

GENERAL TERMS & CONDITIONS OF SALES

Effective January 1st 2021

1. Introduction

These General Terms and Conditions form an integral part of the contractual relationship between Aerolite AG ("Aerolite") and the customer (the "Customer"). They apply to all contracts, orders and order change requests between Aerolite and the Customer. Any deviating terms and conditions of the Customer are only binding on Aerolite if expressly agreed in writing.

2. Quotations

Quotations are based on the conditions and assumptions that the aircraft is in airworthy condition; there is adequate space; the structure will handle the additional loads; that the existing electrical power will accommodate the new installations; the aircraft airframe and system configurations data provided to support the contract match the aircraft to be equipped; the existing structure will not have to be tested or modified in order to perform the scope of the agreement. In case of deviations Aerolite does not assume any liability regarding additional costs and delays.

All quotations are valid for 30 days from the issue date onwards. Customer, by signature on the acceptance page of the quotation or by confirmation of the order as offered accepts the Terms and Conditions of Sales as outlined, unless other prior arrangements have been established in writing.

3. Order Confirmation

Any order by the Customer is binding only if confirmed by Aerolite in written form (the "Order Confirmation").

The Customer must notify Aerolite immediately of any discrepancies between its order and the Order Confirmation, by failing the Order Confirmation is deemed accepted by the Customer.

4. Disclosure of Information

Both contracting parties retain the right to any respective party details, plans, designs, technical information documentation that they have provided to the other party. The contracting party in receipt of such information recognizes these rights and without the prior written authorization of the other party will not make such information available, either partly or in full, to any third party or use this information for any purpose other than that for which it was provided.

Any information provided by an Original Equipment Manufacturer (OEM) used to perform the work scope of the contract are proprietary protected by its origin issuing organization and will not be disclosed to the customer.

5. Prices and Exchange Rates

All prices are expressed in net terms, excluding taxes and charges (VAT, duties etc) and FCA Aerolite Ennetbürgen (Incoterms 2020). Packaging is invoiced separately by Aerolite at actual cost. If a currency other than CHF is stipulated in the contract, Aerolite reserves the right to adjust the final price based on the published Price Indexes at the time of issuing the final invoice. A down payment of 50% of the total sales volume price as per agreed work scope is required prior any work is commenced by Aerolite.

6. Terms of Payment

All pricing is in Swiss Francs. Payment in full, including any additional amounts associated with additional work is due within 30 (thirty) days of the invoice date without any deductions at issuing of the certification document and/or sign-off of the aircraft acceptance document, unless other prior arrangements have been established. Acceptable methods of payment are confirmed company check and wire transfer. Overdue Payments will be subject to 5% interest payment per year without prior notification.

7. Reservation of Title; Security Interest

Aerolite is entitled to withhold delivery of any goods if, at the time delivery is to be made, a payment is overdue by the Customer.

[For Customers outside of the United States:] The items supplied remain the property of Aerolite until full payment of all current and future obligations under the contract. Aerolite retains the right to post the entry in the register for reservation of title. The Customer may only sell or mortgage the items supplied if all payment obligations have been completely fulfilled.

[Customers located in the United States:] As security for the timely payment and performance of all amounts due by the Customer to Aerolite, the Customer hereby grants to Aerolite a first priority security interest (the "Security Interest") in the supplied items following delivery thereof to the Customer ("Collateral"). The Security Interest shall remain in force until payment in full of the entire purchase price for the supplied items or services and any other amounts due to Aerolite by the Customer has been effected. If requested by Aerolite, the Customer shall deliver to Aerolite, in form and substance satisfactory to Aerolite, and duly executed as required by Aerolite, such financing statements and other security interest perfection documentation, duly filed under the UCC in all jurisdictions as may be necessary, or in Aerolite's opinion, desirable, to perfect Aerolite's Security Interest in the Collateral, in order to establish, perfect, preserve and protect the Security Interest as a legal, valid and enforceable security interest and lien, and all property or documents of title, in cases in which possession is required for the perfection of the Security Interest.

8. Change of Orders

All contract work is based upon the contractual information available at effective contract date. Any work requested that is not part of the contract will be charged based on the published rates of Aerolite at the time of the change request, unless other prior arrangements have been established.

Such additional work may extend the agreed delivery date without specific notification by Aerolite. The same principles apply if contracts are to be amended or orders have to be adapted to new governmental regulations or request of suppliers.

9. Delivery and Service Dates

Unless formulated in writing and signed-off as part of an agreement or proposal issued by Aerolite in respect of delivery or service dates or deadlines are non-binding and only indicative.

In addition, Aerolite cannot be held liable for any schedule delay if the Customer, including but not limited to, unilaterally changes its original order or scope of work, fails to comply with its contractual duties, such as timely providing Aerolite with all information and material necessary for carrying out the order or fails to give Aerolite access to the aircraft in the configuration as agreed.

10. Dispatch and Risk Liability

Every shipment is delivered to the Customer with a dispatch note containing details of the relevant order number and any other information required to be compliant with the import, export and custom declaration requirements. Special requests with regard to dispatch, packages, transport and insurance must be communicated to Aerolite in writing and in a timely manner. Such expenses are charged back to the customer. Risk is transferred to the customer per Incoterms 2020.

11. Order Cancellation

Customer is liable to pay 50 per cent of the agreed contract price in case of an order cancellation or any such amount which exceeds 50 per cent because of work already performed by Aerolite. The same principle applies to partial cancellations cancellation of individual work packages.

12. Place of Performance

Unless otherwise agreed, the place of performance is at the domicile of Aerolite, 6373 Ennetbürgen, Switzerland.

13. Warranty

Aerolite warrants for a period of 24 months from the date of delivery that the works delivered to the Customer (the "Warranty Period") are free from defects in material and workmanship.

Defects or malfunctions attributable to (i) misuse, failure to strictly follow Aerolite's warnings and instructions, negligence, unqualified handling, maintenance or unauthorized repair, or (ii) any other circumstances attributable to the Customer or third parties following delivery of the items to the Customer are excluded from this warranty. This warranty becomes void if the Customer modifies, maintains or repairs the supplied works or any parts thereof or allows modifications, maintenance and repairs to be performed by any third party or in any manner not authorized by Aerolite.

Upon delivery of the works, the Customer shall thoroughly inspect the supplied works for accuracy, completeness and suitability for the intended purpose. Any defects that are or could have been discovered by such inspection must be reported to Aerolite in writing within 14 days of delivery of the items, and all other defects must be reported in writing within 30 days of discovery but in any case within the Warranty Period. Otherwise, any and all of the Customer's rights and remedies in connection therewith shall lapse.

The Customer's notice of any defects does not relieve the Customer from its obligation to pay for and accept delivery of all delivered works. The burden of prove that the delivered works are defective lies with the Customer. The Customer shall cooperate fully with Aerolite in investigating any such defect.

In case of breach of the warranty, Aerolite's sole obligation is, at Aerolite's option, to correct, repair or replace any defective item.

THE WARRANTY SET FORTH IN THIS SECTION 13 IS MADE IN LIEU OF ALL OTHER WARRANTIES (WHETHER EXPRESS OR IMPLIED). ALL SUCH OTHER EXPRESS OR IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE EXPRESSLY, DISCLAIMED.

14. Duty of Examination / Duty of Notification

The Customer must notify Aerolite of any defect without undue delay using the defect occurrence report from the Aerolite Operators Manual (OPM) when applicable. Any defect in design must be notified to Aerolite within 30 days of the time when the Customer discovers, or ought to have discovered, the defect, but not later than 90 days from delivery.

The notification must be in writing and specify the alleged defect(s). If the Customer fails to comply with the above duties of examination and/or notification, the delivered works will be deemed accepted by the Customer.

15. Rights

Aerolite retains all rights in respect to developments, inventions, production processes and any intellectual property rights relating to the subject of the contract. No patent, copyright, or other intellectual property rights are granted to the Customer by the contract or the works delivered.

16. Liability

Aerolite shall not be considered to be in default nor to have breached any of its obligations hereunder, and no liability shall be incurred or assumed by Customer for any change in delivery schedule due to any cause not reasonably within the control of Aerolite, including, but not limited to, fire, explosion, riots, acts of God, civil disturbances, strikes, war, orders of Government and labour difficulties, delays in the delivery of vendor parts or equipment, or delays or new certification request by any Certification Authority.

The liability of Aerolite and its directors, officers, employees, shareholders, affiliates, suppliers, contractors, agents and representatives for any damages, whether derived from torts, breaches of contract, culpa in contrahendo, positive breach of duty or any other legal theory, (collectively, "Damages") shall be limited to the price payable by the Customer for the supplied works or services that causes such liability, unless the Damages have been caused by willful misconduct or gross negligence. Without limited the foregoing, to the maximum extent permitted by law, Aerolite shall not be liable to the Customer or any third party for any consequential or indirect damages, including without limitation lost profits, loss of use, costs of procurement or substitute goods or services or for any indirect, or punitive or other non-compensatory damages.

17. Indemnification by the Customer

The Customer agrees to defend, hold harmless and indemnify Aerolite and its directors, officers, employees, shareholders, affiliates, suppliers, contractors, agents and representatives ("Aerolite Indemnitees") from and against any and all liability, claims, lawsuits, losses, demands, damages, costs and expenses, including without limitation attorney's fees and costs, expert's fees and costs, and court costs, and in each case as such costs are incurred ("Losses"). (i) arising directly or indirectly out of any misuse, unqualified handling, maintenance or unauthorized repair of, or the Customer's or any third party's negligence or failure to strictly follow Aerolite's warnings and instructions with respect to, the supplied works, irrespective of whether such claim alleges personal injury, product liability, strict or absolute liability, breach of contract or implied contract or warranty, or any other claim of any nature on any theory of recovery; or (ii) arising out of any other act or omission in connection with the supplied work or the aircraft in which the supplied work is installed for which the Customer or any of its agents is responsible.

Aerolite will promptly notify the Customer of any claim, suit or proceeding that the Customer may have indemnification obligations with respect to under this Section, provided, however, that any failure by Aerolite to provide prompt written notice hereunder shall excuse the Customer only to the extent that the Customer is prejudiced by such failure to give notice. Aerolite shall cooperate with the Customer with regard to the defence of any suit or threatened suit. The Customer may assume control of the defence of any such claim, proceeding or suit and shall have the authority to settle or otherwise dispose of any such suit or threatened suit, and to appeal any adverse judgment which may be entered, except that the Customer must obtain Aerolite's prior written consent to any settlement unless the settlement involves solely the payment of money and all of such payment is payable by the Customer, its insurers, and parties other than the Aerolite Indemnitees.

18. Governing Law and Place of Jurisdiction

These General Terms and Conditions are governed by Swiss substantive law. The application of the 1980 "United Nations Convention on Contracts for the International Sale of Goods" is excluded. The parties submit to the exclusive jurisdiction of the courts at Aerolite's statutory domicile in Switzerland to settle any dispute which may arise out of, or connection with, these General Terms and Conditions.