GENERAL TERMS AND CONDITIONS

FOR SALES & SERVICES

Issued: February 2016

1. General

1.1 Only these GENERAL TERMS AND CONDITIONS of 328 Support Services GmbH ("328 SSG") shall apply to all present and future sales and services by 328 SSG but only vis-à-vis commercial enterprises within the meaning of Sec. 14 German Civil Code ("BGB") and entities under public law and public law special funds (hereinafter: "Customer"). 328 SSG does not acknowledge any conditions of purchase and contract or any other general terms and conditions of business which deviate from or conflict with these General Terms and Conditions. These General Terms and Conditions shall apply exclusively, even if 328 SSG conducts sales or renders services without reservations and with knowledge of Customer's terms and conditions which conflict with or depart from these General Terms and Conditions of Business.

1.2 Contracts are concluded upon Customer's order and 328 SSG's acceptance of such order. 328 SSG's offers are non-binding and subject to change unless they are expressly marked as binding or include a specified period of time for acceptance.

1.3 Where a non-binding offer is made by 328 SSG, Customer is bound by its order for and 328 SSG is entitled to accept Customer's order within 2 weeks after having received Customer's order. 328 SSG can declare its acceptance in writing or by delivering the goods or providing services to the Customer as ordered within the timeframe of said 2 weeks.

1.4 Orders (e.g. AOG) placed by phone call must be confirmed by 328 SSG to be binding. Delivery is subject to Customer's confirmation in writing, to be done without delay, in cases of AOG however no later than two hours after 328 SSG's confirmation and only where placed by an aircraft operator or a directly appointed agent. 328 SSG does not accept confirmation by an overhaul agency or a dealer.

1.5 In case of design changes, product enhancements, changes due to mandatory law or deviations which are industry standard, 328 SSG may deliver such parts instead of those ordered provided that such parts do not limit the contractually agreed purpose of use. Any increase in purchase price requires Customer's consent.

1.6 Any specification of a part or service (e.g. weight, dimensions or other technical data) or the description of such part or service does not constitute any guarantee and is only approximate unless expressly stated otherwise or where exact specifications of such product or service are pre-requisite for the contractually agreed purpose.

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Registergericht: Amtsgericht München, HRB-NR. 159804, USt-Id-Nr. DE246116667 // Geschäftsführung: Anthony Shakesby, Dave Jackson

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1.7 328 SSG reserves the right to rescind the contract, if due to Customer's lack of creditworthiness or payment history 328 SSG has reasonable grounds to believe that the payment of the purchase price is jeopardized. For the same reason 328 SSG may withhold delivery until Customer has demonstrated that its creditworthiness has improved, e.g. by paying all outstanding bills Customer has at that time with 328 SSG. Customer's right to withhold reasonable amounts for rectification of defects or where withholding such amounts has been accepted by 328 SSG or established by non-appealable court judgement remains unaffected.

2. Prices and Payments

2.1 The prices as quoted shall apply. The prices are net, excluding VAT and apply EX WORKS (EXW - Incoterms 2010) 328 SSG's place of business. Where delivery of ordered spare parts takes place more than 4 months after acceptance of the order without 328 SSG being responsible for such delivery period, 328 SSG reserves the right to adjust the agreed price for additional costs incurred and evidenced by 328 SSG (e.g. due to an increase in price from 328 SSG's suppliers). If the price is increased by more than 10 % Customer is entitled to cancel the order.

2.2 AOG orders are subject to specific charges published in the then current Customer Support Manual. Upon request 328 SSG will provide Customer with 328 SSG's Customer Support Manual current at the time of placing Customer's order.

2.3 Payments shall be made within 14 days after receipt of the invoice by the Customer. If not paid within said period the Customer will be automatically in default. If the receipt date of the invoice by a Customer is uncertain Customer will be automatically in default at the latest 14 days after receipt of the ordered goods or services. For Consumers this applies only if the invoice draws attention to this consequence.

2.4 Where Customer is in delay of payment, Sec. 288 BGB shall apply. 328 SSG reserves its right to prove and claim additional damages caused by the default.

2.5 Place of performance for Customer payments is 328 SSG's place of business in Oberpfaffenhofen.

2.6 The Customer is entitled to offsetting only if Customer's counterclaim is undisputed by 328 SSG or has been recognized by a non-appealable court judgement.

2.7 Payment is due in the currency of the invoice and shall be effected by electronic bank transfer into the nominated bank account of 328 SSG. Charges are for account of the Customer.

2.8 In its reasonable business judgement 328 SSG is entitled to request adequate advance payments or sufficient letter of credit where agreed in advance.

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3. Delivery, Terms, Delay in Performance

3.1 Partial deliveries of goods and partial services are permitted provided that the partial delivery or service serves the contractual purpose, the delivery of the remaining parts or services is secured and the Customer will not be burdened by substantially increased work or cost. 328 SSG shall inform Customer without delay with respect to such partial deliveries or services.

3.2 Unless otherwise agreed 328 SSG delivers goods or provides services within the period stated under „Lead Time“ in the spare parts catalogue or in the quotation. Deviating dates for delivery of goods or rendering of services apply only if confirmed by 328 SSG in writing. Should advance payment or opening of a letter of credit have been agreed upon, 328 SSG may demand that periods will start to run once the Customer has fulfilled those obligations. Section 7.1 of General Terms and Conditions shall apply. 328 SSG's rights – in particular the right to claim non-fulfillment of Customer's obligations – remains unaffected. Delivery is timely in case of EXW (Incoterms 2010) where Customer has been informed by 328 SSG on the delivery date that the goods are ready for pickup.

3.3 328 SSG's liability for delay in delivery or provision of services shall be limited in accordance with Article 5 hereof.

4. Defects in Quality or Title

4.1 The statutory claims of Customer in case of defects in quality or title of parts shall be modified as follows:

4.1.1 Where the Customer is entitled to rectification of a defect, 328 SSG may choose, considering Customer's justified interest, if the rectification will be achieved by repair, replacement or rework. In case the elimination fails once, the Customer may withdraw from the contract or may reduce the price in accordance with statutory provisions.

4.1.2 In case of delivery of new goods, claims based on defects shall be subject to a limitation period of 1 year after the statutory commencement of the limitation period unless 328 SSG has expressly given a guarantee.

4.2 Damage claims are governed by Article 5. below.

4.3 Claims in case of defects in quality or title of products are excluded in each case unless 328 SSG has given a guarantee or has fraudulently concealed a defect, if:

4.3.1 Customer has failed (i) to inspect the delivered goods without undue delay with respect to faultlessness and completeness and (ii) to give notice to 328 SSG about any discovered defects or defects which could have reasonably been discovered without undue delay, in each case describing a defect in as much detail as possible. Sections 377, 378 German Commercial Code ("HGB") shall apply accordingly.

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4.3.2 the defect is due to normal wear and tear, Force Majeure, improper or negligent handling, excessive stress, nonobservance of legal requirements or technical or operating instructions unless Customer furnishes proof that the defect was not attributable to such circumstances.

4.3.3 defective parts have been modified, overhauled or repaired by the Customer or third parties after receipt unless proof is furnished by Customer that the defect was not attributable to such modification, overhaul or repair.

4.3.4 used goods were ordered by Customer and delivered. In this case, any claims for damages and frustrated expenditures under statutory law remain unaffected, however are subject to Section 5 of these General Terms and Conditions.

4.4 For warranty handling 328 SSG recommends observance of the procedure described in the Customer Support Manual. These procedural directives will ensure the smooth handling of warranty cases. In no case they shall extend or restrict Customer's warranty claims. The Customer is entitled at any time to receive an updated issue of such procedural directives.

4.5 If 328 SSG delivered goods not manufactured by 328 SSG, any claims 328 SSG may have against its suppliers may be assigned to the Customer. Should the Customer, without any fault on Customer's part, fail to obtain rectification of defects from the respective supplier such rectification will be performed by 328 SSG pursuant to Section 4 hereinabove.

4.6 328 SSG may withhold repair, replacement or repayment of purchase price until Customer has handed over the defective part which shall become 328 SSG's property upon replacement or – as the case may be – Customer's rescission of the agreement.

5. Liability

5.1 328 SSG shall (irrespective of the legal grounds thereof) bear unlimited liability in each case for damages arising from

- injury to life, limb or health based on an intentional or negligent breach/otherwise on intentional or negligent conduct
- by us or one of our legal representatives or vicarious agents;
- for the lack or the failure of a guarantee assumed by 328 SSG including a minimum shelf-life under the conditions
- outlined in these General Terms and Conditions of Business;

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- based on an intentional or grossly negligent breach of obligation/otherwise on intentional or grossly negligent conduct
- by us or one of our legal representatives or vicarious agents;
- based on the fact that 328 SSG has concealed a defect in a fraudulent fashion.

5.2. Unless otherwise agreed in sub. 5.1 and 5.4 hereof, 328 SSG's liability shall be limited to compensation of such losses as are typical to the contract and foreseeable for losses and damage which are based on simple or slightly negligent breach of material contractual obligations ("Kardinalpflichten") by 328 SSG or one of its legal representatives or vicarious agents. Material contractual obligations ("Kardinalpflichten") are obligations without satisfaction of which it is not possible to properly perform the contract at all and on compliance with which the Purchaser is entitled to rely.

5.3. Unless otherwise agreed in subs. 5.1, 5.2 and 5.4 hereof, 328 SSG shall bear no liability for cases of simple negligence.

5.4. The limitations and disclaimers of liability referenced above at subs. 5.2 and 5.3 shall not apply with respect to 328 SSG's liability under the German Products Liability Act.

5.5. The defence of contributory negligence (“Mitverschulden”) (Sec. 254 BGB) shall remain unaffected by the foregoing.

5.6. The contractual provisions set out above shall apply mutatis mutandis in favour of 328 SSG's constitutive bodies, legal representatives, salaried employees and other vicarious agents.

5.7. The contractual provisions set forth above shall apply irrespective of whether claims are contractual or statutory in nature and shall apply likewise with respect to liability for compensation of frustrated expenditures.

6. Retention of Title, Pledge and Right of Retention

6.1 328 SSG retains title to the respective goods delivered or services provided including claims for default if any until such have been paid in full with respect to all claims resulting from the business relationship. 328 SSG commits itself, however, upon Customer’s request, to release collaterals at 328 SSG’s option if 328 SSG, at reasonable discretion, no longer needs such collaterals for securing 328 SSG‘s claims.

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6.2 The Customer shall not be allowed to sell, pledge, transfer as a security or otherwise dispose of the goods subject to 328 SSG's retention of title unless 328 SSG's prior written approval is obtained.

6.3 If the goods subject to 328 SSG's retention of title are drawn upon by third parties (e.g. by seizure), 328 SSG's contractual partner shall point out such retention of title and immediately inform 328 SSG of the occurrence.

7. Export

7.1 Customer is responsible for compliance with all applicable export and import control laws and regulations in particular those of Germany, the EU and the USA. Customer will obtain import, export, and re-export approvals and licenses required for any goods, transfers, services and technical data delivered necessary and will retain documentation to support compliance with those laws and regulations. 328 SSG may withhold fulfilment of its duties under an agreement concluded with Customer in case fulfilment would be contrary to such export and import control laws.

The goods and services are intended for the contractual use in the dedicated country/countries only.

7.2 328 SSG is not liable for any delay or failure to provide goods or services as a result of governmental actions which impact 328SSGs ability to perform.

8. Applicable Law and Jurisdiction

8.1 With the exclusion of the Hague Convention Relating to a Uniform Law on the International Sale of Goods and the United Nations Convention on Contracts for the International Sale of Goods, the laws of the Federal Republic of Germany shall apply to all agreements between Customer and 328 SSG.

8.2 If the Customer is a trader ("Kaufmann"), an entity under public law, a special fund under public law or has no general place of jurisdiction in the Federal Republic of Germany, the place of jurisdiction for all disputes arising directly or indirectly out of this contractual relationship shall be 328 SSG's place of business at Wessling allowing 328 SSG, however, to take action also before the courts at the location of Customer's registered office.

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