

AlphaAir (AA) – Terms & Conditions (T&C)

1. conclusion of contract

Any offer made by AA is subject to change. Orders placed by the Customer shall be binding on the Customer for a period of 14 days from receipt by AA. The Maintenance Agreement or any other service agreement shall be concluded as soon as AA has sent an order confirmation to the Customer. This can be in electronic form, (including e-mail) or in writing by mail.

2. Additional Maintenance Activities

AA may perform additional maintenance activities for the Customer, without Customer's prior consent, but at Customer's expense, when AA deems such activities as necessary for the proper performance of the Maintenance Services if:

(i) Customer's prior consent cannot be obtained without causing a delay in the performance of the Maintenance Services; and

(ii) the price for the additional activities does not exceed ten percent (10%) of the value of the original maintenance order.

3. Maintenance Procedures

Maintenance Services shall be performed by AA in accordance with AA's Quality Manual and the approved AA Maintenance Procedures by the competent Authority (Luftfahrt-Bundesamt - LBA), unless otherwise agreed in writing between the Parties.

4. Original Equipment Manufacturer (OEM) & Parts Manufacturer Approval (PMA)

AA will generally use original equipment and/or parts (OEM) provided by the manufacturer. However, AA is entitled to use PMA material as well. If the customer does not agree with the utilization of PMA material, the customer must notify AA in writing about the dis-approval to use PMA parts for the desired repair prior to the start of the repair.

If the Customer dis-approves the use of PMA-parts, AA is entitled to reject the order or to provide an estimate for the required repair without using PMA material.

5. Ultimate management responsibility to the Civil Aviation Authority.

Notwithstanding the Maintenance Agreement, the Customer shall have ultimate management responsibility for the maintenance, engineering, and airworthiness of the Aircraft to its Aviation Regulatory Authority. This includes that all maintenance services have been performed in accordance with applicable aviation and airworthiness laws, regulations, and directives.

6. entries in the technical logbook

Entries in the technical logbook of an aircraft by AA are not to be understood as an indication of the unrestricted airworthiness of the aircraft as a whole. The entry in the technical logbook with the signature refers exclusively to the release for the respective maintenance services performed by AA.

7. subcontracting of activities

Activities may generally be subcontracted to third parties provided that the EASA Release to Service can be issued by AA prior to acceptance.

AA is also authorized to have the maintenance activities performed by another EASA Part 145 approved or equivalent maintenance organization.

8. obligations of the customer

Customer shall provide AA with its work equipment and all aircraft records required for the performance of the Maintenance Services relating to the operation, maintenance and repair history of the Aircraft or Maintenance Item (such as (but not limited to): relevant operating manuals and special documents not available to AA).

If Customer fails to provide AA with the aircraft records above or if such records are not available, inaccurate, or incomplete, AA may require Customer to provide such aircraft information/ records and any relevant undocumented information within 14 days or, if not feasible due to logistical reasons, organize such records and/ or information within a reasonable period of time as agreed with Customer. For the purposes of this Article, "Documents" shall include both printed documents and/ or records and data in all other formats, including electronic formats.

Such delays are the sole responsibility of the customer. Any expenses incurred, additional costs and/or additional labor shall be borne by the customer.

9. Confidentiality

Customer shall keep all information disclosed by AA under or in connection with the Maintenance Order strictly confidential, including the Maintenance Order itself and individual provisions contained therein ("Confidential Information"). Confidential Information shall include, but not be limited to, the content of the negotiations leading to the execution of the Maintenance Order, all business, technical and strategic data disclosed by AA or its subcontractors at any time and for any reason, including all such information in oral or visual form, including, but not limited to, prices for materials and Maintenance Services, the scope of Maintenance Services offered, legal requirements, lead times and labor hours required.

10. Acceptance of maintenance work

Delivery dates given by AA are provisional, non-binding and for general information only, unless expressly agreed or confirmed by AA as binding. When AA becomes aware that the delivery date is unlikely to be met, AA shall notify Customer thereof in writing or electronically (e.g. by e-mail) without unreasonable delay.

Customer may request AA to assist Customer in shipping the Maintenance Item/Aircraft to a location other than AA's office in Mönchengladbach. All shipping arrangements made by AA shall be made on behalf and for the account of Customer. Customer shall bear the risk of such shipment and all shipping costs including the cost of packing materials.

From the notified day of acceptance, the risk of accidental loss or damage to the item shall be borne by the Customer, when

- AA has made the item available for collection;
- the customer does not accept the repaired item at that time or delays the acceptance; and
- Customer has not made a justified written complaint about the Maintenance performed by AA.

Once the maintenance work has been accepted by the Customer, the Customer shall bear all additional costs, such as parking fees.

11. Warranties

AA excludes warranties for maintenance services unless a hidden defect existed at the time of acceptance of the maintenance services. AA's warranty is specifically always excluded:

- (i) if the defect was caused by the Maintenance Item being modified, overhauled, or repaired by a party other than AA during the warranty period; or
- (ii) if the defect was caused by Customer's work equipment or by material supplied by Customer; or
- (iii) if Customer failed to take all reasonable precautions to prevent aggravation of the defect or damage; or
- (iv) if the defect was caused by Customer's failure to follow AA's or the applicable aircraft, engine, or component manufacturer's operating instructions.

As long as Customer is in default of its payment obligations, AA may exercise its right of retention and refuse to honor warranty claims until payment is made in full.

A Release to Service by EASA Form 1 Certifying staff or a Tech-Log entry with a personal stamp and signature by Certifying staff indicates that the item being maintained is free from defects and the maintenance activity was performed without defect in accordance with the approved maintenance procedures.

The customer retains the right to prove the contrary. Wear and tear and improper use, for example, are also not defects within the meaning of §§ 631 et seq. BGB.

12. Default of acceptance

The accidental loss of the item (or aircraft) shall be borne by the Customer.

13. Liability & Insurance

In principle, the customer is responsible for the insurance coverage of the subject of the contract. As long as maintenance work is performed on aircraft, AA shall maintain a liability insurance with a maximum coverage of USD 1,500,000 per claim in full.

AA shall not be liable for any further damage unless the damage was caused intentionally or by gross negligence by AA, its directors, employees and/ or freelancers (if any). This limitation of liability does not apply to injury to life, body, or health.

At request of the customer, AA does insure the maintenance services with a higher liability insurance coverage.

The customer remains obliged to maintain his hull insurance for the aircraft to the full extent. Thus, during maintenance or other service contracts with AA, Customer is required to obtain and maintain during the term of the contract the following insurances:

- Hull All Risk Insurance and All Risk Property Insurance, including war risks, which includes a waiver of subrogation in favor of AA, its personnel and subcontractors.
- comprehensive aviation liability insurance that includes liability for aircraft liability, passengers, and war risks with a single combined limit in accordance with Article 7 of Regulation (EC) No. 785/2004 and names AA, its personnel, and its subcontractors as additional insured.

14. payment modalities

All prices shall be net prices unless gross prices have been agreed in writing between the parties. All taxes (including but not limited to sales tax), fees or other public charges imposed on the prices charged shall be borne by Customer or refunded by Customer to AA. If such taxes or fees are refundable, AA shall use reasonable efforts to recover the taxes or fees paid.

The parties shall make all payments in the agreed currency. All prices shall be generally in EUR currency unless the parties have agreed in writing to another currency. Any payment in another currency shall be converted at the exchange rate of the European Central Bank applicable on the value date. Any shortfall resulting from the conversion shall be borne by the remitting Contracting Party. The receiving Contracting Party may retain any surplus resulting from the conversion.

Customer shall not be entitled to set off any counterclaims against AA's claims or exercise any right of retention unless Customer's counterclaim or right of retention has been finally determined by a court of law or is undisputed by AA.

AA is entitled at any time to assign its payment claims against Customer to third parties.

15. Retention of Title

Title to all materials supplied by AA under the Maintenance Order shall remain with AA until all amounts due under the Maintenance Order have been paid in full.

Ownership of all Intellectual Property Rights disclosed in documents or data (including but not limited to plans, drawings, samples, or designs) provided by AA to Customer under the Maintenance Order or created during the Maintenance Services shall remain with AA or any third party entitled to such Intellectual Property Rights.

16. Lien, Right of Sale & Retention and Set-Off

To the extent that the Aircraft Rights Act does not apply, AA shall have a contractual lien on the object of Maintenance in its custody as well as on any other property of Customer in its custody on account of the Maintenance Services rendered to secure all claims of AA against Customer arising from or in connection with the Maintenance Order and/or the Work Order of Customer.

Such contractual lien shall also exist for claims arising from previously performed Services or previously delivered material. The contractual lien entitles AA at the earliest one (1) month after notification to the Customer about the intention to sell the material/ Maintenance item or other item in AA's custody via a publicly offer for sale.

Further, based on the Maintenance Services performed, AA shall have a lien on the Maintenance Item in its custody as well as any other property of Customer in its custody to secure all claims of AA

against Customer arising out of or in connection with the Maintenance Order and/or Customer's Work Order. This lien, as well as the declaration of set-off, may also be asserted against Customer for previously performed Services or previously delivered material by AA.

AA shall also be entitled to discontinue ongoing Maintenance Services without notice until all payments due under the Maintenance Order and/or Work Order or any other contractual relationship between Customer and AA have been made.

17. Customs clearance

Customer shall be responsible for the performance of customs clearance, import and export of aircraft (or parts thereof), engines and other goods. Customer shall comply with all existing European Union import and export prohibitions and restrictions and applicable U.S. export laws and regulations. If agreed in writing, AA shall perform the required customs clearance on behalf of and for the account of Customer. It is the obligation of the Customer to provide AA with all necessary information and documentation (for instance, but not limited to required permits) for the customs clearance. AA shall not be liable for any delays caused by Customer's late submission of information and documents or delays in customs clearance. All customs duties and taxes that may be incurred upon import or export shall be borne by Customer or invoiced by AA to Customer.

18. Force majeure

Any event or circumstance beyond AA's control, such as (but not limited to) terrorism, war, riots or civil commotion, blockades, fires, floods, explosions, earthquakes, storms, other natural disasters, major accidents, epidemics, pandemics, endemics or quarantines, acts or omissions of governments or governmental authorities (such as, delays in customs clearance despite timely and proper application by AA or due to clarification with customs authorities), strikes or labor disputes resulting in the cessation, slowdown or interruption of work, general transportation impediments, general supply shortages and interruptions, shall relieve AA of its obligation to provide Maintenance Services for the duration and to the extent of such events or circumstances.

19. Applicable Law & Place of Jurisdiction

All contracts with AA including these General Terms and Conditions and all resulting legal relations with the Customer shall be governed by the laws of the Federal Republic of Germany, excluding its conflict of laws provisions. The United Nations Convention on Contracts for the International Sale of Goods (CISG) shall not be applicable within this contractual relationship.

In the event of any conflict between the English and German meanings of terms used in these General Terms and Conditions or any part thereof, the German legal meaning shall prevail.

The place of jurisdiction is Mönchengladbach, Germany. In case of claims against AA, this place of jurisdiction is exclusive.

20. Severability clause

If any provision of these General Terms and Conditions is declared void, illegal or otherwise invalid by a court of competent jurisdiction, the remaining provisions of these General Terms and Conditions shall remain in full force and effective and the illegal or otherwise invalid provision shall be replaced by a new provision that most closely approximates the economic intent of the provision so replaced.

21. Amendments to the contract

All amendments to a contract, including maintenance orders, must be agreed in writing between AA and the Customer.

22. Limitation period

The limitation period shall commence upon acceptance or the allocation for acceptance of the Maintenance item. All claims shall become statute-barred after one year, unless they are based on a grossly negligent or intentional act or omission by AA.

In case of inconsistencies between the translated English and the German version of these Terms & Conditions, the German version shall prevail.