

General Hangar Conditions
of Air Alliance GmbH
for aircraft maintenance
(hereinafter referred to as “AIR ALLIANCE”)
Headquarters: Siegerland Airport, 57299 Burbach, Germany

Current of March 2023

§ 1 Definitions

- (1) “**Consumer**” is any natural person entering into a legal transaction for purposes that may be attributed to neither his/her commercial nor his/her independent professional activities.
- (2) “**Undertaking**” is any natural or legal person or partnership with legal capacity who, when entering into a legal transaction, acts in a commercial or independent professional capacity.
- (3) “**Customers**” can be consumers or undertakings.
- (4) “**Maintenance**” encompasses maintenance, repair, service and/or modernization work performed by AIR ALLIANCE on a customer’s aircraft, along with such related services – e.g., testing, upkeep, inspection or consulting – as may help to keep an aircraft in operable and/or airworthy condition.
- (5) “**Acceptance**” refers to the physical acceptance of the item as well as the approval of the object of acceptance.

§ 2 Area of application

- (1) These general terms and conditions (“**GTC**”) govern business relations between the Customer and AIR ALLIANCE with respect to AIR ALLIANCE’s maintenance of aircraft irrespective of where such services might be performed.
- (2) Any and all supplies, services, offers, quotes, cost estimates, order confirmations, orders from and contracts with AIR ALLIANCE in connection with maintenance are subject exclusively to these GTC. Unless AIR ALLIANCE and the Customer specifically provide otherwise in an individual agreement, the GTC are deemed an integral part of the contract. They also govern all future supplies and services to the Customer in connection with maintenance – even insofar as they are not expressly referenced or agreed once more.
- (3) In the event that AIR ALLIANCE sells spare parts or accessories to the Customer in connection with maintenance, the AIR ALLIANCE General Conditions of Sale apply in addition (see https://air-alliance.de/files/bilder/unicair/zertifikate_downloads/AGB_AA_GmbH_Allgemeine_Verkaufsbedingungen_deutsch_final_2022-09-23%20-%20mit%20Datenschutzhinweise_ENG.pdf).
- (4) AIR ALLIANCE does not recognize the Customer’s opposing or deviating conditions, if any, unless it expressly consents to their application in writing. These GTC apply even in the event that AIR ALLIANCE provides supplies or services to the Customer without reservation despite being aware of the Customer’s opposing or deviating conditions.
- (5) Individual agreements prevail over the GTC, especially in cases of conflict.

§ 3 Offer and closing

- (1) All of AIR ALLIANCE's offers, including quotes and cost estimates, are subject to change and non-binding and may be revoked by AIR ALLIANCE until the Customer has confirmed them in writing.
- (2) Not until the Customer has signed and returned an offer does it become legally binding. The Customer is bound by such offer for a period of three weeks from receipt. For its part, AIR ALLIANCE may accept the offer either by so declaring or by commencing performance.
- (3) Should the Customer wish to receive a written quote, AIR ALLIANCE need only provide an expert calculation of anticipated costs. AIR ALLIANCE does not guarantee the accuracy of its quotes. § 649 of the Civil Code (*Bürgerliches Gesetzbuch - BGB*) is not affected.
- (4) By contrast to quotes, AIR ALLIANCE's cost estimates merely represent a non-binding projection of the prices associated with a service performed by AIR ALLIANCE. Cost estimates are not binding; services are billed under the final invoice on the basis of actual working hours and material costs.
- (5) Extra work and the resolution of complaints are part of separate offers. Once the Customer has accepted an offer for extra work, an invoice calling for a downpayment on extra costs is prepared, which is due and payable immediately.
- (6) AIR ALLIANCE staff are not authorized to enter into oral subsidiary agreements or give verbal assurances that go beyond the substance of a written contract with AIR ALLIANCE.

§ 4 Terms of performance, scope of agreement, rescission

- (1) In the event that, in the course of performance, it becomes clear that extra work is needed, AIR ALLIANCE is entitled to complete such additional work even without the Customer's specific consent, provided that the measures in question help to keep an aircraft in – or to restore it to– airworthy or safe operating condition, and provided further that the additional costs are proportionate to the total order volume.
- (2) AIR ALLIANCE is entitled but not obligated to perform contractual services using spare parts that are commonly used in the industry. Upon the acceptance of contractual services, the replaced old part becomes AIR ALLIANCE's property.
- (3) A maintenance order issued to AIR ALLIANCE in itself authorizes AIR ALLIANCE – even absent the Customer's specific consent – to conduct test flights, test runs or other work at the Customer's expense that are needed to test the aircraft.
- (4) Should the Customer rescind the maintenance order prior to Acceptance, AIR ALLIANCE may charge a cancellation fee at a rate of 10% of the anticipated order volume based on the order. In the event that AIR ALLIANCE's unavoidable expenditures (parts ordered and labor expended) exceed such sum at the time rescission is declared, AIR ALLIANCE may demand payment of the excess amount by the Customer as well.

§ 5 Prices, compensation

- (1) Unless agreed otherwise with the Customer, the customary fixed prices and valid hourly rates in place at AIR ALLIANCE as of the time of the execution of a given contract apply to materials and labor. Any ancillary costs, including installation, special tools, etc., will be billed separately to the Customer.
- (2) All prices are ex works – i.e., the appropriate AIR ALLIANCE site where maintenance services are performed. All prices are stated net.

- (3) If VAT is incurred, it will be shown on the invoice in the amount applicable on the date of invoicing. If VAT has not been charged and it subsequently transpires that VAT should have been charged, AIR ALLIANCE is entitled to demand the VAT from the Customer even afterwards.
- (4) If a manufacturer does not accept an old part for replacement purposes (core unit), AIR ALLIANCE is entitled to bill the Customer for any related additional costs. To such extent, invoicing on the part of AIR ALLIANCE is subject to corrections.
- (5) A special written agreement is required for the application of any discount in consideration of early payment.
- (6) AIR ALLIANCE reserves the right to change prices offered to account for currency fluctuations in the event that the offer is made in USD or procurement transactions reflect a currency other than EUR. The same applies if the offer includes list prices of manufacturers or suppliers that have changed by the time AIR ALLIANCE places an order. In such a case, AIR ALLIANCE is entitled to pass such price increase or decrease on to the Customer. The Customer is not entitled to be shown or otherwise receive proof of list prices or supplier invoices .
- (7) In the event that a manufacturer's list price is subject to import duties or penalty duties, the Customer bears such duties even if they were not included in the offer.

§ 6 Terms of payment

- (1) AIR ALLIANCE is entitled to demand advance payments, or submit invoices for installments, in adequate amounts.
- (2) Unless agreed otherwise, AIR ALLIANCE's invoices are due and payable in full immediately upon invoice receipt.
- (3) The Customer will be in default of payment even without a reminder from AIR ALLIANCE once 30 days have lapsed since the due date and invoice receipt, at the latest.
- (4) Payment is not deemed to have been made until AIR ALLIANCE may freely dispose of the amount in question. Where checks are accepted, payment is deemed to have been made once the check has been irrevocably redeemed. Credit cards are accepted on account of payment only if they were put through a reader on site. Any and all costs related to collecting payment are charged to the Customer.
- (5) Notwithstanding the Customer's provisions to the contrary, AIR ALLIANCE is entitled to apply payments first to older debts. AIR ALLIANCE will inform the Customer how payments were applied. Where costs and interest have accrued, AIR ALLIANCE may apply payments first to costs, then to interest and only afterward to the principal debt.
- (6) In the event that the Customer finds itself in default, the statutory provisions governing the consequences of default of payment apply. Moreover, all claims against the Customer become due and payable immediately if it does not furnish proof to the effect that it bears no responsibility for default. AIR ALLIANCE is entitled to invoice any default damage and, once a grace period has lapsed to no avail, rescind the agreement.
- (7) If, after conclusion of the contract, circumstances become known that place AIR ALLIANCE's claims for remuneration in jeopardy for reasons of the Customer's inability to pay (e.g., a petition is filed for the institution of insolvency proceedings, payments are suspended), AIR ALLIANCE is entitled, in accordance with the statutory provisions, to refuse performance and - if necessary after setting a deadline - to withdraw from the contract (§ 321 of the Civil Code). In this case, AIR ALLIANCE is further entitled to demand additional advance payments or collateral security.

- (8) AIR ALLIANCE reserves the right not to issue the release certificate for the aircraft's operation until all supplies and services provided have been paid in full.

§ 7 Delivery dates, default and Force Majeure

- (1) A scheduled completion date is binding only if AIR ALLIANCE expressly designated it as such in writing.
- (2) Binding completion dates are also subject to correct and timely delivery to AIR ALLIANCE by the manufacturer/supplier.
- (3) In cases of non-compliance with agreed delivery and performance periods, AIR ALLIANCE is to be granted an adequate grace period for such delivery and performance. AIR ALLIANCE may only be in default if such grace period is not complied with, unless AIR ALLIANCE has seriously and finally refused to perform. The need to allot a grace period also applies in the event that the time of delivery or completion is expressed as a calendar date. Only after the unsuccessful expiry of this grace period is the Customer entitled to withdraw from the contract and claim damages.
- (4) The satisfaction of AIR ALLIANCE's obligations to effect delivery and render performance is contingent upon the Customer's timely and proper fulfillment of its own obligations. The defense as to non-fulfillment of contract is reserved.
- (5) Compliance with binding completion dates may be contingent on a release or approval from the competent authorities. Accordingly, agreed completion dates are postponed to account for the duration of such processes.
- (6) Neither party bears liability for Force Majeure events that significantly impede the other party's contractual performance or temporarily hinder or frustrate its proper implementation of the contract. Force Majeure includes all circumstances that are beyond the parties' control and influence, such as natural catastrophes, pandemics, epidemics, energy or resource shortages, government measures, official decisions such as official requirements or belated official acceptance, as well as blockades, war and other military conflicts, mobilization, civil unrest, terrorist attacks, strike, lock-out and other labor-related unrest, confiscation, embargo, import barriers and such other circumstances as may be unforeseeable, grave and not attributable to the parties and arise after the closing. Insofar as one of the parties is prevented by Force Majeure from fulfilling its contractual obligations, this is not deemed a breach of contract, and such due dates as may be determined in or on the basis of the agreement are postponed in line with the duration of the obstacle. The same applies insofar as the affected party relies on preliminary work performed by third parties, and such performance is delayed. Each party will use its best efforts to do what is necessary and reasonable in order to mitigate the scope of the consequences caused by Force Majeure. The party affected by Force Majeure will promptly notify the other party in writing of when a given obstacle begins and ends. As soon as it is clear that Force Majeure will persist for more than six months, either party may terminate the agreement by registered mail.

§ 8 Notice of availability, delivery, passage of risk

- (1) AIR ALLIANCE notifies the Customer of the completion of the aircraft in writing and makes the aircraft available for collection starting on the date notified. The Customer is obliged to collect and accept the aircraft within five days from the notified date at the site performing the Maintenance.
- (2) In principle, the Customer has an obligation to collect the aircraft. The risk shall pass to the Customer upon Acceptance of the aircraft. The risk of accidental loss (total loss) or accidental deterioration (damage) of the aircraft shall pass to the Customer upon Acceptance at the latest. Acceptance shall be deemed to have taken place if the Customer is in default of Acceptance.

- (3) If the Customer is in default of acceptance, if it fails to assist as required or if delivery is delayed for other reasons attributable to the Customer, AIR ALLIANCE has the right to demand compensation for the resulting damage including additional expenses (e.g. storage and parking costs). AIR ALLIANCE reserves the right to assert further claims or rights.
- (4) If Acceptance not carried out by the Customer itself but by an agent, the latter must properly legitimize himself/herself. Otherwise, AIR ALLIANCE may refuse to consent to Acceptance by such agent. The Customer is responsible for any delay in Acceptance resulting from a justified refusal. AIR ALLIANCE is entitled, but not obligated, to verify the agent's credentials or his/her pilot license.
- (5) The Customer shall inspect the aircraft for defects prior to Acceptance. If the Customer discovers material defects, it is entitled to refuse Acceptance of the aircraft until the defects have been remedied by AIR ALLIANCE. AIR ALLIANCE will remedy the defects without delay.

§ 9 Contractual lien

- (1) AIR ALLIANCE is entitled to a contractual lien on the items that have come into its possession on the basis of the order on account of its claim arising from the order.
- (2) The contractual lien may also be asserted on account of claims arising from work previously performed, deliveries of spare parts and other services, insofar as they are connected with the subject matter of the order.
- (3) The contractual lien shall apply to other claims arising from the business relationship with the Customer only to the extent that these are undisputed or a legally binding title exists and the object of the order is the Customer's property.
- (4) If the item that is in AIR ALLIANCE's possession as a function of an order is an aircraft entered into the aircraft register, the Customer consents to the creation of a register lien over the aircraft to the extent set forth in paragraph 1 as well as to the entry of such lien into the register for aircraft liens.

§ 10 Retention of title

Insofar as installed or added accessories, spare parts and assemblies did not become integral parts of the object of the order, AIR ALLIANCE retains the title thereto until payment has been irreversibly made in full.

§ 11 Customer's warranty claims based on defects

- (1) The performance shall be free of defects if it has been rendered in accordance with the agreed quality on the basis of the contract. Insofar as the quality has not been agreed, the performance shall be free of defects if it is suitable for the use presupposed under the contract, otherwise for normal use, and complies with the recognized accepted state of the art.
- (2) Apparent defects are to be reported to AIR ALLIANCE in writing without delay and no later than two weeks from Acceptance or the delivery date. The same applies to defects that could have been detected in the course of a proper and prompt inspection to rule out defects and establish completeness. If a defect is not reported in a timely fashion, warranty claims lapse. For other defects, such period commences once they are apparent.
- (3) Warranty claims are further excluded in the event that a defect is the product of regular wear and tear, Force Majeure, improper or incorrect treatment, Customer or third-party modifications or the failure to observe statutory regulations or technical instructions.

- (4) Warranty claims shall not exist in the event of only insignificant deviation from the agreed quality or only insignificant impairment of usability.
- (5) No warranty is offered for used items unless AIR ALLIANCE expressly provides a separate warranty in this respect.
- (6) In the event that AIR ALLIANCE and the Customer agree that used parts "core part" or "as removed parts" will be used for maintenance, any warranty liability is also excluded. AIR ALLIANCE explicitly bears no liability for a part's functionality. This does not apply in case of fraudulent concealment of a defect.
- (7) If, in the case of a defect, the Customer has a right to subsequent performance, AIR ALLIANCE is entitled to decide, at its own discretion, whether the subsequent performance is to be fulfilled by remedying the defect or by replacement delivery or new production of a defect-free item. The Customer only has the right to reduce the price or to withdraw from the contract, if a subsequent performance has finally failed. Subsequent performance shall be deemed to have failed if two attempts to remedy the defect complained of did not result in the object of the order being free of defects in this respect or were not undertaken within a reasonable period of time.
- (8) As a matter of principle, defects shall be remedied at the location of AIR ALLIANCE where the original maintenance was performed. However, AIR ALLIANCE has the right, in exceptional cases, to remedy the defect itself or by commissioning a third party company at the location of the defective item.
- (9) The Customer's warranty claims based on defects become time-barred one year from Acceptance. This does not apply if AIR ALLIANCE caused or concealed the defect intentionally or through gross negligence, or if an injury to life, limb or health has occurred as a result of a defect caused by ordinary negligence. AIR ALLIANCE's liability for damages due to a defect is governed by the provisions under § 12.
- (10) Any warranties granted by the manufacturer shall apply in addition to the above warranty claims set forth above.

§ 12 AIR ALLIANCE's liability

- (1) Unless otherwise provided in these GTC including the below provisions, AIR ALLIANCE is liable for a breach of contractual and non-contractual obligations in accordance with the relevant statutory provisions.
- (2) Irrespective of legal grounds, AIR ALLIANCE is liable for damages in cases of willful misconduct or gross negligence on the part of AIR ALLIANCE, its legal representatives or (vicarious) agents. In cases of ordinary negligence on the part of AIR ALLIANCE, its legal representatives or (vicarious) agents, AIR ALLIANCE bears liability only with respect to
 - a. damages from injuries to life, body or health; and
 - b. damages from violations of material contractual obligations. Material contractual obligations are those the fulfillment of which (i) is what allows the contract to be properly implemented and (ii) the Customer may – and does – rely upon. In such a case, however, AIR ALLIANCE's liability is limited to such damage as may be foreseeable and typically encountered.
- (3) The limitations of liability flowing from § 12 para. 2 do not apply insofar as AIR ALLIANCE fraudulently concealed a defect or warranted the goods' quality. The same applies to the Customer's claims under the Product Liability Act (*Produkthaftungsgesetz - ProdHG*).

- (4) The Customer may rescind or terminate the agreement on account of a breach of duty other than a defect only if such breach of duty is attributable to AIR ALLIANCE. In all other respects, the requirements and legal consequences prescribed by law apply.
- (5) The foregoing exclusions and limitations of liability apply to the same degree for the benefit of the legal representatives, staff and other (vicarious) agents of AIR ALLIANCE.

§ 13 Set-off, right of retention

- (1) The Customer has a right of set-off, a right of retention and a right to assert the defense as to non-fulfillment of contract only if its own claims have been legally established, are acknowledged or are undisputed.
- (2) The Customer's right of set-off shall be unrestricted insofar as his set-off claim is synallagmatically linked to the main claim.

§ 14 Data protection

- (1) AIR ALLIANCE stores the data and information recorded as part of the initiation of business and needed to implement the contract. AIR ALLIANCE is entitled to process such data and information.
- (2) Subject to applicable data-protection provisions, AIR ALLIANCE may also pass the data and documents on to third parties for purposes of the implementation of the contract, provided that doing so helps with contract processing or to secure AIR ALLIANCE's legitimate interests.
- (3) In all other respects, reference is made to the "NOTES ON DATA PROTECTION AND DATA PROCESSING" following these GTC.

§ 15 Export control

- (1) The Customer must comply with all applicable domestic and foreign export-compliance requirements, including the pertinent U.S. export laws and regulations (e.g., ITAR, EAR and OFAC Sanctions Regulations). At AIR ALLIANCE's demand, the Customer must promptly submit the approvals required under applicable export laws and regulations.
- (2) Upon offer transmission, the Customer is obligated to identify to AIR ALLIANCE the aircraft's beneficial owner and holder and, without delay, any subsequent changes to such information.
- (3) If the requisite export and relocation approvals are not granted, or are not granted in time, or if the order or delivery is opposed by customs, export or embargo-related regulations, AIR ALLIANCE may rescind the agreement. In such a case, claims for damages on the Customer's part are excluded.
- (4) The Customer guarantees that the aircraft and/or spare parts sold separately are exclusively put to use in civil aviation and will not be passed on to third parties included on EU, U.S. or UK sanctions lists, or will not be passed on to such parties without first obtaining the necessary export permit from the competent authorities of the countries in question.

§ 16 Applicable law, place of performance, place of jurisdiction, notice on consumer arbitration

- (1) These GTC and the entire legal relationship between AIR ALLIANCE and the Customer shall be governed by the substantive law of the Federal Republic of Germany, to the exclusion of the conflict-of-law rules as well as the United Nations Convention on Contracts for the International Sale of Goods (CISG).

- (2) In cases of doubt, the place of performance is AIR ALLIANCE's headquarters at Siegerland Airport.
- (3) Insofar as the Customer is a business, legal entity under public law or public-law special fund, the exclusive – even international – place of jurisdiction for all disputes arising from or in connection with the contractual relationship is Frankfurt am Main. However, AIR ALLIANCE is also entitled - at its option - to file a suit at the Customer's general place of jurisdiction.
- (4) AIR ALLIANCE is neither willing nor obligated to participate in dispute resolution proceedings before a consumer arbitration board.

§ 17 Final provisions

- (1) All agreements entered into between AIR ALLIANCE and the Customer for the purpose of executing the contract must be recorded in writing. Changes to this agreement, if any, must likewise be made in writing. This also applies to any waiver of the written form requirement. The written form in the sense of these GTC includes written and text form (e.g. letter, e-mail, fax).
- (2) If and to the extent that contractual documents, attachments, general terms and conditions or other records are translated into foreign languages, be it wholly or in part, the German-language version prevails in cases of dispute.
- (3) The Customer cannot assign rights or claims to third parties unless AIR ALLIANCE expressly consented thereto in writing.
- (4) If a provision of these GTC or a provision under other agreements is or becomes ineffective, the remaining provisions or agreements continue in full force and effect. The ineffective or void provision is deemed to have been replaced by such provision as may best approximate the economic meaning and purpose of the ineffective or void provision to the extent permitted by law. The above provision shall apply mutatis mutandis in the event of loopholes.