

Air Service Basel GmbH

General Terms and Conditions for Maintenance and Repair Work

1. AREA OF APPLICATION

1.1. The terms set out hereinafter shall apply, unless specified otherwise hereunder, to all work performed upon aircraft or parts thereof (inspection, engineering calculations, maintenance and overhaul, repairs, modifications) which Air Service Basel GmbH shall carry out itself or delegates to third party subcontractors and to all sales and deliveries made or caused to be made By Air Service Basel GmbH of parts of aircrafts or parts used in connection with the operation and maintenance of aircrafts..

1.2. These General Terms may only be altered or partially or fully waived by a specific written instrument (e.g. a contract or acceptance of order) duly signed by Air Service Basel GmbH. The terms and conditions of a specific contract or acceptance of order signed by Air Service Basel GmbH shall prevail over the present General Terms and the General Terms shall then apply as a supplement to the terms and conditions of the specific contract or acceptance of order

2. OFFERS AND COST ESTIMATES

2.1. Offers and cost estimates submitted by Air Service Basel GmbH shall be made without commitment. Contracts shall be effective only if confirmed in writing by Air Service Basel GmbH or upon commencement of the work involved.

2.2. Cost estimates by Air Service Basel GmbH shall be binding for the period specified only if submitted in writing and explicitly designated in the text to be binding.

3. SCOPE OF CUSTOMER ORDER

3.1. Each customer order shall be deemed to contain an authorization and approval by customer for Air Service Basel GmbH to carry out or cause to be carried out all such work as shall be necessary for testing the object to which the order refers, except test flights.

3.2. In case the order includes the execution of scheduled or unscheduled maintenance, testing or modification work, it shall always cover all such work and testing as shall be deemed necessary by the responsible inspector of Air Service Basel GmbH to maintain or restore an aircraft's airworthiness.

3.3. Air Service Basel GmbH shall be authorized to delegate any work ordered by a customer to a subcontractor without previous notice to the customer or obtaining customer's specific consent thereto.

4. PRICES

4.1. Prices fixed under contract shall refer exclusively to such work and supplies as are agreed upon in writing. Work not provided for in the written contract or relevant written confirmation of order shall be charged to the customer separately and additionally.

4.2. To work for which no fixed price is agreed upon, Air Service Basel GmbH shall apply the prices it currently charges for the type of work involved.

4.3. All prices shall be net ex-works (or ex site of performance). Subcontractor price increases, foreign exchange rate fluctuations, import duties, taxes or other dues augmenting the cost basis of Air Service Basel GmbH shall be borne by the customer if they occur subsequent to the dispatch of Air Service Basel GmbH's confirmation of order or commencement of work.

Agreed prices stated are exclusive of VAT, which will be charged additionally in accordance with applicable law and regulations.

4.4. If the customer provides itself components required for maintenance work by Air Service Basel GmbH and delivers such parts for installation, Air Service Basel GmbH is entitled to charge 15% of the market value of such components for handling. . Further, if customer supplied parts do not meet airworthiness standards, (no approved forms) Air Service Basel GmbH will not release such parts as airworthy. In no event will Air Service Basel GmbH accept or assume any responsibility or warranty as to the quality, functionality or safety of such parts or components.

5. TERMS OF PAYMENT

5.1. Air Service Basel GmbH shall be entitled at any time to request partial or full payment for work to be performed in advance. Amounts invoiced for work performed shall be due and payable by customer at the time of completion of the order or as otherwise agreed in writing by Air Service Basel GmbH in a specific contract or an acceptance of order.

5.2. The terms of payment specified in a specific contract, in an acceptance of order or in these General Terms shall apply and payments shall be made by customer on the dates fixed therein. The customer shall not be entitled under any circumstances, in particular due to alleged or actual deficiencies of work performed or parts delivered, to withhold or delay payments or part-payments of invoices for work performed and/or parts delivered by Air Service Basel GmbH.

5.3. Complaints concerning invoices shall be submitted in writing or by facsimile within ten days of the receipt of invoice. If no complaint is received within ten days, invoices shall be deemed to have been accepted.

5.4. Invoices shall be paid by customer in cash or by credit card without any deduction whatsoever. Air Service Basel GmbH shall not be obliged to accept cheques, bills of exchange or money orders. In case of acceptance of such instruments, payment shall not be deemed to have been effectuated until the date of credit to the account of Air Service Basel GmbH for free disposal by the latter.

5.5. Without prior written approval by Air Service Basel GmbH, the customer shall not be entitled to assign any rights or liabilities under or arising from his contract with Air Service Basel GmbH nor to offset any claims customer may have against the claims of Air Service Basel GmbH.

6. WORK DEADLINES

6.1. Observance by Air Service Basel GmbH of completion and/or delivery deadlines duly agreed as binding shall be subject to the customer having previously met all his contractual obligations, in particular the due and timely delivery of the object of order including keys, aircraft papers, etc., the settlement of technical questions and the remittance of any advance payments requested by Air Service Basel GmbH. Deadlines shall also be postponed if compliance with

a defined deadline is not possible because of force majeure or unforeseeable events such as lack of spare parts, dislocation of operations, strikes, lockouts, etc.

6.2. In case of non-compliance with a binding deadline, the customer shall grant Air Service Basel GmbH an appropriate extension of the deadline, and, in case such extended deadline is not met, shall have the right to immediately withdraw from the contract by serving written notice to that effect To Air Service Basel GmbH. In such case customer shall paying Air Service Basel GmbH full compensation for the work already performed and parts delivered. Customer shall have no claim for damages or penalties based on deadlines not met, provided, the delay is not caused by willful act or gross negligence of Air Service Basel GmbH.

7. EXCHANGE AND LOANED PARTS

7.1. Exchange basis: If the customer is supplied with exchange parts, he shall return the off-core parts to Air Service Basel GmbH within 10 days of the receipt of such exchange parts. The costs of exchange shall be determined in advance by the manufacturer of the parts or by Air Service Basel GmbH. If the expense of repairing the returned off-core parts exceeds the cost of the exchange, the customer shall be charged with the difference by supplementary invoice. If for any reason whatsoever the customer returns a part remitted to him by Air Service Basel GmbH without having used it, such part shall only be accepted if serviceable upon arrival at Air Service Basel GmbH. The customer shall in addition be charged with a restocking fee and recertification charge of 15% of the part's current list price. If a returned part is found to be defective, the customer shall be charged with the cost of repairing it by supplementary invoice. If the part is not repairable, the customer shall be debited with the full sales price.

7.2. Loan basis: So far as loaned parts are concerned, the provisions of the Air Service Basel GmbH standard loan agreement shall be applicable even in cases in which no such agreement is specifically concluded. Loaned parts shall be returned serviceable in any event. If such is not the case, the repair costs or, if repairs are not cost-effective, the replacement cost of loaned parts shall be charged to the customer.

8. ACCEPTANCE BY THE CUSTOMER

8.1. The customer or his representative shall be deemed to have accepted the subject of order upon taking delivery of the same. Delivery shall be effectuated at the place of performance of work. Air Service Basel GmbH shall not be obliged to verify the authorization of the person taking delivery.

8.2. Shipment of the subject of order to customer, including temporary storage of the same en route or at destination, shall be entirely at the risk and to account of customer.

8.3. The customer shall be deemed to be in default if he fails to take delivery (against payment of the pertaining invoice, if applicable) of the subject of the order within three days of being notified of the completion of the work. In case of default of customer Air Service Basel GmbH shall be entitled to invoice the customary storage charges. Further, Air Service Basel GmbH shall have the right to store the subject of the order, at customer's expense and risk, outside the hangar, workshops and tarmac areas under its control.

9. RIGHT OF LIEN

9.1. In respect of all claims, whether due or not, resulting from contractual relations with customer, Air Service Basel GmbH shall have, in addition to its legal right of retention, a contractual right of lien on objects in its possession which are the property of its customer irrespective of customer's proprietary rights. Customers shall be held responsible for the right to grant such lien. Air Service Basel GmbH shall be entitled to enforce such right of lien for the purpose of securing any of its claims against customer.

9.2. The contractual right of lien shall entitle Air Service Basel GmbH to sell any objects in its possession, belonging to customer, on the open market no earlier than two weeks after having served written notice to customer advising him of its intended action, always provided, that by that time the respective claims have not been met by customer, and to use the sale's proceeds to cover its costs and open claims. To effectuate such sale Air Service Basel GmbH shall not be required to obtain an enforceable writ or to comply with the regulations governing forced sales.

10. WARRANTY

10.1. Air Service Basel GmbH warrants the proper execution of work and the absence of defects in functionality and quality in new parts installed or delivered in accordance with the specifications as set forth in the written contract or the acceptance of order and with the state of the art and technology at the time of completion or delivery.

10.2. The warranty by Air Service Basel GmbH shall be limited to the repair or replacement of faulty work or defective parts at the exclusion of any further statutory or other claims of customer such as reduction of price, rescission or damages.

10.3. The warranty shall be valid for a maximum duration of 90 days from the date of (a) delivery of the completed work or parts to customer or (b) three days after customer has been notified of completion of work or (c) the completion of 150 flying hours of the aircraft comprising the work performed and/or the parts delivered, whichever occurs earlier. Customer shall immediately after their receipt inspect the work performed and/or the parts delivered and shall forthwith notify Air Service Basel GmbH in writing or by facsimile of any deficiencies which may fall under the warranty. In case of deficiencies not immediately discernible, customer shall notify Air Service Basel GmbH in writing or by facsimile immediately upon their discovery and within the warranty period set out above. If customer fails to so timely notify Air Service Basel GmbH any claims of customer under the warranty shall be forgone and unenforceable. No claims under the warranty shall be admissible for any deficiencies discovered after the warranty period.

10.4. No warranty claim shall be admissible if the respective deficiency is a result of negligent acts or omissions by customer or his employees or agents or is due to the non-compliance with applicable operating instructions, maintenance regulations by the customer, his employees or agents. In addition, no claims under warranty shall be admissible if the customer himself carries out, or causes third parties to carry out, work to repair deficiencies without prior written approval by Air Service Basel GmbH.

10.5. To the extent permitted by applicable law there shall be no warranty whatsoever in connection with used parts or parts delivered by customer or makeshift repairs installed or performed at the request of customer.

10.6. In case of work performed by subcontractors or installation of parts procured from third parties, Air Service Basel GmbH warranty shall be limited to the extent of warranty provided by such subcontractors and third parties.

11. LIABILITY AND INSURANCE

11.1. Air Service Basel GmbH shall not be liable to customer for any direct, indirect or consequential damages (particularly in case of malfunction or damage to the subject of the order or of theft during the time in which the subject is in the custody of Air Service Basel GmbH) irrespective of any legal basis customer might have, except if the cause for damages lies in acts or omissions of gross negligence or malicious intent on the part of Air Service Basel GmbH. Air Service Basel GmbH recommends customer to remove all valuables.

11.2. The extent of liability, if any, shall be limited in any event to the total amount of the invoice payable by the customer for work performed by Air Service GmbH.

11.3. Customer shall be liable to Air Service Basel GmbH for any damage which he or his employees or agents may cause.

11.4. Customer shall hold harmless and discharge Air Service Basel GmbH from any third-party claims that may be raised against Air Service Basel GmbH for any legal reason whatsoever in connection with any work carried out or any parts delivered by Air Service Basel GmbH to the customer's order and shall assume any expenses, including but not limited to all costs of defense against such third party claims, that may occur.

11.5. Air Service Basel GmbH shall not be obliged to insure the subject of an order remitted to it. Customer alone shall be responsible for procuring insurance protection for the subject of an order.

12. CONCLUDING PROVISIONS

12.1. The invalidity of one or several provisions of these General Terms shall not affect the validity of the remaining provisions.

12.2. These General Terms shall apply also to any changes, amendments and extensions of the original contractual relationship with the customer even if they are not explicitly reiterated.

13. APPLICABLE LAW / PLACE OF JURISDICTION

13.1. All offers, acceptances of orders and contractual relationships made or entered into by Air Service Basel GmbH to or with customer within the area of application set forth in Section 1.1, above, as well as these General Terms the provisions under this Section 13 shall in all respects be subject to and governed by **Swiss substantive law to the exclusion of the rules set forth in the United Nations Convention on the International Sale of Goods.**

13.2. For all disputes arising out of or in connection with offers, acceptances of orders and contractual relationships made or entered into by Air Service Basel GmbH to or with customer **the place of jurisdiction shall be the ordinary Courts of the Canton of Basel-Stadt, Switzerland.**