



General Terms and Conditions of Grob Aircraft SE

(Notification: This English language version is provided by Grob Aircraft SE for informational purposes. Only the German version of the General Terms and Conditions shall constitute the legal binding version.)

1. Scope

- 1.1. The following General Terms & Conditions of Grob Aircraft SE (hereinafter referred to as "Grob") regulate the contractual relationship between the client and Grob for the purchase of goods (hereinafter referred to as "deliveries") as well as the execution of work, especially that conducted on aircraft, equipment and components (hereinafter referred to as "services").
- 1.2. Within these General Terms & Conditions, entrepreneur refers to all legal subjects which fall under the definition of an entrepreneur as specified by civil law as well as all national and international juridical people under public law.
- 1.3. These General Terms & Conditions are an integral part of the respective contract. Grob shall not be bound to any General Terms & Conditions of the client which deviate from the General Terms & Conditions specified here, even if Grob has not expressly contradicted them. The execution of deliveries and services as well as the acceptance of payments likewise do not constitute the acceptance of the client's General Terms & Conditions.

2. Agreement

- 2.1. Grob does not assume any procurement risk in the case of deliveries of goods that are still to be procured, provided that a specific written agreement has not been reached.
- 2.2. By making use of a service provided by Grob, the customer authorizes Grob to conduct test flights, engine test runs and carry out any other measures necessary for assessing the contractual item.
- 2.3. Grob is also entitled to have its obligation arising out of the contractual relationship to be executed by a suitable contractor based in the country or abroad.
- 2.4. If the client is not the proprietor of the item on which service is to be performed, the client shall be obligated to inform Grob of the proprietor and, upon request, to provide Grob with approval by the proprietor for allocating the order. Grob shall retain the statutory rights of retention until this has been satisfied.
- 2.5. The client agrees to accept partial services. This shall not apply if the execution of such partial services causes the client unreasonable harm or puts the purpose of the contract at risk.

3. Exclusiveness and Right of First Refusal

- 3.1. The use of any delivered goods on non-certified aircraft requires express approval from Grob.
- 3.2. Should the client be an entrepreneur, he agrees to grant Grob right of first refusal of an unlimited duration for all goods procured by the client under these General Terms & Conditions.

3.3. If the client has entered into a contractual agreement with a third party for goods on which Grob holds a right of first refusal, the client is required to immediately communicate the content of this agreement to Grob. Grob is entitled to make use of its right of first refusal within a period of two (2) weeks after receipt of this notification.

3.4. If, in violation to these provisions, the client fails to issue notification of the right of first refusal, the client must pay Grob a contractual penalty equal to 5% of the net purchase price. In such a case, the right to claim damages shall remain expressly reserved.

4. Costs

- 4.1. Any cost estimates are non-binding. They shall only be binding once issued by Grob in writing and recorded as expressly binding. Costs estimates are limited to a period of three (3) months.
- 4.2. If Grob renders services outside the premises of its registered head office in Tussenhausen-Mattsies, appropriate additional remuneration may be demanded. If the client is an entrepreneur, he also agrees to assume the travel costs for Grob.

5. Prices and Payments

- 5.1. Unless otherwise agreed to in writing, all deliveries and services shall be rendered in accordance with FCA, INCOTERMS 2010 (registered head office of Grob, Tussenhausen-Mattsies, Germany).
- 5.2. A payment shall be deemed as effected once the funds have entered the bank account held by Grob which has been specified on the invoice. Any deviations hereto require a separate agreement to be made with Grob.
- 5.3. A set-off against a claim shall only be valid if the counter-claim has been deemed legally enforceable and it has not been contested on our part. This does not apply to claims subject to mutuality of obligation for an off-settable claim.
- 5.4. The minimum contract value for deliveries and services is equal to a net amount of EUR 250.00.

6. Deliveries and Export Control

- 6.1. Delivery dates are to be agreed upon in writing and on an individual basis.
- 6.2. If the quantity of ordered goods exceeds the number specified on the original order, the delivery time shall extend by an appropriate duration.
- 6.3. Deliveries are subject to the provision that their fulfillment does not violate any restrictions arising from national or international regulations, especially export control regulations and embargoes or any other sanctions. The client agrees to provide all information and documentation which is required for goods



export, transport and import. Delays due to export inspections or approval processes shall annul any deadlines or delivery times. If the necessary approvals are not issued, the agreement shall be deemed not concluded in relation to the affected components. Damage claims due to delays are excluded to this extent and on account of any exceedance of the aforementioned time limits.

- 6.4. In the case of a consensual order alteration, Grob shall assess a processing fee of 10% of the altered net value of the product.

7. Acceptance

- 7.1. In the case of rendered services, the client agrees to carry out the acceptance upon request by Grob. The acceptance shall be carried out at the registered head office of Grob in Tussenhausen-Mattsies.
- 7.2. The client shall be considered in delay of accepting the contractual goods if he does not accept the goods within a period of two (2) weeks following the request from Grob.
- 7.3. If the client fails to carry out acceptance, the damage claim shall amount to 15% of the net contract value, unless the client are able to prove that the damage incurred was of a lesser value or Grob can prove that the damage was of higher value.

8. Warranty

- 8.1. For the sale of consumer goods, the warranty period for deliveries by Grob shall be no longer than two (2) years and one (1) year in the case of used goods. The statutory limitation period shall apply to the right to issue damage claims on account of defects.
- 8.2. If the client is the consumer, he is entitled to issue claims for defects to Grob in writing within the warranty period, beginning as of the date of goods acceptance or acceptance of the service.
- 8.3. In the case of legal transactions with entrepreneurs, the warranty period for deliveries and services shall be equal to one (1) year. Warranties are excluded for used goods.
- 8.4. If the client is an entrepreneur, he is to inspect the goods immediately upon receipt and to issue a written notice to Grob within five (5) days of any defects which have been identified. If the client does not issue a notice, the goods shall be considered as approved, except for cases in which a defect was undetectable at the time of inspection. If such a defect is subsequently detected, the client is to issue a notice within five (5) days of its discovery, otherwise the goods will be considered as approved irrespective of any defect.
- 8.5. Grob will generally repair defects and conduct improvement work at its registered head office in Tussenhausen-Mattsies. In exceptional cases, Grob is however entitled to conduct work to repair defects at another location.

9. Liability

- 9.1. In the event of damage claims made on account of a loss of life or bodily harm, as well as due to malicious concealment of a defect or damage claims in accordance with the Product Liability Act, Grob shall assume liability within the scope of its statutory obligations.
- 9.2. Grob shall only be liable for ordinary negligence in the case of a violation of its cardinal obligations. Cardinal obligations are essential contractual obligations, the breach of which threatens the contractual purpose of the agreement, the fulfillment of which is a prerequisite for the proper implementation of the contract, and the observance of which the contractual partner may rely upon as a matter of course. In the case of a minor negligent breach of the cardinal obligations, the liability assumed by Grob is limited to compensation for typical damage which Grob was able to previously estimate at the time that the agreement was concluded.
- 9.3. Other contractual or statutory damage claims of any sort are excluded, including those arising from subsequent damage, provided that such damage was not the result of willful or negligent behavior on the part of Grob.
- 9.4. Grob is not liable for the content of aeronautic items, provided that these were not given to Grob especially for safekeeping.
- 9.5. The liability limitations outlined here are valid to their full extent in relation to Grob's divisions, employees, legal representatives, and performing and vicarious agents which Grob utilizes to satisfy its respective obligations.

10. Insurance

Grob shall not acquire any additional insurance coverage for the contractual object provided by the client. The client bears the risk of insurance coverage for the contractual object during the service period.

11. Retention of Title and Right of Lien

- 11.1. Grob shall retain ownership over all delivered goods, accessories, exchange and replacement parts and devices until receiving full payment of the selling price or labor costs.
- 11.2. To the extent that the client processes or redesigns the goods delivered or transferred by Grob under retention of title of the client into a new moveable item, Grob shall retain the designation of manufacturer. In the event of combination or inseparable mixing with other objects, Grob shall acquire co-ownership of the new items in relation to the value of the object at the time when it was combined or mixed. If the combination or mixture is carried out in such a way that the client's items are regarded as the main item, Grob shall, as agreed, be granted proportional co-ownership, and the client is to maintain co-ownership for Grob free of charge.
- 11.3. Any of the client's components which are replaced by Grob shall become the property of Grob.



- 11.4. The client shall receive the delivered goods, accessory, replacement and spare parts or devices free of defects throughout the duration of Grob's retention of title and the client is obligated to conduct any repairs at his own costs and to provide suitable insurance coverage for the items. Grob is entitled to inspect the items under retention of title at any time. Additionally, the customer agrees to immediately inform Grob in the case of deterioration, destruction or loss of the items. Grob retains the express right claim damage in such an event.
- 11.5. The customer is prohibited from reselling the items which fall under retention of title.
- 11.6. Grob possesses a right of retention against any claims arising from the contractual relationship and any other claims arising from the business relationship as well as a contractual right of lien that extends beyond the statutory right of lien on the items to be given to Grob for fulfilling this agreement.
- 11.7. Additionally, Grob has the right to exploit the ordered item for all due claims, particularly to privately sell these items, provided that Grob informs the client of this in writing beforehand within a period of two (2) weeks. In the case of consumer agreements, Grob shall only be entitled to this right if the client is in delay of payment by at least two (2) weeks.

- 11.8. If the client is unable to fulfill his payment or other obligations under the retention of title, the remaining debt shall be immediately due regardless of any other agreements.

12. Ancillary Provisions

- 12.1. All legal relations between the client and Grob are subject to German Law with the exception of the provisions related to conflict of laws.
- 12.2. In the event that one of the above provisions is or becomes invalid, the validity of the remaining provisions shall remain unaffected.
- 12.3. Amendments and additions to these General Terms & Conditions as well as any ancillary agreements must be made in writing. This also applies to the cancellation of the writing obligation.
- 12.4. Tussenhausen-Mattsies is the place of performance agreed to by the parties to the contract. To the extent permitted by law, Memmingen shall serve as the court of jurisdiction for all claims arising from the legal transaction. Nevertheless, Grob is entitled to file a claim against the customer at any other place of general or special jurisdiction.

Tussenhausen-Mattsies, Dezember 2017
The Board of Directors