

JET AVIATION EMEA + ASIA

General Terms of Purchase

24.06.2015

1. AREA OF APPLICATION

- 1.1 The General Terms of Purchase set out hereinafter shall apply, unless otherwise agreed in writing, to all performance of our orders including but not limited to purchase contracts, agreements for logistics services, contracts for work and services contracts. Supplier's acceptance of the order by any means, including by conduct, shall constitute acceptance of these terms. Jet Aviation will not recognize differing terms and conditions of the Supplier unless Jet Aviation has explicitly consented to their applicability in writing.
- 1.2 Each individual Jet Aviation facility shall be deemed to be a separate, independent unit under the present terms. Commitments entered into by a Jet Aviation unit shall be valid only with respect to the relevant unit and shall not be attributable to any other unit of Jet Aviation Group of Companies.

2. GENERAL DEFINITIONS

- 2.1 The term "Jet Aviation" means the Jet Aviation facility placing the purchase order.
- 2.2 The term "Supplies" may refer to goods, products, works or services, reports, data and other personal or intellectual property ordered or deliverable hereunder as the context so requires.

3. PURCHASE ORDER

- 3.1 Purchase orders shall be referred to as 'PO' and means the agreement whereby Jet Aviation agrees to purchase and Supplier agrees to sell the Supplies, consisting of the terms specified on the face page hereof and the Terms of Purchase set forth herein. POs can also be electronically generated and are then valid without handwritten signatures. Requests by Jet Aviation for Supplier's offers, price lists, quotes and similar will not constitute an order.
- 3.2 Any addition to, or other modification of, these terms, or in quantities, prices or deliveries contained in any acknowledgment, invoice, or other form of communication from Supplier, irrespective of whether communicated to Jet Aviation before or after receipt by Supplier of the PO or of any Supplies ordered, is hereby objected to and rejected, and shall be of no effect, notwithstanding Jet Aviation's acceptance of delivery or payment for such Supplies. Jet Aviation can at any time before receiving the acceptance withdraw the PO.

4. CHANGES

Jet Aviation shall have the right to make changes in drawings, designs, specifications, materials, packaging, time and place of delivery, method of transportation or other terms of the PO, which changes Jet Aviation shall document in writing (an "Amendment"). Supplier shall proceed promptly to make such changes in accordance with the terms of such Amendment. If an Amendment causes an increase or decrease in the cost of performance of the PO or in time required for performance, an equitable adjustment may be made, as applicable, to the price and/or the delivery schedule of the affected performance. Any claim by the Supplier for an equitable adjustment under this clause must be asserted in writing within thirty (30) days from the date of the Amendment. In no event shall Jet Aviation be liable for any claim for an increase in price after payment for the Supplies.

5. QUALITY ASSURANCE

- 5.1 Suppliers with Jet Aviation Supplier Qualification Certificate must adhere to the terms of qualification.
- 5.2 An EASA Part 21G Supplier must deliver to Jet Aviation all original production records defined in the Qualification Certificate and must keep copies of the production records for a period of three years from the production of such documentation or from finalizing relevant work activity, whichever is longer.
- 5.3 Any deviation from the approved design data occurred in production must be immediately communicated to Jet Aviation.
- 5.4 Any failures, malfunction, defects or other occurrences which cause or might cause adverse effects on the continuing airworthiness of the product, part or appliance provided by the Supplier, must be immediately communicated to Jet Aviation.
- 5.5 Supplier must immediately report to Jet Aviation any change potentially affecting the Supplies, including but not limited to:
 - a) Changes of Jet Aviation qualified personnel, facility or manufacturing process;
 - b) Change on Quality processes affecting the Supplies;
 - c) Use of subcontractors who have not been previously approved by Jet Aviation or changes in processes used to control subcontractors;
 - d) Changes in production capacity.

- 5.6 Suppliers holding an Aviation Authority Approval (i.e. EASA Part 21G, FAA Repair Station, EASA AMO Part 145 A etc.) must immediately inform Jet Aviation in the case of suspension or revocation of their Aviation Authority Approval.
- 5.7 Competent Aviation Authority has the right to gain access into Supplier's or its partners/sub-contractors/suppliers premises in order to carry out inspection/investigations as required by Aviation Regulations.
- 5.8 Supplier shall have and comply with a company Business Continuity Policy, which shall be revised and maintained proactively and as may be requested by Jet Aviation in anticipation risks relevant to the Supplier's business. The Business Continuity Policy shall identify and require Supplier's management and employees to take appropriate measures necessary to provide for the prompt recovery, including through preparation, adoption and maintenance of a disaster recovery plan, of facilities, physical assets, software, drawings, technical data, other intellectual property and/or the Supplier's business operations in the event of a security breach, incident, crisis or other disruption in Supplier's ability to use the necessary facilities, physical assets, software, drawings, technical data or other intellectual property and/or to continue its operations.

6. DELIVERY

- 6.1 Supplier understands that Jet Aviation depends upon prompt delivery and/or performance of Supplier at the time specified by Jet Aviation in order to comply with Jet Aviation's contractual obligations to third parties. Supplier shall comply with the delivery schedules but shall not without Jet Aviation's prior written consent make material or production commitments in advance of such time as Supplier reasonably believes is necessary to meet the schedules.
- 6.2 Supplies shall be delivered in accordance with the terms specified in the PO and have to be accompanied by all necessary documents for customs and similar formalities. If nothing is specified, then Supplies shall be delivered FCA Supplier's premises Incoterms 2010.
- 6.3 In case of delay of delivery Jet Aviation has the right to demand liquidated damages of 2% of the contract value per day.

7. PASSING OF TITLE

- 7.1 Title to all Supplies to be delivered hereunder shall pass to Jet Aviation when the Supplies are delivered at the delivery point specified on the face of the PO.
- 7.2 Title to all Supplies delivered hereunder shall be delivered free and clear of all liens, charges or encumbrances. If the Supplies have been either originated or designed by Jet Aviation in accordance with specifications or other data furnished by Jet Aviation, all rights to the Supplies or such other data and all rights to the reproduction, use or sale thereof are, and shall continue to be owned solely by Jet Aviation.

8. PRICES AND PAYMENTS

- 8.1 Prices indicated on POs shall not include statutory sales/value added tax, but shall include all costs and expenses like shipping as per delivery terms and packing costs, taxes, duties and similar.
- 8.2 All invoices shall reference the PO. Unless agreed otherwise, invoices shall be paid in 30 days after receipt of a correct invoice and acceptance of Supplies. Bank transfers will be made with transfer costs shared by transferor and beneficiary. Payment by bank transfers shall be considered effected when the bank account of the Jet Aviation is debited.
- 8.3 Jet Aviation may offset against any amounts due under Supplier's invoices (i) any damages resulting from Supplier's breach of the PO, (ii) any amount owed to Supplier from Jet Aviation, whether or not arising from the PO, (iii) any adjustment for non-conforming supplies and any costs occasioned thereby.
- 8.4 Jet Aviation may withhold an appropriate portion of the payment until any disputed items are resolved and/or defects in work corrected.

9. WARRANTY

- 9.1 At all reasonable times, including the period of manufacture, Jet Aviation may inspect and test the Supplies and component parts thereof, and inspect the involved plants of Supplier and Supplier's subcontractors or agents. Upon request, Supplier shall provide Jet Aviation, without cost to Jet Aviation, written or oral reports relating to the status of Supplier's performance hereunder. No such inspection, testing, delivery nor payment for the Supplies delivered hereunder shall constitute acceptance thereof.
- 9.2 Supplier warrants that that all requested certificates, documents specified in the contract or other documents which are necessary for the use of the goods or services for the intended purpose are supplied. The Supplier shall be responsible for the fact that any material certificates to be supplied comply with the applicable statutory aviation regulations and meet the requirements defined by the Jet Aviation;
- 9.3 Supplier warrants that the delivered goods, services or work performed comply with the legal regulations as well as national and international flight safety regulations, acknowledged rules of technology, any other acknowledged safety regulations as well as any other relevant accident prevention, environmental or work safety regulations;
- 9.4 Supplier warrants that the Supplies shall conform strictly to all requirements hereof including, without limitation, specifications, drawings, samples and other referenced descriptions and technical documents, and shall be of good material and workmanship (including design, if Supplier is responsible thereof) and free from other defects. All Supplies with shelf life must have at least 75% shelf life remaining. The above warranty shall expire after a period of

36 months from the date of shipment, or 24 months from the date of delivery of the aircraft to the operator, whichever is later, unless otherwise noted on the face of the PO. This entire warranty period shall recommence after redelivery pursuant to paragraph 10 below. It is upon the Supplier to prove that the Supplies are Conforming.

10. REMEDIES

- 10.1 Jet Aviation may, if the Supplies or any part or portion thereof are Non-Conforming, do any or all the following:
- (a) Reject or return those Supplies which, in Jet Aviation's judgment, fail to pass inspection or meet warranty or conform to the requirements of the PO, including with respect to timeliness of delivery. As to returned Supplies (and as to rejected Supplies, but only if Jet Aviation so directs), Supplier shall promptly, at its expense, and at Jet Aviation's election, repair or replace such Supplies, and Supplier shall also be responsible for Jet Aviation's cost of removal and reinstallation of such Supplies. Upon rejection or failure to promptly repair or replace, Jet Aviation may cancel the PO.
 - (b) Accept or retain Non-Conforming Supplies and either equitably reduce the purchase price of those Supplies or repair them at Supplier's expense. Jet Aviation reserves the right to require repayment, or effect a setoff against any amounts owed to Supplier (irrespective of whether such amounts owed are in connection with the PO or not), of any expenses incurred by Jet Aviation resulting from rejection or return and of any amount paid for such Non-Conforming Supplies pending a Conforming redelivery.
- 10.2 Acceptance of Supplies previously rejected or returned or of used Supplies may be revoked if delivery is Conforming, but is not accompanied by written notice that those Supplies were previously rejected, returned or used.
- 10.3 Any and all remedies herein specified shall be in addition to any further remedies provided in law.

11. STOP WORK

Jet Aviation may at any time by written order to Supplier require the Supplier to stop all or any part of the work subject to the PO. After receipt of Jet Aviation's notice, Supplier shall stop work in accordance with the terms thereof, taking all reasonable steps to minimize the incurrence of costs allocable to the work covered by the PO during the period of work stoppage. If Supplier believes that such suspension justifies modification of the PO price or time of performance, Supplier shall assert this in writing within thirty (30) days from the date of receiving the suspension order.

12. TERMINATION

12.1 FOR DEFAULT OF SUPPLIER

Jet Aviation may terminate the PO, or any part thereof, by giving notice of default to Supplier under any of the following circumstances:

- (a) If Supplier refuses or fails to make deliveries or perform the services within the time specified herein.
- (b) If Supplier fails to comply with any of the other provisions of the PO, or so fails to make progress as to endanger performance of the PO in accordance with its terms, and does not cure any such failure within a period of ten (10) calendar days (or such longer period as Jet Aviation may authorize in writing) after receipt of notice from Jet Aviation specifying such failure.
- (c) If Supplier dissolves, liquidates, becomes insolvent, makes a general assignment for the benefit of creditors, has a trustee or custodian appointed for itself or any material portion of its property or is subject to proceedings under any law relating to bankruptcy, insolvency or the relief of debtors, whether voluntary or involuntary.

In the event of termination by Jet Aviation as the result of Supplier's default, Jet Aviation may purchase or manufacture similar Supplies and/or require Supplier to transfer title and deliver to Jet Aviation any or all Supplies or component parts thereof produced or procured by Supplier under the PO, and Supplier shall be liable to Jet Aviation for any excess cost to Jet Aviation in generating or procuring Conforming Supplies. Jet Aviation shall be liable to Supplier only for the amount of any work accepted but not yet paid for.

12.2 FOR CONVENIENCE OF JET AVIATION

Jet Aviation may at any time, by written notice, terminate the PO or any part hereof for its sole convenience. In the event of such termination, Supplier shall immediately upon receipt of such notice stop all work and shall immediately cause its suppliers, subcontractors and agents to cease any and all work being done by them in connection herewith, unless instructed differently in the termination notice. Any claims for damages by Supplier under this paragraph must be asserted in writing in detail within thirty (30) days of receipt of Jet Aviation's written termination notice. In the event of such termination, Jet Aviation shall pay to Supplier costs incurred by Supplier determined in accordance with sound accounting practices plus a reasonable allowance for profit earned thereon; provided that Supplier shall not be entitled to any profits with respect to work and/or services performed subsequent to the effective date of such termination or performed outside of lead times for the supplies, nor shall the total termination sum payable to Supplier exceed the total PO price as reduced by the amount of payments otherwise made, and as further reduced by that portion, if any, of the PO price of work not terminated; further provided, however, that if it appears that Supplier would have sustained a loss had the entire PO been completed, no profit shall be payable hereunder and an appropriate and equitable adjustment shall be made reducing the amount otherwise payable hereunder to reflect the loss that was effectively avoided by the termination.

12.3 FORCE MAJEURE

In the event of a significant force majeure event, that materially impacts Jet Aviation's aircraft backlog or sales activities, Jet Aviation may, in addition to the other rights set forth in the PO, reschedule or cancel deliveries affected by such an event as required (in Jet Aviation's sole determination). In the event Jet Aviation elects to either reschedule or cancel deliveries, Jet Aviation will notify Supplier in writing of the deliveries impacted by Jet Aviation's determination. The PO will be modified accordingly, and all other deliveries, rights and obligations under the PO will remain unchanged, and there shall be no penalty, additional costs or liability assessed to Jet Aviation as a result of its cancellation or rescheduling of deliveries under this paragraph.

13. CONFIDENTIALITY

All information furnished by Jet Aviation or any other person acting on behalf of Jet Aviation, and all information learned or observed about Jet Aviation or its operations, is confidential and Supplier shall not disclose any such information to any other person or entity, or use such information for any purpose other than performing the PO, without Jet Aviation's express prior written consent. All information in tangible form, including drawings, samples, models, specifications, or other documents provided by Jet Aviation or prepared by Supplier for Jet Aviation shall be returned to Jet Aviation promptly upon request. Supplier shall not publicize the fact that Jet Aviation has contracted to purchase Supplies from Supplier, nor shall any information relating to the PO be disclosed without Jet Aviation's written consent.

14. ASSIGNMENT AND NON-DELEGATION OF PERFORMANCE

Supplier may not assign the PO, in whole or in part, to any person or entity, including any subcontractor or subcontractors, without the prior written consent of Jet Aviation. No substantial part of Supplier's obligations shall be performed by others without Jet Aviation's written consent, which consent will not relieve Supplier of its obligations under the PO.

15. PARTS OBSOLESCENCE

Supplier agrees to continue all manufacturing capabilities and/or provide alternate support for the form, fit and functional requirements for the original configurations on any/all of the "out-of-production" configurations, modifications or enhancements, so long as the model aircraft for which it was designed remains in service. Supplier further agrees to provide Jet Aviation ninety (90) days notification for "last-time-buy" options for any obsolete end items and parts of assemblies at the pricing set forth in the PO where applicable.

16. INDEMNITY

Supplier shall defend, indemnify and hold harmless Jet Aviation against all damages, claims, costs and expenses (including attorneys' fees) arising out of or resulting from the Supplies provided under the PO, or from any act or omission of Supplier, its agents, employees or subcontractors or which otherwise arises as a result of Supplier's performance of the PO including, without limitation, all liabilities to its employees, agents and subcontractors, including liability for personal injury or death arising out of or resulting from providing such Supplies. If Supplier enters the premises of Jet Aviation or Jet Aviation's customer, Supplier shall indemnify and hold harmless Jet Aviation, its officers, agents and employees from any loss or liability by reason of property damage, personal injury or death arising out of Supplier's presence thereon, including loss or liability arising from the negligence of the Jet Aviation.

17. HEALTH AND SAFETY

If in conjunction with this Agreement the Supplier needs to visit Jet Aviation's premises, the Supplier agrees that its employees, agents and subcontractors will fully comply with Environmental, Health and Safety (EH&S) Regulations of Jet Aviation.

18. COMPLIANCE WITH LAWS

Supplier confirms that in pursuing any agreement, and in performing under the business relations, they will fully comply with all applicable laws, regulations, and policies, including all applicable export laws and applicable anti-bribery laws.

Supplier confirms that he is in full compliance with the Securities and Exchange Commission's final rules governing Conflict Minerals. As such, Supplier further certifies that it has not provided, and will not provide Jet Aviation with any products or materials that contain such Conflict Minerals.

19. EXPORT LICENCE

The Supplier is required to comply with the trade regulations as set forth by their country's government agencies responsible for export/import authorization and compliance, and to advise Jet Aviation of any and all restrictions that may be imposed upon Jet Aviation in connection with such Supplies. Supplier may be subject to trade regulations as

set forth by the Supplier's country's export laws and regulations (hereinafter referred to as "Export Regulations") that may include U.S. export laws and regulations, and both the Supplier and Jet Aviation acknowledge that diversion contrary to such Export Regulations is prohibited.

If any part/item purchased under this Agreement is either subject to the US International Traffic in Arms Regulations (ITAR) or is classified under the Export Administration Regulations (EAR) with an Export Control Classification Number (ECCN) subject to controls above the Anti-Terrorism (AT) level, the Supplier shall notify Jet Aviation in writing before sending such part/item. Upon receipt of such notification, Jet Aviation will provide the Supplier with additional information regarding the customer/aircraft at issue so that the Supplier could obtain the necessary export licenses under the ITAR or complete the export compliance requirements under the EAR before exporting the part/item to Jet Aviation

20. CONCLUDING PROVISIONS

In the event that any one or more of the present terms shall, for any reason, be held to be invalid, illegal or unenforceable, the remaining present terms hereof shall be unimpaired and the invalid, illegal or unenforceable term shall be replaced by a mutually acceptable term, which, being valid, legal and enforceable, comes closest to the intention of the parties underlying the invalid, illegal or unenforceable term. The Purchase Terms in their currently valid wording shall apply also to any future business relations with the Supplier even if they are not explicitly reiterated.

21. APPLICABLE LAW / PLACE OF JURISDICTION

The parties agree that these General terms of Purchase are part of an international contractual relationship and each party (a) agrees that such relationship shall be exclusively governed by and construed in accordance with Swiss law, to the exclusion of the Swiss conflict of law rules and further to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods, and (b) unless mutually agreed differently, submits to the exclusive jurisdiction of the Commercial Courts of Zurich to settle any dispute which may arise under or in connection with this contractual relationship (or any part thereof).