

General Terms and Conditions of Supply

Preamble

- a. The general terms and conditions of supply contained herein (the "Terms") shall apply to all quotations and sales made by DIEHL Aerospace, Inc. ("DAI") concerning the products and services directly or indirectly supplied by DAI, including but not limited to spares and tools, supplier equipment, ground support equipment, technical data and documentation, conversion activities, maintenance planning data support, engineering support including modification kits, technical assistance and resident support representation (the "Products" and "services").
- b. Any order placed by the buyer (the Buyer") with DAI for any Product or Service shall be deemed to be the acceptance of the Terms (irrespective of whether the Buyer accepts the Terms by a written acknowledgement) Buyer unless otherwise agreed upon between the parties. The Terms shall prevail over any written or oral purchase conditions related to or contained related to or contained in a purchase order or similar document submitted by the Buyer notwithstanding any provision to the contrary in such document.

1. ORDERS, ORDER ACCEPTANCE

- a. The Product and Services shall be subject to due ordering by the Buyer and acceptance by DAI. Any order for Products and Services must be sent by the Buyer to the address provided in the relevant price list of DAI. Orders shall include all appropriate information including but not limited to the description of the Products and/or Services requested, order number, delivery schedule, Seller's price if available. Orders for Products and Services shall be placed in writing (letter, telefax, email).
- b. DAI may require as appropriate down payment payable prior to the delivery of the Products and/or to the performance of the Service ordered by the Buyer.
- c. Unless otherwise provided, the obligation to buy and sell the products or to perform and accept the Services mentioned in the order shall become binding upon both parties and therefore a "Contract" only after the issuance by DAI of an order acceptance in written form. Any changes made by DAI after receipt of an order shall be sent for approval to the Buyer and shall be binding upon both parties if the Buyer has not issued any written objection within eight (8) working days from the date of the changed order. If the Buyer issues a written objection within the said period, DAI and the Buyer shall negotiate in good faith with a view to reaching mutual agreement. As soon as the obligations to buy and to supply Products and Services are binding upon the parties respectively, any cancellation, modification and/or reduction in the terms and conditions of the Contract by the Buyer is subject to the prior written approval of DAI.

2. DELIVERY

- a. All sales of Products, except technical data, are made EXW Laupheim Incoterm 2000.
- b. Sales of technical data are made DDU incoterm 2000 the place specified by the Buyer.
- c. Claims against DAI for shortage or apparent defects must be received by DAI within ten (10) days after receipt of the Products and/or services by the Buyer.
- d. Products and Services will be delivered to the Buyer or performed in accordance with the schedule agreed upon in the Contract. DAI will use commercially reasonable efforts to comply with the agreed delivery schedule; however, delivery dates are approximate and DAI shall not be liable for any loss of profits, loss of use, incidental or consequential damages, which may result directly or indirectly from any delay of delivery of the Products and Services.
- e. Any partial delivery or performance by DAI in intermediate stages shall not be deemed to be a breach of these Terms.
- f. If appropriate, the Products will be packed in accordance with the relevant specifications including in particular ATA specification 300. For technical data and documentation and their revisions, packing and shipment shall be carried out by the quickest transportation method reasonably available.

3. TITLE

DAI retains title to the Products delivered to the Buyer until receipt by DAI of full payment of the entire price including principal and interest, if any.
Notwithstanding the above, the Buyer will bear all risk of loss of the Products from the time they are for delivery to the Buyer.

4. PRICES

- a. All invoices for Products and Services will be at the price indicated in the relevant price list of DAI or in the relevant quotation or order change notice.
- b. All prices listed are net and EXW or DDU, as applicable under Clause 2, and include normal packaging costs. All prices listed are exclusive of any taxes or duties that may be levied in connection with the sale, delivery or use of Products and the performance of Services. Should any taxes, duties, or other charges be levied, the Buyer shall (i) ensure that the deduction or withholding does not exceed the amount legally required; (ii) forthwith pay to DAI such additional amounts as will result in the receipt by DAI of the full amount which would have been received had no such deduction or withholding been required; and (iii) pay to the relevant authorities the full amount required.
- c. Except in case of significant error or omission by DAI in price preparation or of a significant revision in manufacturing costs, prices will remain firm for orders received and accepted by DAI during the applicable period. Binding Orders will be invoiced on the basis of the price list in force on the date of the acceptance of the order by DAI.
- d. In the case of ongoing Services and Products, such as, but not limited to, data revision, license fees and resident Buyer support representation, the Buyer shall place as initial order for such ongoing Services and Products. Each month the Seller shall invoice such Services and Products at the price valid for such month on the basis of such initial order. If the Buyer wishes to terminate the ongoing Service or Product, the Buyer shall notify the Seller in writing by October 1st of the then current year for the next calendar year.

5. TERMS OF PAYMENT

- a. Unless otherwise expressly stated by DAI, payment shall be made no later than thirty (30) days from the date of invoice. When partial deliveries are made, payments shall become due in accordance with the relevant invoices.

Payment shall be made in immediately available funds in the quoted currency. In case of payment in any other freely convertible currency, the exchange rate valid on the day of actual money transfer shall be applied for conversion.

- b. If any payment due to DAI is not received on the due date, without prejudice to the Seller's other rights (including but not limited to the right to claim for payment of any outstanding amount and to cease deliveries to the Buyer), the Seller shall be entitled to interest for late payment according to section 288 para. 2 BGB. All such interest shall be compounded monthly and calculated on the basis of the actual number of days elapsed in the month assuming a thirty (30) day month and a three hundred and sixty (360) day year.

6. WARRANTY, REMEDY AND LIMITATION OF LIABILITY

- a. Subject to the limitations and conditions hereinafter provided, DAI warrants to the Buyer that Products manufactured by Diehl AirCabin ("DAC") will at the date of delivery be free (i) from defects in material and (ii) from defects in workmanship, including but not limited to processes of manufacture. The warranty described above will be limited to those defects, which become apparent after delivery of the Products to the Buyer (i) within thirty six (36) months for new Products and (ii) within twelve (12) months for used Products.

7. In the event of a warranty claim, DAI's sole and exclusive liability shall be at its option to repair the defective Product. This limitation shall not apply in case of willful or gross negligent misconduct or the breach of obligations which are constitutive to the contractual relationship between DAI and the Buyer, however, in such a case the liability of DAI shall be limited to the foreseeable damage of the Buyer. Any claim of the Buyer shall be excluded, if the Buyer fails to notify DAI in writing within ten (10) days of discovery of the defect of a Product. Any limitation to the liability of DAI does not apply in case of the death or an injury of a person or in case of a liability of DAI.

8. CONFIDENTIAL AND PROPRIETARY INFORMATION

- a. All proprietary information contained in the Products and Services and their respective documentation including but not limited to patent, copyright, drawings, formulas, data model, descriptions studies, codes and/or other information relating to the design, assembly, composition, manufacture, performance, application, or operation of the Products or Services (the "Confidential Information") are and will remain the exclusive property of DAI. Those proprietary rights will also apply to any translation into a language or languages or media that may have been performed or caused to be performed by the Buyer.
- b. Whenever DAI authorizes the Buyer to manufacture certain items, such authorization given by DAI shall not be construed as express or implicit a license to the Buyer regarding any of DAI's Confidential Information. The supply of the confidential information will not be construed as a further right for the Buyer to design or manufacture any Product or part thereof or spare part.
- c. The Buyer shall not disclose the Confidential Information or any part thereof to any third party nor use the same other than for its own legitimate purposes.
- d. All technical data and documentation are supplied to the Buyer for the sole use of the Buyer who undertakes not to disclose the contents thereof to any third party without the prior consent of DAI save as permitted herein or otherwise permitted pursuant to any government or legal requirement imposed upon the Buyer.

9. EXPORT CONTROL LAWS AND REGULATIONS

Buyer acknowledges that the Products, including but not limited to commodities, technology and software, and/or Services to be provided by DAI under these Terms 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.

Buyer shall indemnify and hold DAI harmless against any losses, damages, fees or monetary sanctions imposed as a result of Buyer's failure to comply with any applicable export control law or regulation.

10. FORCE MAJEURE

DAI shall not be responsible for any delays in delivery or for any failure in the performance of its obligations due to causes beyond DAI's control, including but not limited to: acts of God or public enemy, natural disasters, fires, floods, explosions or earthquakes, serious accidents, total or constructive total loss; any law, decision, regulation, directive or other act of any government or of the EC authorities or of any department, commission, board, bureau, agency, court; any regulation or order affecting the supply of Products and/or Services; war, riots, failure of transportation, strikes or labor troubles causing cessation, slowdown or interruption of work, delay after due and timely diligence to procure materials, accessories, equipment, parts and documentation.

11. ASSIGNMENT

The Buyer shall not assign an order or any interest therein or any rights thereunder (including the right to receive delivery) without the prior written consent of DAI.

12. MISCELLANEOUS

- a. In the event that any provision of the Terms should for any reason be held ineffective, the remainder of these Terms shall remain in full force and effect.
- b. The failure of either party to enforce at any time any of the Terms or to require performance of the same by the other party shall in no way be construed to be a present or failure waiver of the relevant Terms.
- c. The Terms shall be governed by, subject to and construed and the performance thereof shall be determined in accordance with the laws of Germany to the exclusion of the UN Convention on Contracts for the International Sale of Goods. To the extent legally possible any dispute arising out of the