifications and amendments of agreements. With the exception of managing directors and authorized signatories endowed with powers of representation, employees of the Seller are not entitled to

make any oral arrangements deviating here from.

2. The written form is also complied with by the usage of remote transfer of data (e.g. e-mail) and fax.

III. Conclusion of Contract

The offers of Seller are subject to change without notice. The placement of an order by Purchaser constitutes a binding contractual offer. Acceptance can either be declared in writing (e.g. by order confirmation) or by delivery of the goods to Purchaser. In the case the delivery deviates from the order, this shall be considered a new offer of Purchaser subject to change.

IV. Quality and Use of the Goods, Documents, Guarantees

1. The subject matter of the contract shall solely be defined by the order confirmation of the Seller and any written side agreements. During the delivery period, Seller reserves the right to make changes to the form or construction of the goods, which are necessary for legal or factual reasons or are beneficial, insofar as these do not constitute a material change to the goods or are objectively unacceptable to Purchaser.

2. Any specifications, pictures, information, drawings or other documents concerning the condition, suitability and application of the goods are non-binding and constitute neither contractual relationship nor additional obligation, insofar as nothing to the contrary is explicitly agreed upon in writing; this also applies with regard to the quality of samples and models provided. Any advice is provided by the Seller to his best knowledge and does not exempt the Purchaser from his own examinations.

3. A guarantee or the assumption of any procurement risk is only given in the case that a statement as regards quality or otherwise is explicitly agreed upon in writing and described as such.

4. Insofar as not explicitly agreed upon otherwise in writing, the Purchaser is solely responsible for the compliance with all provisions and standards relevant to the installation or sale of the goods. This applies to the adherence to all legal and administrative provisions, especially including export provisions and airworthiness directives of any kind.

5. All documents referred to in Sec. IV No. 2, including calculations and cost estimates, shall neither be duplicated nor provided to third parties without the prior written consent of the Seller.

V. Prices

Insofar as not explicitly agreed upon otherwise, the prices of Seller valid at the time of the conclusion of the contract shall apply ex works, plus the respective value added tax at the statutory rate and excluding packaging costs. If the general prices of the goods change in the period between the conclusion of contract and delivery, the Seller is entitled to apply its prices valid on the day of delivery. In the case of a price increase, the Purchaser is entitled to revoke the contract within 14 days of the notification of such price increase by declaration in writing. The revocation right shall not apply to long-term supply agreements. Discounts and rebates shall only be granted upon explicit special agreement and only insofar as no prior outstanding invoice amounts or claims exist.

VI. Payments

1. Unless expressly agreed otherwise, invoices are payable without deduction within 30 days of the invoice date. The timeliness of the payment depends on the date on which the payment is credited to Seller's account. Failure to do the payments by the due date causes the Purchaser to be in default without any further reminder by the Seller. After the due date, default interest of 8% per year above the basic interest rate shall be charged. The right to claim further damages for default remains reserved. Default in payment constitutes a material violation of contractual obligations.

2. The Purchaser is only entitled to set off claims insofar as these are undisputed or have been determined with legally binding effect. The same applies to the exercise of a right of retention by the Purchaser.

3. If, after conclusion of the contract, the Seller becomes aware of circumstances likely to considerably reduce the creditworthiness of the Purchaser, and therefore payment of the outstanding claims of the Seller from the respective contractual relation may be compromised, the Seller is entitled to render outstanding services only against provision of securities. The Purchaser shall inform Seller of the occurrence of any such circumstances specified in this No. 3 without delay.

VII. Delivery

1. Unless expressly agreed otherwise, Services shall be rendered ex works of the Seller (place of delivery). The type of delivery and packaging is at the discretion of the Seller. The Purchaser shall bear the costs for additional services (e.g. assembly, installation and necessary briefing of staff), supplementary costs and delivery (especially packaging, transport, transport- and related insurances, travelling expenses, etc.).

2. Any delivery terms or dates quoted by the Seller shall be considered as approximate, unless a specific delivery term or date is described as such and agreed upon. The compliance with the term or date shall depend upon the date on which the goods are handed over to a carrier entrusted with the transport. In the case of a fixed term, such shall not commence before any documents or actions to be rendered by Purchaser have been received or conducted or before any payment agreed upon has been received.

3. Adherence to the delivery terms or dates shall be subject to the clarification of all commercial and technical questions by the parties and Purchaser having fulfilled all of its obligations under the contract. The Seller may request an extension of delivery periods for such time in which the Purchaser itself does not comply with his contractual obligations; the rights of the Seller against

the Purchaser in relation to default shall remain unaffected.

4. In case that the collection of the goods is agreed, the risk of accidental destruction and accidental deterioration passes to Purchaser upon notice that the goods are ready for collection. Goods made available for collection must be collected without delay and, in the case of non-collection, may at the choice of Seller either be sent to Purchaser or stored. The goods shall be considered as delivered one week after beginning of storage and may be invoiced including the storage expenses. In the case that it has been agreed upon with Purchaser, that, within a certain time period, a certain amount of goods shall be delivered and the Purchaser is entitled to specify such time or times of delivery, the goods shall be requested by Purchaser at the latest 10 (ten) weeks before such delivery date (receipt by us). After expiry of the fixed term, the goods may, at the choice of Seller and the cost of Purchaser, be either sent to Purchaser or stored. The provisions of sentence 3 of this No. 4 shall apply accordingly.

5. In all other cases, the risk shall pass to Purchaser on such date on which the goods have been handed over to the carrier by Seller, or, in the case that collection has been agreed upon, at such time at which the goods have been handed over by the way of trial, however at the latest upon acceptance of the goods. The handover to own employees or employees of affiliated companies entrusted with the delivery shall also be considered a handover to the carrier. The Seller shall determine the dispatch method, dispatch route and packaging material as well as the packaging method. The Purchaser shall bear any additional costs resulting from special requests made by him. The provisions relating to passing of risk pursuant to foregoing No. 4 and this No. 5 shall also apply in the case that any delivery term has already been exceeded.

6. Any acceptance agreed upon shall be considered as having occurred, insofar as the following conditions are cumulatively fulfilled: a) the Seller has performed any agreed installation, b) the Seller has made reference to the acceptance fiction of this

No. 6 and requested acceptance, and c) the Purchaser has either started using the goods since delivery or installation, however at the latest after expiry of seven working days.

7. The Seller is to a reasonable extent entitled to partial deliveries; this is generally the case if the Seller bears the additional delivery costs caused by such partial performance.

8. The Seller is entitled to appoint subcontractors to fulfill his contractual obligations. Sec. IX No. 3 applies accordingly to breaches of duty by the subcontractor.

9. The Purchaser is entitled to revoke the contract if the Seller is responsible for the breach of delivery term and insofar as delivery is not rendered within the reasonable additional period of time set by the Purchaser. The liability of the Seller for delayed delivery is based exclusively on Sec. XI.

10. Reusable packaging shall remain the property of Seller and shall be returned without delay to at the expense of the Purchaser to the point of delivery. Disposable packaging and other packaging costs shall be charged at cost price and are not returnable. The Purchaser shall bear the expenses for any taxes and customs.

VIII. Retention of title

1. All delivered goods remain property of the Seller ("**Conditional Goods**") until full payment of the purchase price has been made. Conditional Goods are stored for the Seller free of charge. The Purchaser shall insure them against loss and damage at his own expense. The Seller is entitled to demand return of the Conditional Goods even before he revokes the contract.

2. Insofar as further, including future liabilities, are due in the course of an ongoing business relationship between Seller and Purchaser, the Conditional Goods shall remain the property of Seller until all liabilities have been settled. This also applies insofar as individual claims have been included into a current invoice and the balance has been drawn and accepted.

3. The Purchaser is entitled to process and resell the Conditional Goods in the ordinary course of business until the Seller revokes the contract and as long as he fulfills his contractual obligations from the contract. The pledge and transfer of ownership of the Conditional Goods by way of security to parties other than the Seller is not permitted.

4. Insofar as the Purchaser processes the Conditional Goods delivered by Seller, such processing shall be considered as conducted for Seller who acquires direct ownership of the newly created goods, without any obligations resulting for the Seller here from. In the case that the goods are processed with goods of other owners or in the case that the value of the good newly created by processing exceeds the value of the processed Conditional Good, the Purchaser acquires such co-ownership share in the newly created good which corresponds with the relation of the value of the Conditional Good to the value of the newly created good. In the case that ownership is not directly acquired by Seller pursuant to this No. 4, the Purchaser already now transfers such co-ownership share to Seller which corresponds with the relation of the value of the Conditional Good to the value of the newly created good. The Seller already now accepts such transfer. Any new good created by combination or intermixture shall also be stored for the Seller free of charge.

5. The Purchaser already now assigns his future claims arising from the transfer or resale of the Conditional Goods as security to the Seller, who accepts such assignments. If the Seller is co-owner of the goods sold, the Purchaser already now assigns his claims proportional to the co-ownership share to the Seller. The Seller already now accepts such assignments. Insofar as legally permissible, the Purchaser is obliged to preferential payment of the claims of the Seller before those of other creditors arising from the sale of the good in relation to which such co-ownership share exists. The Purchaser is revocably authorized to collect such claims assigned to the Seller on his own behalf.

6. Upon demand of the Seller, the Purchaser is obliged to provide the Seller in-

formation about the purchasers, the current inventory of the Conditional Goods and the claims assigned to the Seller. Upon demand of the Seller, the Conditional Goods shall be marked as such by the Purchaser. Upon demand of the Seller and in the case that third parties take hold of the Conditional Goods, especially by means of levy of execution, the Purchaser shall, without delay, inform the purchasers or third parties of the assignments or Conditional Goods respectively. The costs for discontinuation of the levy of execution, seizure or comparable measures shall be borne by Purchaser insofar as these are not recoverable from third parties. The Seller is at all times entitled to disclosure of the Conditional Goods or assignments respectively.

7. The Purchaser assigns his claims arising from insurance contracts as well as all claims which take the place of the Conditional Goods, such as tort claims, in advance to the Seller. The Seller already now accepts such assignments.

8. If the value of the securities exceeds the value of the claims of the Seller by more than 20%, the Seller shall, upon demand of the Purchaser, release securities at the discretion of Seller.

9. The right of the Purchaser to dispose of the Conditional Goods, as well as to collect claims assigned to the Seller, shall cease to exist as soon as the Purchaser is in breach of the contract, and especially if he ceases to make payments or files for insolvency. In case that one of the aforementioned circumstances arise, the Purchaser is obliged to notify Seller without delay and the Seller is entitled, under exclusion of the right of retention without having to grant any grace period, to effect the immediate temporary surrender of all Conditional Goods to which title has been retained at the cost of Purchaser. The foregoing rights shall also apply in the case that the secured claims have already become statute-barred. The Seller is entitled to dispose of the Conditional Goods and set-off the proceeds against all outstanding claims.

10. Insofar as the retention of title is void pursuant to the law of the country in which the Conditional Goods are located, the Purchaser shall, upon demand of the Sell-

er, provide another equivalent security. The non-fulfillment of this obligation constitutes a material breach of the contract.

11. Insofar as the Seller is entitled to repossess the Conditional Goods, the Purchaser grants Seller and persons commissioned by him the irrevocable right to enter his business premises during normal business hours for the purposes of repossessing the Conditional Goods.

IX. Warranty

1. The warranty period is one year from passage of risk.

2. The Purchaser or a third party appointed by him, shall, upon receipt of the delivered goods, examine these without delay. This shall also apply in the case of partial delivery. Insofar as he discovers an obvious defect, notification of such shall be made in writing without delay. Seven days after receipt of the goods at the place of destination, the goods shall be deemed to be approved by the Purchaser and Purchaser thus waives its warranty rights hereunder. Non-obvious defects shall immediately be notified after their discovery. Such a defect is considered approved of seven days after its discovery, and insofar as the defect would have been discoverable earlier during the course of normal use, seven days after such date. The Purchaser shall not be entitled to any guarantee claims if he does not make notification without delay. The costs of return shipment to Seller in the case of justified notification of defect shall only be refunded in the case that the Seller requests return shipment.

3. Insofar as the defect is caused by a good delivered by a (sub-)supplier to Seller, the Seller reserves the right to primarily fulfill his warranty obligation by, at the choice of Seller, either exercising or assigning the warranty rights against its (sub-)supplier for or to the Purchaser. In this case, warranty rights against Seller shall only exist insofar as the court enforcement of the claims against (sub-)supplier was unsuccessful.

4. The Seller shall, at his choice, be liable for a defect in the good, either in that he

remedies the defect or supplies a good free of defect. In the case that the defect is still not remedied after a reasonable period of time, the Purchaser is within the frame of its statutory rights entitled to revoke the contract or reduce the purchase price. Any claims for damages are limited pursuant to Sec. XI.

5. The warranty rights and liability of the Seller shall become barred in the case that the Purchaser either itself or by a third party attempts to or carries out remedy of the defect which either renders the cure impossible or substantially complicates the cure. In any case, additional costs arising therefrom in the course of the cure of the defect are to be borne by Purchaser.

6. The Seller is entitled to refuse the repair or replacement according to the statutory rule. Seller may further refuse the repair or replacement if despite Seller's respective request, Purchaser fails to return the defective product to Seller's premises within due time or the Purchaser fails to pay a reasonable proportion of the remuneration, taking into account the defect.

7. In the case of the sale of used goods, the warranty for material defects is excluded.

X. Protection Rights

1. The Purchaser shall not acquire any rights to usage of property rights of the Seller beyond such rights necessary to use the goods for their intended and contractually agreed use. Insofar as the Services are provided as engineering, development, or other intellectual services, any property rights resulting from such work results (especially patents, utility models, copyrights, trade secrets) are exclusively owned by Seller. A transfer or sublicensing of the property rights is only permissible by explicit written agreement. The Purchaser shall notify the Seller without delay as to the creation of property rights. Insofar as a property right requires application, the decision as to such rests with Seller without any obligation of Seller as regards the costs.

2. The Purchaser will, without delay, inform the Seller, insofar as he obtains knowledge of claims made regarding the infringement of property rights relating to the supply relationship between Seller and Purchaser.

3. The Seller is not liable insofar as he has provided the Services solely pursuant to the drawings, models or instructions of the Purchaser and he did not know or could not know respectively it was not foreseeable, that the provision of services could constitute an infringement of property rights.

4. Insofar as the goods infringe the property right of third parties, the Seller shall be liable within the time period set out in Sec. IX No. 1. solely as follows: The Seller is, at his choice, entitled to remedy the infringement of property right either through change, redesign or replacement of the goods or through conclusion of a contract suitable to confer the grant of usage. Insofar as the remedy of the property right is unsuccessful even after a reasonable period of time, the Purchaser is entitled to revocation or reduction of payment. Any claims for damages of the Purchaser are limited pursuant to Sec. XI. In addition, the provision in Sec. IX No. 3 applies accordingly.

XI. Liability, damages and reimbursement of expenses

1. The liability of the Seller for damages or reimbursement of expenses is solely regulated by this Sec. XI.

2. The Seller is liable for damages pursuant to statutory law.

3. In case of ordinary negligence, the Seller is only liable for the breach of material contractual obligations to which especially the absence of warranted characteristics or the defectiveness of the good in respect of a manner considerably impairing its functionality or usability belong. Claims for damages are limited to such amount which were reasonably foreseeable to Seller at the time of the conclusion of the contract.

4. A further liability for damages in form of indirect damages, consequential damages or loss of profits is expressly excluded.

5. The forgoing liability provisions apply accordingly to the organs and representatives of Seller, his employees and persons he uses to perform his obligations.

6. The liability of Seller regarding intentional acts, liability for injury to life, body or health and pursuant to the Product Liability Act shall remain unaffected by the foregoing provisions.

XII. Data Protection

Seller is entitled to process data of the Purchaser for its own purposes and purposes of affiliates and subsidiaries in compliance with the applicable data-protection provisions.

XIII. Non-Disclosure

1. The Purchaser is obliged to keep strictly confidential the information and documents received by Seller for a period of 3 (three) years after the end of the contract. This does not apply to publicly available information and documents. All documents provided in regard to which title has not passed to Purchaser are, immediately upon the end of contract, to be returned to Seller.

2. The Seller retains ownership regarding any and all author rights, copyrights, industrial proprietary rights of whatever nature related to offers and cost estimates as well as illustrations, drawings, patterns, prototypes, tools or other documentation, documents and data carriers provided by him. The reproduction or distribution as well as the disclosure to any third party requires the prior written consent of Seller.

XIV. Export Control

1. The Purchaser acknowledges that the Supplies of the Seller may be subject to export control laws and regulations, and any supply or use of such products and/or services contrary to such laws and regulations is prohibited.

2. Purchaser shall indemnify and hold harmless the Seller against any losses, damages, fees or monetary sanctions im-

posed on the Seller as a result of Purchaser's failure to comply with any applicable export control law or regulation.

XV. Force Majeure

1. In cases of force majeure (including but not limited to strike, legal lock-out, civil unrest, acts of terror, natural disasters, prohibitions on import and export, US-restrictions, shortage of energy and raw material) that are beyond Seller's control, even if such event occurs on the part of Seller's upstream supplier, and which make shipment and/or production impossible or unreasonably difficult for the Seller, Seller shall be entitled to postpone the shipment and/or production for the duration of the event and a reasonable period for restart of its business activities and be freed from the obligation to deliver for such extended period.

2. If performance of Seller's obligations is suspended under this clause for more than one month, such period is to be understood as unreasonable and Seller may withdraw from the contract in whole or in part.

3. The Purchaser shall have no right to compensation in such event of force majeure.

XVI. Final provisions

1. Insofar as not otherwise explicitly agreed, the place of performance is at the seat of the Seller. Place of payment is also at the seat of the Seller; this also applies, if in an individual case a special place of performance for the obligation to provide Services by the Seller has been agreed upon.

2. Place of jurisdiction for all disputes, including trials by the record, proceedings based on a bill of exchange and cheque proceedings are exclusively to be conducted at the seat of the Seller. The right of the Seller to sue the Purchaser at his general place of jurisdiction remains unaffected.

3. All relations between the Seller and the Purchaser are exclusively governed by the law of the Federal Republic of Germany. The UN Sales Convention (UN Convention

on Contracts for the International Sale of Goods from April 11, 1980) shall not apply. Insofar as the choice of law in favor of German law is impermissible or void, the conditions and effects of the retention of title shall be governed by the law of the state at which the goods are located.

4. If any part of the order is invalid in whole or in part, the validity of the remaining order shall not be affected. Seller and Purchaser obligate themselves in such a case to replace the invalid provisions with effective provisions or agreements, which come closest to the invalid provisions or agreements in their economic intent.