

1. Scope

- 1.1 These General Terms and Conditions apply to all deliveries of goods and services („Products“) supplied by Diamond Aircraft Industries GmbH („DAI“).
- 1.2 By accessing and using products and/or services provided by DAI the buyer accepts and agrees to be bound by provisions of this Terms and Conditions.
- 1.3 Any modification of these General Terms and Conditions must be agreed to in writing.

2. Offer

- 2.1 Offers by DAI are made without obligation, unless otherwise expressly agreed.
- 2.2 Specifications and quotes in catalogues, brochures, etc. are only binding if expressly referred to in the offer or order confirmation.
- 2.3 The content of the offer is DAI’s intellectual property. Therefore, the offer must neither be reproduced nor disclosed to third parties without DAI’s consent.
- 2.4 Likewise, DAI will not disclose the content and existence of the offer to third parties without the buyer’s consent.

3. Contract

- 3.1 The contract is effective only upon the signature of the contract by both parties, or the buyer’s receipt of DAI’s written confirmation of a purchase order, and, if agreed upon, DAI’s receipt of the buyer’s down payment.
- 3.2 No contract may be cancelled or altered by the buyer except on terms and conditions acceptable to DAI, as evidenced by DAI’s written consent.
- 3.3 Any costs of a modification requested by the buyer or caused by circumstances not known to DAI at the time of the signing of the contract shall be priced separately and are the buyer’s responsibility.
- 3.4 DAI reserves the right to modify specifications of Products. DAI is not obliged to carry out such modifications of Products already supplied earlier.
- 3.5 The buyer’s “General Terms and Conditions“ or other terms of business or trading conditions of the buyer shall be deemed non-binding even if DAI does not expressly raise any objection thereto.
- 3.6 The aircraft configuration as well as any additional equipment required by the buyer must be clearly defined and ordered in writing. The ordered aircraft configuration becomes binding to DAI only if confirmed by DAI in writing (either by signing of purchase agreement or order confirmation of the aircraft). Any changes requested at later date will cause delays in the delivery and extra costs to the buyer.

4. Prices

- 4.1 The prices quoted are ex works DAI’s factory (Incoterms 2010: EXW Wiener Neustadt, Austria), exclusive of packaging, shipping and VAT. Any fees, taxes, duties and other expenses are the buyer’s responsibility.
- 4.2 In case the delivery of Products is delayed by more than two (2) months for reasons outside DAI’s control the prices will be adjusted at the time of delivery of the Products - at DAI’s sole discretion - (a) according to any increases reflected in the latest Austrian Consumer Price Index published by the Central Office for Statistics in Vienna or (b) to the then published list prices of the Products.
- 4.3 All prices quoted are payable in EURO, unless otherwise expressly agreed.
- 4.4 The minimum order volume have to be no less than EUR 50.-. In case if the order volume is less than EUR 50.- (without transport and packing), the total

invoice value will automatically be increased to EUR 50.-.

4.5 DAI does not bear any responsibility if the delivery address is different to the invoice address. In case if delivery address is different to the invoice address and DAI has already arranged a delivery, the buyer shall bear all expenses in relation to that and arrange a new delivery by itself. In case if delivery has not been arrange yet, and indicated addresses are different, DAI has a right to charge EUR 45.- as a fee.

4.6 Even if ordered separately, the shipment or the transfer of Products (i.e. aircraft or other contract items) – in whatever way – shall be at the buyer’s risk and cost. DAI does not provide any insurance except at the express request and at the expense of the buyer. Packing will be charged separately and will be accepted back only if expressly agreed, and in any case against reimbursement of actual costs incurred.

5. Payments

5.1 Unless agreed otherwise, the contract price shall be paid as follows:

- a) A 30% down payment or production slot deposit, if agreed upon, shall be made within ten (10) days after the effective date of the contract (as per Clause 3.1).
- b) The payment of the remaining 70% of the contract price shall be made five (5) days prior to delivery of products.

5.2 The following payment terms shall apply for spare parts and customized goods:

- a) Payment 100 % net prior to delivery. A deposit according to DAI’s instructions has to be paid for customer specific goods. Payments shall be deemed settled when the account of DAI has been credited with the appropriate amount unencumbered.
- b) If deposits are not paid by the buyer within two (2) weeks after receipt of advance payment invoice, DAI shall have the right to cancel the order and charge a 20% cancellation fee of the net price of the ordered goods. If after cancellation the buyer still require the goods, a new order has to be placed with DAI.
- c) Wrongly ordered spare parts must be returned within 14 days after receipt of goods subject to prior written approval by DAI. A cancellation/restocking fee of 20% of the net price will be charged to the buyer. The original certificates, copies of delivery note and invoice, and a copy of DAI’S authorization with have to be sent to DAI together with the return goods.
- d) Aircraft On Ground (“AOG“) orders receive accelerated processing. If AOG orders are received by 12 a.m. (CET) Monday through Thursday or by 10 a.m. (CET) on Fridays, parts in stock will be shipped the same day. The buyer has to provide AOG aircraft serial and registration numbers with the order. AOG orders will be charges with an Expediting Fee of EUR 100.- per every five (5) line items. The order will be processed separately from other orders, i.e. packing and shipping will be made separately from other orders and/or back-ordered parts. Only parts and quantities specifically required to recover from the AOG case will be accepted.

5.3 Unless agreed otherwise, all payments for DAI’s Products supplied pursuant to the contract are due immediately upon receipt of DAI’s invoice. Interest will be charged on overdue accounts at the fixed

- rate of 12% p.a. In case of delayed payment DAI is, in addition to the interest charge, entitled to postpone its own obligations until receipt of the payments due.
- 5.4 The buyer shall not be entitled to withhold or reduce any payments due because of alleged claims against DAI.
- 5.5 Until the buyer has fulfilled all financial obligations, the Products supplied shall remain DAI's property. The resale or other disposal of the Products subject to this reservation of ownership, such as pledging or assignment as security, is not allowed. In the event of resale or other further disposal of any goods subject to this ownership reservation – even if not in accordance with the contract – the buyer agrees to assign herewith to DAI in advance any claims he may have against any third party; on account of payment, the Buyer, as well as the third party, remaining liable to DAI for paying any amount due without any change in the maturity date. Should the buyer be in default DAI or an authorized and/or empowered third party shall have the right to take or collect or have collected the items subject to this ownership reservation from the custody of the buyer without his consent. In any case the buyer undertakes to explain to any third party that the items subject to this ownership reservation are the property of DAI and to inform DAI immediately of any measures concerning its property, in particular of any official orders (e.g. the establishment of an enforceable lien).
- 5.6 If DAI agreed on partial payment before shipment, the buyer is not allowed to modify or resell the product until completing payment in any case.
- 5.7 The buyer shall be obliged to meet all legal requirements in order to safeguard DAI's property or security interest. In case of attachment or other kinds of seizure the buyer shall evidence DAI's title and notify the latter immediately. The retention of title shall not affect the passing of risk under Clause 6.
- 5.8 With excess of the payment term DAI is authorized to demand reminder fees of EUR 50.- starting with the second reminder.
- 5.9 If the payment is not received on DAI's account after the third written notification (reminder) the account will be locked. At successful payment of the outstanding amount (including created reminder fees and interest) DAI charges an unlocking fee of EUR 150.-.
- 5.10 DAI shall be entitled to withdraw from a Contract with the Buyer if any due payment has not been settled in spite of repeated reminders, and if it is feared there may be deterioration in the economic situation of the buyer and if the buyer refuses to provide an appropriate banker's guarantee for the performance of his contractual obligations. In the case of a withdrawal from the contract, DAI shall charge the buyer the cost incurred until that time, but not less than the cancellation fee 20% of the net contract value.
- 6. Delivery and Passing of Risk**
- 6.1 The handover of Products to the buyer or a carrier by DAI shall constitute delivery to the buyer. All risk of loss or damage in transit or thereafter shall be borne by the buyer.
- 6.2 If delivery of Products ready for handover is not possible or not desired by the buyer, Products can be stored by DAI at the buyer's cost and risk, and delivery shall then be considered as performed.
- 6.3 When taking delivery the buyer shall be responsible for checking the delivered item to a reasonable extent and for giving immediate notice of any defects; otherwise the delivered article shall be deemed to have been accepted free from defect.
- Any claims arising from late delivery for which DAI is responsible and the value of which has not been established by that time, shall be deemed to have been settled with the buyer's taking delivery. DAI shall not be liable to check the authority of the buyer's representative. Without any further reminder the buyer shall be deemed to be in default of taking delivery of the purchased article if he does not collect the contract item and settle any outstanding accounts within one week after being notified that the item is ready for delivery.
- 6.4 If a delay of more than two (2) months in partial or total delivery of Products is caused by any of the circumstances mentioned in Clause 12 or by an act or omission of the buyer, including the failure to procure any required permits for delivery in the buyer's country, the delivery shall be extended by a period which is reasonable considering all the circumstances or, at DAI's discretion, DAI shall have the right to cancel the contract or parts thereof. If a delay in delivery is caused by public authority (e.g. delayed registration or delayed official acceptance tests) that necessitate changes in the design and therefore prolong the production process, the delivery date shall be deferred by the equivalent period of such delay.
- 6.5 If a delay of more than three (3) months in partial or total delivery of Products is caused by circumstances other than mentioned herein or in Clause 12 but for reasons within DAI's control, the buyer is entitled to cancel the contract or parts thereof.
- 7. Intellectual Property Rights**
- Any information, including but not limited to drawings, technical documents, and software relating to Products in any manner, submitted by one party to the other, prior or subsequent to the conclusion of the contract, shall remain the exclusive property of the submitting party and shall be treated as confidential information by the receiving party, and may be utilised only in relation to the fulfilment of the contract.
- 8. Software Use**
- 8.1 For any software relating to Products supplied, DAI grants the buyer the non-exclusive and non-transferable right to use the software including its documentation only for the period of time defined by DAI and only in relation with Products supplied together with the software.
- 8.2 The buyer shall not use the software in another context but may duplicate, translate, or modify it within the Austrian laws and regulations. The buyer shall not remove the manufacturer's data or instructions, including copyright notations, without DAI's prior written consent.
- 9. Warranty**
- 9.1 Products will be in compliance with Austrian laws, standards, and regulations as well as with those regulations in countries pertinent for buyer's purposes to the extent they have been communicated in writing to and accepted by DAI. No warranty is made for the compliance with any law, standard, regulation or any condition imposed by a foreign authority not communicated in writing to DAI and confirmed by DAI prior to the formation of the contract.
- 9.2 The buyer shall examine Products provided under the contract upon receipt and shall notify DAI in writing of any obvious defect within ten (10) days. In case of latent defects buyer shall notify DAI in writing of within thirty (30) days from notice of such defect. Unless this duty of examination and

immediate written notification is adhered to, warranty claims are forfeited.

9.3 The buyer shall arrange for the recording of all required operating conditions, characteristic data and results of analyses for the duration of the warranty period to be able to document any warranty claim. In case of deficiencies of Products (including incomplete or incorrect documentation). DAI shall remedy any defect at its own discretion by rectification, subsequent delivery or replacement of the defective parts covered by the warranty, thereby excluding any further claims. The title to the replaced parts shall pass to DAI and the return of replaced parts must be coordinated with DAI. There will be no warranty or liability for defects caused by improper handling, by non-compliance with the operating and maintenance instructions, or by normal wear and tear.

9.4 Any warranty claims shall be forfeited if a Product is modified or repaired without DAI's prior written consent or by unauthorized parties.

9.5 THE WARRANTY CONTAINED IN THIS CLAUSE 9 IS EXCLUSIVE AND IN LIEU OF ALL OTHER REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED. SPECIFICALLY EXCLUDED ARE DAMAGES CAUSED BY NON-OBSERVANCE OF INSTRUCTIONS FOR USE AND MAINTENANCE OF PRODUCTS, WARNING, SAFETY AND OTHER REGULATIONS PROVIDED BY DAI, AND IMPROPER HANDLING OF PRODUCTS. DAI SHALL NOT BE LIABLE FOR FURTHER (CONSEQUENTIAL) DAMAGES RESULTING FROM DEFICIENT PRODUCTS, UNLESS DAI IS HELD RESPONSIBLE FOR INTENT OR GROSS NEGLIGENCE. FURTHER, DAI DISCLAIMS ANY LIABILITY FOR DAMAGES OR MALFUNCTION THE CAUSE OF WHICH DOES NOT LIE WITHIN THE SCOPE OF USE OF PRODUCTS.

9.6 In general warranty only applies to certified and non-modified products except stated to the contrary.

10. Buyer's Data
The buyer's data provided will be electronically data processed by DAI and, as provided in the scope of DAI's business, forwarded to the respective business partners or public authorities in Austria and abroad. In case of any changes of the buyer's data, including but not limited to the buyer's name, address, registration number, or legal form, DAI shall be informed thereof immediately.

11. Liability

11.1 DAI, ITS REPRESENTATIVES, AND EMPLOYEES SHALL BE LIABLE FOR DAMAGES ONLY IF DAI IS HELD RESPONSIBLE FOR INTENT OR GROSS NEGLIGENCE. ANY LIABILITY FOR INDIRECT AND/OR CONSEQUENTIAL DAMAGES, INCLUDING LOSS OF PROPERTY OR PROFIT, COSTS OF PRODUCT RECALL, IS SPECIFICALLY DISCLAIMED.

11.2 DAI, ITS REPRESENTATIVES, AND EMPLOYEES SHALL NOT BE SUBJECT TO ANY OBLIGATIONS ARISING FROM STRICT LIABILITY CLAIMS AND SHALL BE INDEMNIFIED BY BUYER AGAINST ANY AND ALL LOSSES, LIABILITIES, DAMAGES AND EXPENSES THAT DAI MAY INCUR AS A RESULT OF ANY PRODUCT LIABILITY CLAIM.

11.3 IN THE CASE OF AIRCRAFT AND PARTS REMAINING WITH DIAMOND AIRCRAFT INDUSTRIES AFTER THE PASSAGE OF RISK OR BEING HANDED OVER TO DIAMOND AIRCRAFT INDUSTRIES FOR THE EXECUTION OF ORDERS, DIAMOND AIRCRAFT INDUSTRIES SHALL BE LIABLE FOR ANY LOSS OR DAMAGE ONLY IF DIAMOND AIRCRAFT INDUSTRIES HAS ACTED WITH WRONGFUL INTENTION OR GROSS NEGLIGENCE. DIAMOND AIRCRAFT INDUSTRIES

SHALL BE ENTITLED TO PARK AIRCRAFT UNSUPERVISED AND IN THE OPEN. THE PARTICIPATION IN ANY TEST, ACCEPTANCE OR TRANSFER FLIGHTS SHALL BE AT THE BUYER'S OWN RISK AND COST.

11.4 DAI 'S LIABILITY UNDER THE TITLE OF PRODUCT LIABILITY SHALL BE EXCLUDED IF THE DEFECT OF THE PRODUCT IS ATTRIBUTABLE TO THE OBSERVANCE OF MANDATORY LEGAL PROVISIONS WHICH WERE IN FORCE AT THE TIME OF PLACING THE PRODUCT ON THE MARKET OR IF THE PRODUCT AT THE TIME OF PLACING IT ON THE MARKET WAS CONFORMING TO THE STATE OF THE ART OF TECHNOLOGY, AND THEREFORE, THE DEFECT COULD NOT BEEN IDENTIFIED AS SUCH.

12. Force Majeure
In the event DAI or one of its component or system suppliers is subject to an event of force majeure or an event beyond the control of DAI or its component or system suppliers, such as war, acts of God, governmental interventions and bans, energy and raw-material shortages, strikes, civil unrest, transport damages or delay, DAI shall be entitled to extend the time of delivery set forth in DAI's offer, provided DAI notifies buyer within fourteen (14) days in writing of such event.

13. Premature Termination of Contract

13.1 Either party may immediately terminate the contract by giving written notice to the other party if any of the following occurs:

- a) a bankruptcy proceeding is instituted against either party's assets, or such proceeding is not instituted because of insufficient assets;
- b) such other party materially breaches the contract and fails to remedy such breach within two (2) months after written notice is given.

13.2 In addition to the circumstances set forth in Clause 13.1 DAI may immediately terminate the contract by giving written notice to the buyer, if

- a) delivery becomes impossible for reasons attributable to the buyer;
- b) the buyer's financial situation has worsened notably after signing of the contract and the buyer is unable or unwilling to provide adequate security for payment of its financial obligations under the contract;
- c) due payments are not received from the buyer despite DAI's fulfilment of its obligations and buyer fails to pay within a reasonable period of grace established in writing; or
- d) a change of buyer's ownership or management control takes place which has a substantial impact on DAI's interests.

14. Severability
The provisions contained herein are severable. If any provisions are held to be invalid or unenforceable by a court or governmental agency, the remaining provisions shall continue to be binding. In either case, the parties agree to use their reasonable best efforts to replace any such invalid or unenforceable provision with a valid and

15. Applicable Law and Jurisdiction

15.1 The contract shall be construed and interpreted according to Austrian law. It is mutually agreed that the United Nations Convention on Contracts for the International Sale of Goods does not apply.

15.2 The place of fulfilment of all contractual obligations shall be Wiener Neustadt.

GENERAL TERMS AND CONDITIONS

15.3 In case of controversies or disputes between DAI and the buyer the commercial court of Vienna, Austria, shall have jurisdiction. DAI shall, however, also have the right to bring a claim before another court which has jurisdiction for the buyer's seat.

16. Storage Fees

16.1 Shipments assigned by the buyer: Prepared orders/shipments, ready for dispatch are to be collected within three business days. Warehouse fees of EUR 5.- per package (not per order) and EUR 8.- per pallet will be charged each business day thereafter. For all shipments assigned by the buyer an additional handling fee of EUR 200.- will be charged.

16.2 General warehouse charges: Prepared orders/shipments, ready for dispatch can be stored without charge up to three business days. Warehouse fees of EUR 5.- per package (not per order) and EUR 8.- per pallet will be charged each business day thereafter.

16.3 In case of advance payment (see Clause 5.2 of these General terms and Conditions) warehouse storage fees will start two weeks after date of invoice.