

## General Terms and Conditions for Supplies and Maintenance Services (GTC S&MS) for **RUAG Schweiz AG**

### 1. General

- 1.1 Unless otherwise agreed in writing, these GTC S&MS shall govern all aircraft maintenance and system support services and all supplies of components and parts (hereinafter referred to as "Services") provided by RUAG Schweiz AG (hereinafter referred to as "RUAG"). RUAG's Customer has noted and accepted these GTC S&MS. RUAG does not accept Customer's general terms and conditions unless agreed in writing.
- 1.2 Services shall be provided in accordance with the agreed work order.
- 1.3 Work orders shall only be binding when submitted in writing. All verbal arrangements shall be confirmed in writing. The same applies to all modifications, supplements, specifications etc. to the original work order.
- 1.4 RUAG shall be entitled but under no obligation to use commercial exchange components and parts. Upon completion and acceptance, if required and as set forth in clause 6, of provided Services, title to all exchanged components and parts supplied by RUAG remain with RUAG and Customer acknowledges that RUAG is entitled to exercise a right of retention over the aircraft and any components and parts related to the aircraft until complete payment of any outstanding invoices in relation to the Services rendered.
- 1.5 Customer shall treat all information and documents (e.g. offers, work orders, contracts, prices, technical concepts, personal data) as confidential and shall not disclose such information and documents to third parties unless RUAG's prior written approval is obtained. The obligation to maintain secrecy of the confidential information shall survive termination of any contractual relationship between the Parties.

### 2. Prices and Payments

- 2.1.1 Prices shall be deemed to be:
  - (i) ex RUAG's working place as defined in the work order (EXW Inco-term 2010); and
  - (ii) net prices, excl. VAT currently in force, if applicable.
- 2.1.2 The Parties shall agree on the Services to be performed on:
  - (i) a flat rate basis; and/or
  - (ii) a time and material basis.Services provided on a time and material basis shall be charged at the man-hour rate in force at RUAG's working place at the time of completion of the work order. However, in case where services and/or supplies are to be provided later than four (4) months after conclusion of the work order, the actual prices and hourly rates shall apply.
- 2.2 In case Services have to be provided outside the agreed working place, prices and all further conditions shall be agreed separately in writing.
- 2.3 Prices for exchanged components and parts shall be chargeable to Customer if exchanged components and parts are complete and any later repair due to normal wear and tear is possible at economically justifiable expenses. In this respect, invoicing is subject to correction.
- 2.4 RUAG may demand a reasonable advance payment upon placement of work order. If advance payment is not received by the agreed date, RUAG may withdraw from the work order without any liability to the Customer whatsoever and allocate the shop floor capacity to another customer.
- 2.5 Customer shall be responsible for all costs and expenses incurred by delivering the aircraft to the agreed working place.
- 2.6 Payments shall be due and payable within thirty (30) calendar days after date of invoice.
- 2.7 On expiry of the thirty (30) calendar days and without any further notice being necessary Customer shall be in default of payment and shall pay 5% interest for default. The interest shall be payable for the period elapsing from the calendar day following the expiry of the time-limit for payment up to the day of payment.
- 2.8 Customer shall have no right to set-off.

### 3. Partial Services

Partial maintenance and system support service as well as partial supply of components and parts shall be permitted provided Customer suffers no disproportional disadvantage thereof.

### 4. Performance, Delay in Performance

- 4.1.1 Ground time, time of performance and delivery dates shall only be binding if agreed on in writing and if:
    - (i) Services to be provided are clearly defined;
    - (ii) the aircraft to be maintained is placed at RUAG's disposal at the agreed time;
    - (iii) Customer has paid all amounts due under the relevant work order.
  - 4.1.2 RUAG shall be entitled to extend the agreed ground time and/or time of performance in case:
    - (i) Customer requests performance of additional services;
    - (ii) unusual major defects on airframe, systems, engines or components have been discovered and have to be rectified;
    - (iii) any additional services are required to maintain and/or restore aircraft's airworthiness.
  - 4.1.3 In addition, RUAG shall be entitled to extend the agreed ground time and/or time of performance in case:
    - (i) components, parts and documents requested by RUAG on time from Customer or any third party are delayed, incomplete or not delivered;
    - (ii) aircraft is being delivered late or not in accordance with the terms and conditions set out in the relevant work order or any other contract;
    - (iii) Customer's default of any other contractual obligation.
  - 4.2 In case RUAG, for reasons beyond its control (e.g. Force Majeure), does not receive the correct delivery of components or parts on time from its subcontractors or suppliers, RUAG shall be entitled to withdraw from the work order or contract without liability to the Customer whatsoever, provided that RUAG has informed Customer about the non-availability of the components or items without undue delay.
  - 4.3.1 RUAG's liability for damage caused by delay shall be limited to direct damage verifiably caused by RUAG's gross negligence or intent.
  - 4.3.2 In addition, RUAG's liability shall be limited to 0.05% of the agreed amount for the part of the delayed performance for each day of delay, which amount shall in no case exceed 5% of the agreed amount for the part of the delayed performance. Liability for loss of profit shall in any case be precluded.
- ### 5. Force Majeure
- 5.1 No party shall be liable for any delays due to reason of Force Majeure. Such events may include, depending on the circumstances, events such as, but not limited to, acts of God, unforeseeable circumstances, acts (including delay or failure to act) of any governmental authority (de jure or de facto), war (declared or undeclared), riot, revolution, governmental priorities, fires, strikes, lockouts or other labour disputes, nuclear incidents, sabotage or epidemics, quarantine restrictions and freight embargoes, or inability due to causes beyond the party's reasonable control to timely obtain necessary and proper labour, materials, components, facilities, energy, fuel, transportation etc.
  - 5.2 In the event that a party will have to declare Force Majeure (whether for its own or its sub-contractors' facilities), Force Majeure must be notified in writing within seven (7) calendar days of the date the event first occurred.
  - 5.3 Unless mutually agree to in writing, the party unable to perform because of Force Majeure is temporarily excused from performance while the incident of Force Majeure is occurring and obligated to perform once the incident substantially subsides or ends. Such party shall not be subject to damage claims.

5.4 If the delivery of any component or part is delayed for more than forty-five (45) calendar days of the scheduled delivery, RUAG may, upon written notice of the supplier of the components or parts, either terminate the work order, in whole or in part, by reason of Force Majeure.

## 6. Acceptance

6.1.1 If a formal acceptance of the Services provided by RUAG is required by law or regulation, the Customer shall perform such acceptance promptly upon receipt of the notification of completion.

6.1.2 If such formal acceptance is not required, the Customer shall inspect the aircraft promptly upon receipt of notification of completion in order to determine if the Services were completed to his/her satisfaction, and accept the Services provided. The aircraft shall then be deemed by both Parties ready for redelivery.

6.2 Acceptance shall be deemed to have taken place if the Customer or its representative has taken possession of the aircraft and/or components or parts. RUAG shall not be obliged to verify the authorization of the person accepting the redelivery of the aircraft and/or components or parts.

6.3 Upon acceptance and test flight, if required by the Customer at its sole cost and risk, with the assistance of RUAG, Customer shall take redelivery of the aircraft at RUAG's working place at the scheduled date.

6.4 Customer agrees to inform RUAG promptly upon notification of completion of the provided Services but latest at redelivery, if exchanged components and parts shall be returned to Customer at redelivery, or if RUAG shall dispose of the exchanged components and parts, if so, or if Customer omits to inform RUAG, Customer agrees to pay the invoiced disposal fees.

6.5 If the Customer for any reason whatsoever does not take redelivery upon acceptance and test flight at the scheduled date, RUAG may park the aircraft in the parking area at their facility. Risk and responsibility shall fully pass to the Customer and RUAG shall not be in any way responsible or liable for the aircraft anymore, except for damages (verifiable) caused by RUAG's intent or gross negligence. RUAG may charge the Customer a parking fee at RUAG's actual standard rate per calendar day. RUAG shall not be under any obligation to provide such parking and may refuse to do so at its own discretion.

## 7. Warranty

### 7.1 General

7.1.1 RUAG warrants that Services provided:

- (i) are performed and conform to industry standards relevant to authorized providers of services as set forth in EASA Part 145;
- (ii) are free of defects in material and workmanship; and
- (iii) conform to all contractual requirements.

7.1.2 The warranty term shall be ninety (90) calendar days, or one hundred and fifty (150) flight hours, or hundred (100) cycles of the aircraft whichever occurs first following the completion or the formal acceptance, if required.

7.1.3 Defects shall be reported to RUAG in writing promptly after Customer becomes aware of them, at the latest within ten (10) calendar days after discovery.

7.1.4 Unless otherwise agreed, RUAG reserves the right to rectify reported defects, free of charge to the Customer. RUAG will only rectify the defects provided the defect is not the result of any alteration undertaken by any party, other than RUAG. Customer shall not be entitled to any additional indemnification whatsoever.

7.1.5 In case the aircraft or components or parts are not at RUAG's working place at the time a defect is reported, RUAG shall be entitled to appoint any working place where the defect will be rectified. If the aircraft is not in airworthy condition, RUAG shall pay the costs of ferrying the aircraft to the appointed working place. RUAG shall be entitled to have the defect rectified by a third party.

7.1.6 The warranty shall exclude defects due to normal wear and tear or the aircraft not being operated, handled or stored by the Customer in accordance with manufacturer's recommendations or in accordance with the flight manual or applicable authority requirements or other causes for which RUAG is not responsible.

### 7.2 Third Party Warranty

7.2.1 RUAG assumes no liability of whatever nature to the Customer relating to defects in commercially traded components and/or parts or components and/or parts procured from third parties which have been installed by RUAG.

7.2.2 However, RUAG will use its best endeavours to obtain from its suppliers of parts and components any warranties and shall assign, if possible, such warranties to the Customer.

### 7.3 Warranty Notice

7.3.1 Above warranties are exclusive and Customer waives all other claims for warranties (express or implied) of RUAG to the Customer arising by law or otherwise with respect to or relating to the supply and maintenance services performed by RUAG under the work order.

7.3.3 Any warranty work carried out by the Customer or any third party as agreed in writing with RUAG shall not be reimbursed at a rate higher than RUAG's rates, and in such event RUAG is not responsible for any aircraft positioning costs, or freight charges which may be incurred.

## 8. Liability

8.1 RUAG's liability for Services provided shall be limited to direct damages caused by RUAG's gross negligence or intent and shall not exceed the amount agreed for the respective work order. Liability for indirect or consequential damages or for loss of profit shall in any case be precluded.

8.2 Customer shall be liable for any damage which its representatives caused.

8.3 Customer shall inform RUAG immediately about any damage for which RUAG shall be held liable and shall – upon request – allow RUAG a damage survey.

## 9. Handling of "Third Party – Manufacturer Warranties"

If RUAG handles warranty claims for Customer toward third parties (e.g. manufacturers), Customer's obligation to first remunerate RUAG's efforts shall remain unaffected thereby. Payments, if any, made by such third party will then be reimbursed to Customer.

## 10. Retention of Title, Pledge and Right of Retention

10.1 Supplied components and parts shall remain RUAG's property until full payment of all claims arising, now or in future, from the respective contractual relations. RUAG reserves its right to entry in the register of retention of title and Customer accepts this reservation.

10.2 Customer shall only sell, transfer as a security, dispose of or pledge supplied components and parts, if it has completely met all payment obligations arising from the contractual relationships with RUAG.

10.3 If the components and parts subjected to RUAG's retention of title are drawn upon by third parties (e.g. by seizure), Customer shall advise third party about such retention of title and immediately inform RUAG of such event.

## 11. Applicable Law and Jurisdiction

11.1 Swiss substantive law shall apply to the exclusion of the Swiss rules on conflicts of law (especially of the Swiss Federal Act on Private International Law). The United Nations Convention on Contracts for the International Sale of Goods (CISG) is hereby expressly precluded.

11.2 Both Parties agree to use all reasonable efforts to resolve any and all disputes arising out of or in connection with a work order with a co-operative attitude and by amicable arrangement.

11.3 In the event that all efforts fail, the ordinary courts of Lucerne, Switzerland, shall be competent for disputes arising from, or in connection with, a work order or a contract.