

# **General Terms and Conditions (GTC)**

## **for Goods Deliveries and Services of Ascend Aviationgroup GmbH**

### **Work on the aircraft**

#### **1. General, scope of application**

(1) All of our deliveries of objects (e.g., spare units, spare parts, operating materials), hereinafter the Delivery, as well as all our services on aircraft and other objects, hereinafter the Service, both hereinafter also the Delivery/Service, shall be based on the following GTC. Deviating terms and conditions of the client shall only apply if they have been specifically approved by us in text form beforehand; our unconditional Delivery/Service to the client shall not constitute such an acknowledgement. Individual agreements shall take precedence over these GTC. Subject to proof to the contrary, text form (§ 126b of the German Civil Code (*Bürgerliches Gesetzbuch*; BGB) shall be required for the content of such agreements. Setting of deadlines, notices of defects, declarations of withdrawal, and reduction of the purchase price by the client shall require text form to be effective (§ 126b BGB). Other notifications and declarations by the client may be made in text form (e.g., fax or email).

(2) Additionally, the statutory provisions on the contract of sale in accordance with the German Civil Code shall apply to our Deliveries of objects, and the statutory provisions on the contract for work and services in accordance with the German Civil Code shall apply to our Services on aircraft and other objects.

(3) These GTC shall apply to our business relationships with consumers and companies. If these GTC contain any provisions that can only be agreed with an entrepreneur but not with a consumer, these are explicitly agreed with the entrepreneur; for consumers, the statutory provision shall then apply instead of the respective provision in these GTC.

#### **2. Quotations/order confirmation**

(1) Unless otherwise agreed, our quotations (or cost estimates) shall be non-binding/subject to change. Any orders and any other agreements, including any amendments or supplements to them, shall only become binding upon us upon our confirmation in text form. The delivery note or our invoice shall also be deemed such confirmation. Changes to the execution of the order by us that are technically or legally necessary and reasonable for the client shall be permitted even after conclusion of the contract if we have pointed this out upon Delivery or acceptance of the Service. This shall also apply to any changes to the specifications imposed by the manufacturer or an aviation authority after the order has been placed.

(2) We shall bear the costs of preparing our cost estimate. Notwithstanding the above, the client shall settle our necessary expenses of a special nature for the disassembly, e.g., of parts of the aircraft, as well as any extensive costs for examination, if we inform the client of these in advance; the client shall also settle these special costs if it does not place the order with us, no matter the reason. Unless otherwise agreed from case to case, our current hourly rates at the time of preparation of the cost estimate shall apply.

#### **3. Terms and conditions of Delivery and Service, default of Delivery and Service, default of acceptance**

(1) The state of the art at the time of placement of the order shall be decisive unless mandatory provisions stipulate otherwise. The respective current specifications/bulletins issued by the manufacturer or an aviation authority must be observed at all times; the client must make these available to us. Any order placed with us shall include the authorisation to inspect the subject of the order, e.g., engine test runs or test flights. We shall have the right to charge subcontractors in the context of this order.

(2) If the client requires any third-party technical inspections, e.g., by aircraft inspectors, for acceptance, or if such inspections are required by law or for restoration of airworthiness or flight safety, the client shall charge these separately. The client shall bear the reasonable material and personnel costs incurred in the process.

(3) Unless otherwise agreed, our Delivery/Service shall be effected from the Burbach/Siegerland Airport location, which shall also be the place of performance and the place where any subsequent performance provided by us shall take place. Notwithstanding the above, we shall have the right to determine the type of dispatch (in particular transport company, dispatch route, packaging) for delivery objects.

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(4) The delivery and service period shall be agreed separately. If the scope of the order increases as compared to the original order, the delivery or service period shall be extended accordingly. The delivery date for deliveries of objects shall be the date of posting for dispatch. If dispatch of the deliveries of objects is delayed without any fault on our part, the day of provision shall be deemed the day of Delivery. Partial Deliveries/Services shall be permissible as far as the client can reasonably be expected to accept them, under consideration of all circumstances.

If we are prevented from timely Delivery/Service by events that are not due to our fault, the delivery/service period shall be extended appropriately; the client will be informed of the expected new period. Events for which we are not at fault shall include, among other things, industrial disputes, disruptions in our own operations that could not be prevented in spite of reasonable care, theft, disruptions at transport companies, disruptions of transport routes, shortages of raw materials, official interventions/measures, extreme weather conditions, riots, sabotage, armed conflicts, or terrorist acts. Failure of our suppliers to deliver to us on time without any fault on our part shall also be deemed an event beyond our control; in return, we shall be obligated to assign our claims for compensation against our suppliers or third parties in the corresponding amount to the client upon the client's request. If the client finally fails to obtain indemnification from our supplier, we shall nevertheless be liable on a subsidiary basis in accordance with these GTC following assignment. This shall not include any extension of the limitation period.

(5) If an event within the meaning of paragraph 4 occurs without any fault on our part, we may withdraw from the contract subject to exclusion of any further claims of the client after expiration of an expected new delivery and service period declared by us. If the delayed Service is of no interest to the client as a result of the delay, the client may withdraw from the contract subject to exclusion of any further claims. The provisions of paragraph 2 of item 2 shall not be affected by this.

(6) If we enter default of delivery/service, the client may demand flat-rate compensation for any damage caused by the default. The flat rate for damages shall amount to 0.5% of the order value, excluding value-added tax (VAT) for every completed calendar week (pro rata temporis, if applicable) of our debtor's default, up to a maximum total of 5% of the order value excluding VAT. We reserve the right to prove that the client has not incurred any damage or that the damage incurred is significantly less than the above flat rate. Assertion of a claim for specific damages in excess of this flat rate shall be excluded, except in cases of intent or gross negligence.

(7) If the client has entered default of acceptance, if the client fails to render a cooperating action, or if our Delivery/Service is delayed for any other reasons for which the client is at fault, we shall have the right to store the delivery object, the aircraft, or the other object at the client's risk (if necessary also outdoors). We may charge a flat-rate compensation of 0.5% of the order value excluding VAT for every completed calendar week (pro rata temporis, if applicable) of the default of acceptance, starting at the delivery and service deadline, in the absence of a deadline commencing at the request for cooperation or the notification of completion of the order; proof of any specific damage shall not be required. The right to prove that a higher damage has been incurred and our legal claims shall not be affected by this. The client shall have the right to prove that we have incurred no damage or a significantly lower damage than the above flat rate. Assertion of a claim for specific damages in excess of this flat rate shall be excluded, except in cases of intent or gross negligence. Without prejudice to any further claims, we shall also have the right to withdraw from the contract regarding any partial Services not accepted in time.

(8) If the client makes use of its right of termination in accordance with § 649 (1) BGB due to our Service on the aircraft or any other objects, we may demand 15% of the agreed price as a flat-rate payment if we have not yet started the Service. If we have commenced execution, we may demand 80% of the agreed price as a flat-rate payment. We have the right to prove that the actual statutory remuneration incurred is higher. The client has the right to prove that the actual statutory remuneration incurred is lower.

(9) If the client is not the owner of the object of the order, it shall be obligated to disclose the owner to us. Upon request, it shall submit its permission to place the order to us. Until that time, we shall have the statutory rights of retention.

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### **4. Acceptance of Services, documentation**

(1) Acceptance of our Services on aircraft and other objects (the latter, as far as they can be accepted) shall take place following a successful functional test by the client or, if necessary, the expert to be involved. Acceptance shall be recorded. The functional test shall be deemed successfully completed if our Service meets the contractually stipulated requirements in all essential aspects. Non-substantial deviations from the contractually specified requirements detected during the functional test shall not entitle the client to refuse acceptance. The place of acceptance shall be Siegerland Airport/Burbach. If we have performed the Service in any other location in accordance with the order, acceptance shall take place there.

(2) If the client requests acceptance within the meaning of para. 1, we may set a deadline of two weeks in writing for submission of the notice of acceptance. After unsuccessful expiry of this period, acceptance shall be deemed performed, our remuneration for the Service shall fall due, and the risk shall pass (see item 5) if we have referred to this legal consequence in case of unsuccessful expiry of the period when setting the above deadline.

(3) Upon request, the client shall receive the required technical documentation both electronically as a PDF and as a hardcopy to be deposited in the aircraft.

(4) We are not obligated to verify the authorisation of the person collecting the client's aircraft or their flight authorisation.

### **5. Passing of risk**

The risk of accidental loss or deterioration of our Delivery/Service shall pass to the client upon Delivery of the delivery object or upon acceptance of our Service. In case of sale by delivery to a place other than the place of performance, the risk of accidental loss and deterioration as well as the risk of delay shall pass upon handover at the place of dispatch at delivery of the delivery object to the person or institution designated to perform the shipment already. If dispatch of the Delivery is delayed without any fault on our part, the delivery objects shall be stored at the client's expense and risk; in this case, notification to the client of readiness for dispatch shall be equivalent to dispatch. If any delivery objects are taken back, the client shall bear the risk until they are received by us.

### **6. Prices**

(1) Unless otherwise agreed from case to case, our hourly rates applicable at the time of conclusion of the contract shall apply.

(2) Unless otherwise agreed, our prices shall be ex Siegerland Airport/Burbach, excluding packaging, freight, customs duties as well as import taxes and other public charges, plus the respective statutory VAT. We may demand reimbursement of reasonable travel and accommodation costs for Services at another location.

(3) If there is any period of more than two months between the time the order is placed and the time the Delivery is due and if the wage, material, or energy costs change by more than five percent during this period, either contracting party shall have the right to adjust the price accordingly. This shall be determined in accordance with how the relevant cost factor, which we must disclose in case of a justified price adjustment, will change the total price.

### **7. Invoice, payment, lien**

(1) We may also produce our invoices electronically and transmit them to the client electronically. Our invoices shall be payable and due within two weeks of the date of invoice in the case of Delivery of objects, and within two weeks from the date of acceptance of the Service in the case of Service on aircraft or other objects. No discount will be granted unless agreed differently. The client shall enter default upon expiry of the above payment deadline. If receipt of the invoice is disputed, the client shall enter default without a reminder at the latest three weeks after Delivery or acceptance of the Service. The possibility of otherwise establishing default as well as the right to claim commercial interest on the due date shall not be affected.

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(2) All payments shall be made in euros. They shall be made non-cash and free of charge to the paying agents specified by us. We do not accept any other means of payment. Offsetting against our claim shall only be permitted if the client's counterclaim has been legally established or is undisputed.

(3) Payments shall always be credited first to costs, then to interest, then to the client debt, specifically first to the debt not titled, then to the older debt. The client shall not have any right to withhold or offset payments due to any counterclaims, including any claims for liability for defects, unless the counterclaims are undisputed or have been legally established.

(4) We may declare all our claims due immediately in case of circumstances that become known to us following conclusion of the contract and that give rise to any justified doubts regarding the client's creditworthiness. This shall apply in particular in case of a credit rating downgrade by credit information files (starting at a credit rating classification as "strained") or in case of at least a comparable deterioration of the rating in our trade credit insurance. We may then demand advance payment; the client may instead demand concurrent performance at our Burbach location.

(5) We shall be due a contractual lien in the objects that have come into our possession based on the order regarding any claims arising from the order against the client. Such contractual lien may also be asserted regarding any claims arising from Deliveries and Services previously performed, as far as they are related to the object of the contract. For any other claims arising from the business relationship, the contractual lien shall only apply as far as these are undisputed or subject to a legally binding title, and provided that the object of the order belongs to the client.

## **8. Liability for defects**

(1) Regarding delivery objects (defect of material): Our liability for defects for used delivery objects shall be excluded entirely; for consumers, it shall be twelve months. Our liability for defects for new delivery objects shall expire after twelve months, except towards consumers; deviating from this, any claims for damages by the client due to defects of material shall expire after fifteen months. The period of limitation shall always commence upon passing of risk to the client. The above shall also apply to any contractual and non-contractual claims for damages of the client based on a defect in the Delivery, except if application of the regular statutory limitation period would lead to a shorter period of limitation from case to case. Any claims for damages by the client due to intent or gross negligence as well as any claims under the Product Liability Act (*Produkthaftungsgesetz*) shall expire in deviation from this in accordance with the statutory limitation provisions.

If we are liable for any defects in delivery objects, we shall have the right to choose between rectification of defects and new delivery against return of the delivery objects subject to complaint. Our right to refuse subsequent performance subject to the statutory conditions shall not be affected by this. If the client wishes to withdraw from the contract, reduce the price, claim damages instead of performance, or perform the service directly, subsequent performance must have failed before, if applicable. Subsequent performance shall only be deemed failed after the second unsuccessful attempt. The statutory cases in which setting of a deadline is dispensable or unreasonable shall not be affected. If there is an insignificant defect, there shall be no right of withdrawal and no claim for damages in lieu of performance.

### (2) Regarding Services (defect in the work):

We shall first have the right to subsequent performance of our Services. If this fails, the client shall be due the other rights from defects (direct performance, withdrawal, reduction of price, damages). Subsequent performance shall only be deemed failed after the second unsuccessful attempt. The statutory cases in which setting a deadline is dispensable or unreasonable shall not be affected. In case of an insignificant defect, there shall be no right of withdrawal and no claim for damages in lieu of performance.

### (3) Regarding defects of material within the meaning of para. 1 and defects in the work within the meaning of para. 2:

(a) In case of Delivery or installation of used parts (e.g., core parts or removed parts), liability for defects shall also be excluded for part function. Assignment of the client's claims for liability for defects shall be excluded.

(b) We shall have the right to make the subsequent performance dependent on the client paying the price due. The client shall have the right to retain a part of the price proportionate to the defect. We shall bear any claims of the client

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due to its expenses necessary for subsequent performance, e.g., transport, travel, labour, and material costs, if a defect is actually found. We may demand reimbursement of the costs incurred by us as a result of an unjustified request to remedy a defect (in particular inspection and travel expenses) from the client unless the absence of the defect was not apparent to the client.

(c) We shall not assume any liability for defects regarding damage, among other things due to the following reasons: unsuitable or improper use, faulty assembly by the client or third parties, natural wear and tear, faulty or negligent handling or operation, unsuitable operating materials, or improper modifications or repairs.

(d) We shall receive the opportunity to ascertain any reported defects ourselves on site or to have them ascertained by a person authorised by us. Changes to our Delivery/Service are not permitted without our explicit consent; otherwise, any claims to liability for defects shall lapse if the defect is based on the change or this can no longer be clearly determined after the fact, unless the reasonable deadline set for us has expired unsuccessfully or if setting of a deadline is dispensable.

(e) If the client is an entrepreneur, the client must inspect the delivery objects without undue delay and give written notice of any defects without undue delay after receipt at the destination. Any hidden defects shall be reported in writing without undue delay after their discovery. A notification shall be deemed effected without undue delay if made within two weeks. Irrespective of this obligation to inspect and report any defects, the client shall give written notice of any obvious defects (including incorrect or short delivery) within two weeks of receipt at the place of destination. Timely dispatch of the notification shall be sufficient for compliance with the time limit in accordance with (e). Our liability for the non-disclosed defect shall be excluded in case of a breach of the above regulations.

## **9. Limitation of liability**

(1) Our liability as well as the liability of our bodies and vicarious agents shall be limited to violation of essential contractual obligations and to the foreseeable damage typical for the contract; this shall also apply in cases of gross negligence, except for cases of injury to life, body, or health. This shall not imply any change to the burden of proof to our client's detriment. Claims for damages under the Product Liability Act shall not be affected.

(2) We shall not be liable for the additional content of aircraft unless this has been provided to us for special safekeeping. Our liability as well as the liability of our bodies or vicarious agents for damage, no matter the legal grounds, shall otherwise be limited to the maximum amounts specified below, unless we are liable due to culpable breach of essential contractual obligations. In the latter case, we shall only be liable for the reasonably foreseeable damage typical for the contract. Furthermore, we or our bodies or vicarious agents shall be liable for damage caused intentionally or by gross negligence as well as for injury to life, body, or health.

The remaining liability of us or our bodies or vicarious agents for negligently caused damage shall be limited to the amount of the typical and foreseeable maximum total for comparable transactions of this type, up to the following maximum totals:

In the scope of aviation product liability:	€ 3.0 million.
In the scope of the duty of safekeeping:	€ 500,000.00

(3) The provision of item 9, paragraphs 1 and 2, shall apply to damages in addition to performance as well as in lieu of performance, no matter the legal grounds, in particular in connection with any defects, consequential damages, breach of obligations arising from the contractual relationship or from tort as well as in the case of reimbursement of futile expenses (for delay of delivery, see item 3.).

## **10. Retention of title**

(1) Except in the case of a transfer of title by operation of law, the individual delivery object in the case of Deliveries and the objects installed by us in the case of Services (both hereinafter the Reserved Goods) shall remain our property until they have been paid for in full. If the realisation value of the Reserved Goods exceeds the total of our claims by more than ten percent, we shall be obligated to transfer title at this extent at the client's request; we shall choose the Reserved Goods to be transferred specifically. The installation parts replaced by us shall become our property unless otherwise agreed with the client.

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(2) Even while the Reserved Goods are still our property, the client or us, on behalf of the client, shall have the right to process them, mix them with other objects, combine them, or resell them in the ordinary course of business, provided that the client is not in arrears with any claim arising from the business relationship with us. The resale shall then be subject to retention of title by the client.

(3) If the client processes our Reserved Goods to form a new movable object, such processing shall be performed for us without us being obligated as a result of this, in particular free of charge for us. The new object shall become our property. In case of combination, mixing, or processing with any goods that do not belong to us, we shall acquire joint title in the new item in proportion to the value of our Reserved Goods to the total value of the processed, combined, or mixed objects. If the client acquires sole title by combination, mixing, or processing, it hereby transfers joint title to us in proportion to the value of the Reserved Goods to the other goods at the time of combination, mixing, or processing. In such cases, the client shall store the object owned or co-owned by it, which shall also be deemed to be Reserved Goods within the meaning of these provisions, free of charge.

(4) The client hereby assigns all claims, including VAT, that accrue to the client from use of the Reserved Goods to us in advance. The client shall only have the right to additionally assign to a factor in advance if it is established that the factor grants us priority in rem, or it is certain that it will pay out with certainty and only to us after the purchase. If our Reserved Goods are sold or used together with any other objects/shares of joint title that do not belong to us, the assignment shall only include that part of the claim that corresponds to the ratio of the delivery value of the Reserved Goods to the delivery value of the objects that do not belong to us. The client's authorisation to sell or process the Reserved Goods in its ordinary course of business shall expire in case of revocation by us, in the absence of which it shall expire at the latest in the event of payment arrears by the client of more than one month or in case of significant deterioration in the client's financial circumstances (see item 7, paragraph 4). If the client has sold the claim within the scope of genuine factoring, it hereby assigns the claim against the factor that takes its place to us. If the purchaser pays into one of the client's bank accounts, the client hereby assigns the claim arising from the credit towards its bank to us. We accept all of the above assignments.

(5) The client shall be authorised to collect the assigned claims as long as it meets its payment obligations. The authorisation to collect shall expire upon revocation by us, without which it shall expire at the latest if payment arrears in the amount of more than one month are incurred by the client or if a significant deterioration in the client's financial circumstances occurs (see item 7, paragraph 4). Our authority to collect the assigned claims directly shall not be affected in any case. We shall have the right to inform the client's purchasers of the assignment and to demand payment to us as long as insolvency proceedings have not yet been opened against the client's assets and there are no opposing orders from the insolvency court. Upon request, the client shall always be obligated to provide us with a precise list of the claims to which we are entitled, including the names and addresses of its purchasers, the amounts of the individual claims, invoice details, etc., and to provide us with all information necessary for assertion of the assigned claim, and to permit verification of this information.

(6) In case of any breaches of obligations by the client, e.g., in case of payment arrears in an amount exceeding one month or cessation of payments, we shall have the right, without setting a deadline, to take possession of the delivery object, to satisfy ourselves freely by realising the delivery object, and to enter the client's premises for this purpose, as long as insolvency proceedings have not yet been opened against the client's assets and there are no opposing orders from the insolvency court. The resulting costs shall be borne by the client. If we take back any delivery objects based on retention of title, this shall only constitute withdrawal from the contract if we explicitly declare this or realise the goods.

(7) Pledges or transfers of title in a delivery object or the claims assigned to us by way of collateral are not permitted. The client must inform us of any access by third parties to the Reserved Goods or to the claims assigned to us (e.g., seizures or other interventions by third parties) without undue delay. The costs of any interventions against the access of third parties shall be borne by the client, as far as they are not reimbursed by the third party.

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(8) The client shall store the Reserved Goods for us free of charge. It shall insure them adequately against the usual risks (e.g., loss, destruction, damage). The client hereby assigns its claims for compensation that it is due against any insurance companies or other parties liable to pay compensation from damage of the above kinds to us in the amount of the value of the security property. We hereby accept this assignment.

**11. Data protection**

As far as this is necessary for processing of the order, we or the third parties charged by us shall collect, process, and use the personal data of the persons acting on behalf of the client or the client's data, e.g., name, address, and contact details such as email and phone number. As far as this is not necessary for execution of the order, we shall only pass such data on to any third parties with the consent of the data subject.

**12. Effectiveness, applicable law, place of performance, place of jurisdiction**

(1) If any individual provisions of these GTC are or become void wholly or in part, the remaining GTC shall remain effective nevertheless. The contracting parties shall then agree on a provision that comes as close as possible to the legally invalid one by way of a supplement. The statutory provision shall apply in the absence of this.

(2) The contractual relationships between the client and us shall be subject to the law of the Federal Republic of Germany exclusively, subject to exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG). The place of performance for Deliveries/Services and payments shall be our registered office under corporate law. The place of jurisdiction, including for disputes regarding the validity of the contract, these GTC, or this agreement on the place of jurisdiction, shall be the court with subject-matter and local jurisdiction for our registered office under corporate law. However, we shall have the right to sue at the client's general place of jurisdiction in deviation from this. If the contract is drawn up in multiple languages, the contract drawn up in the German language shall be the original.

09/21