

General Terms and Conditions

In these general conditions the terms below are defined as follows:

the company or entrepreneur - the user of these general terms and conditions.

**the client - the other party of the company to the contract.
(also with respect to a purchase agreement)**

**the agreement - the agreement concluded between the company and the client
and to which these general terms and conditions apply.**

Article 1 Applicability

1. These general terms and conditions apply to all offers and agreements for the delivery of goods and/or services, including the performance of work, as well as to all agreements related thereto, to the extent they have not been deviated from in the special section.
2. The applicability of the client's terms and conditions is hereby expressly excluded.
3. These general terms and conditions apply to every subsequent legal relationship between the company and a client who has agreed with the applicability of these general terms and conditions of the company.

Article 2 Offers

1. All oral or written offers made by or on behalf of the company are entirely without obligation and are in no way binding on the company.
2. Assignments and orders from and any acceptance by the client are considered an offer to the company and are irrevocable. The agreement between the client and the company is established from the moment of its written confirmation by the company (and only in accordance with this confirmation), or from the moment that the company has started to execute such assignment or order.
3. The entrepreneur is entitled to change offers and orders, even after they have been confirmed in writing and/or their execution has been started, provided that such changes are made within a reasonable period of time before the delivery date or the date on which the relevant service must be performed.
4. An estimate made by the company, either of the time involved in the assignment or order or of the assignment associated with the assignment or the costs related to the assignment, is always without obligation. The client will not be able to derive any rights from such an estimate.
5. The company is not liable for inaccuracies in all images, drawings, sketches, measurements, weights, engine power, speed and further descriptions provided with an offer.
6. After the agreement between the client and the entrepreneur has been concluded, the contents thereof can only be deviated from by written agreement, subject to the entitlement of the entrepreneur mentioned in Article 2.3.

Article 3 Delivery of goods or the performance of services in parts.

The company reserves the right, unless expressly agreed otherwise, to deliver goods, including the provision of such goods, or to provide services in parts. If such delivery or services are deemed to have been made or performed under separate agreements, these general terms and conditions apply to each of these agreements.

Article 4 Prices

1. All prices quoted by the company are calculated for delivery ex factory, workshop, site or warehouse of the entrepreneur, and exclusive of VAT, unless expressly stated otherwise in writing.
2. Unless a fixed price has been agreed for an assignment or part thereof, the entrepreneur will charge the client on the basis of the standard rates applicable at the date of conclusion of the agreement, including overtime-work payments in the event the entrepreneur or the client exceeds the regular working hours.
3. The standard rates do not include the costs of processed material and auxiliary materials, travel and accommodation costs as well as any other costs incurred by the entrepreneur under the terms of the execution of the assignment. These are charged to the client specified and separately.
4. Unless otherwise agreed in writing, the entrepreneur reserves the right, in the event of a cost increase between the time of the conclusion of the agreement and its execution, and regardless of whether this was to be anticipated, to increase the price or the standard rate accordingly to the extent that such cost increase has been fully processed in the price or the standard rate. A cost increase includes cost increases resulting from: increases or changes in wages, charges, taxes, duties, fees, freight, levies, raw material and energy prices, as well as exchange rate changes, increases in fees charged by suppliers, or changes in legislation. If such an increase occurs within 3 months after the conclusion of the agreement, the client is entitled to dissolve the agreement.

Article 5 Delivery time and Delivery

1. Delivery periods stated by the company and deadlines for delivery in which the services are to be provided are only intended as approximate times. Delivery periods are extended by the period during which the execution of the agreement is delayed interfered with. The obligation to deliver can be suspended as long as the client still needs to fulfill any obligation in respect of the company.
2. Delays in delivery or in the provision of services will not entitle the client to compensation, dissolution of the agreement, or non-fulfilment by the client of any obligation arising from the agreement.
3. After expiry of the specified period, the client has the right to require a new reasonable period from the company in writing. The client is entitled to dissolve the agreement if the company does not deliver or performs the goods to be delivered or the services to be rendered within the reasonable period set by the client after the aforementioned new reasonable period has been exceeded, without prejudice to the client's obligation to pay the goods already delivered.
4. The company will not in any way be in default due to non-delivery or late delivery in case the client is in default in its fulfilment with one or more of its obligations.
5. Delivery periods and deadlines in which services are to be provided only take effect and the performance of an assignment is only commenced after all statutory and otherwise prescribed requirements and the payment arrangement required by the company pursuant to Article 7 of these general terms and conditions have been met. The client has provided the data, documents, materials and raw materials required for the performance of services to the company.
6. The client shall ensure that an object to be processed is at the disposal of the company at the agreed time and place. Failing this, the company has the right, irrespective of the reason of the delay, to charge the costs incurred as a result to the client.
7. After execution of the assignment, the company will issue a complete report to the client. The client is obliged to receive the processed object within 48 hours after the completed notification. Failing this, the company has the right to charge the client for the resulting costs (including storage fees).

8. Delivery takes place ex works, workshop, warehouse or the company site, unless explicitly agreed otherwise in writing.
9. Services to be performed by the company on an object shall be deemed to have been executed and completed from the moment that the processed object is provided to the client or third parties appointed by the client or has actually been delivered to the client or such designated third parties.
10. Other services to be provided by the company shall be deemed to have been executed and completed from the moment the company issues a notification of completion.

Article 6 Performance of work

1. Maintenance, inspection, repair and/or other activities are carried out by or on behalf of the entrepreneur with due observance of the requirements of proper skills and workmanship.
2. If and insofar as maintenance, inspection, repair and/or other work must be performed on or in connection with goods that do not originate from the entrepreneur, the entrepreneur shall at all times have the right during the execution of the agreement to engage or consult expert third parties, while the client shall be charged with the costs of such engaged or consulted expert third party.

Article 7 Payment

1. Insofar no other payment conditions have been agreed in writing, payment must be made without deduction of any discount or settlement within 30 days from the invoice date, at the office of the company or by means of transfer or payment to a bank to be specified by the company, or a giro account, or in other manner to be indicated by the company. Payment is deemed to have taken place on the value date of the company's bank or giro organisation.
2. If parts are delivered, or the provision of services takes place in parts, these terms of payment shall apply to each part of the delivery and to each part of the services to be provided separately.
3. If any payment is not made within the agreed period, the client shall be deemed to be legally in default without any further notice of default being required. With effect from the day on which the client is in default, the client shall be due default interest amounting to 2% of the amount owed per month or part of a month that the default continues, this without prejudice to any further rights the company is entitled to, including the right to claim the statutory interest.
4. The client shall furthermore owe all extrajudicial costs related to collection of any claim against the client. The extrajudicial costs are deemed to amount to at least 10% of the amount to be claimed with a minimum of € 250.
5. Such interest obligation moreover extends to interest on all interest due for more than one year.
6. No payment can be suspended, not even if the client believes that it has any right of complaint.
7. Irrespective of the payment conditions, the company has the right at any time to demand prepayment or a security in a form at its discretion.
8. If the client fails to pay in advance or provide a security and the company has reasonable doubts about the solvency of the client, the company has the right to suspend the (further) execution of the agreement, or to dissolve the agreement by a written statement and assert its right to claim compensation for replacement and any additional compensation.

Article 8 Retention of title

1. The goods sold and delivered by the company remain its property until the moment of full satisfaction of all that the company may claim under this agreement or any other similar agreement with the client for the delivery of goods and/or the provision of services, including damage, costs and interest. The client is not entitled to resell the goods subject to a retention of title or to charge them with any limited right, other than in the normal course of its business.
2. The client is obliged to keep the goods on which a retention of title is vested on behalf of the company identifiable and/or to locate them separately from each other and from the other goods located at the client.
3. If the client has failed to fulfil any obligation in respect of the company, the company shall at all times be entitled, without any notice of default or judicial intervention being required, to take back all goods sold and delivered in which a retention of title is vested, and to enter all areas where such goods are or may be located. The company has the right to charge the client for the costs associated with taking back any goods.
4. The company is entitled to retain goods that are the client's property, as long as the client has not or has not properly complied with the obligations arising for him from the relevant agreement.

Article 9 Risk

1. Unless expressly agreed otherwise in writing, the risk with regard to delivered goods shall be for the account of the client from the moment that the goods have been delivered to the client or to third parties designated by the client.
2. Objects that, for any reason, are under the supervision of the company or its subcontractors or of others carrying out services and/or work on behalf of the company, shall at all times be at the risk of the client.
3. Unless explicitly agreed otherwise in writing, test flights are at the expense and risk of the client.

Article 10 Guarantee

1. With regard to delivered goods and provided services, the company does not provide guarantees other than that:
 - (a) the delivered goods are in accordance with the description published by the company at the time of delivery and with any additions thereto signed by the company and the client, and further satisfy reasonable requirements of usability and reliability; and
 - (b) the services to be provided by the company will be performed to an optimum. Any other guarantee concerning the specifications and qualities of delivered goods is expressly excluded.
2. The guarantee period is, unless otherwise agreed in writing, three months after the delivery of the goods or completion of the services rendered. After expiry of this period, any right or possibility for the client to invoke such guarantees lapses.
3. The guarantees mentioned in this Article do not include more than the company's liability for damage consisting of defects or shortcomings in the delivered goods or services in respect of which the company has lodged a timely complaint to the client within the guarantee period, as determined in paragraph 1 of this article, with due observance of Article 15 of these general terms and conditions. More specifically, the guarantees mentioned in this Article relating to delivered goods do not go beyond the guarantee issued by the manufacturer to those goods and the guarantees relating to the services provided do not go beyond the guarantees to parts and materials provided by suppliers for parts and materials used in the service.
4. If the company, for any reason, bears any liability, it shall at its discretion proceed to either compensation, repair or redelivery of the delivered goods, or re-execute the relevant service free of charge, or within reason reimburse to the client, either wholly or in part, the invoice value of the service in question.

5. In the case of a combined contract, in which no breakdown of the compensation to be paid to the company has taken place, the calculation of the company is decisive for the application of the provisions of paragraph 4 of this Article.
6. All guarantees provided by the company shall be cancelled as soon as the client or a third party engaged by the client:
 - (a) makes changes to the delivered goods;
 - (b) repairs the delivered goods;
 - (c) uses the delivered goods for a purpose other than that for which they were intended;
 - (d) improperly maintains the delivered goods;
 - (e) uses the delivered goods improperly;
 - (f) is otherwise at fault with regard to the defect.

All guarantees issued by the company shall furthermore be cancelled in the event that the client does not, not properly or not timely fulfil any obligation in respect of the company for any reason whatsoever, or if and in so far as any other provision in these general terms and conditions or the relevant agreement with the client constitutes an impediment to claims against the company.
7. If at the request of the client the company carries out repair work or resells goods or re-performs services in connection with the guarantees stated in these general terms and conditions or otherwise provided by the company, the company shall be entitled to pay the costs thereof to the client at the rates customarily charged by the entrepreneur, if it turns out that the company was not obliged to do so without charge for the client under such guarantees.
8. The guarantees mentioned in this Article do not cover the costs of assembly and disassembly or transport of the processed object.

Article 11 Liability

1. Subject to the guarantee obligations under Article 10 of these general terms and conditions, any other or further liability is expressly excluded by the company.
2. The company is not liable for damage suffered by the client or third parties by or in connection with the goods and services provided by the company, unless the company is guilty of intent or gross negligence or intent on the part of (one of) its employees. The company is not liable for damage caused by its personnel, subcontractors and/or other auxiliary persons, who have been engaged by the company in the execution of the agreement. Liability for business or consequential damages, including lost profits and income or indirect damage is at all times excluded.
3. All materials, raw materials, etc. provided by the client must comply with the standards and requirements set by the national authorities. The entrepreneur accepts no liability in this matter.

Article 12 Liability for subcontractors and auxiliary persons

All forms of defence which the company may derive from the contract concluded with the client in order to relieve its liability can be invoked by subcontractors and/or other auxiliary persons who perform services or work on behalf of the company in respect of the client, as if such subcontractors and/or auxiliary persons themselves were a party to the agreement.

Article 13 Indemnification

The client indemnifies the company, subcontractors and/or other auxiliary persons engaged by the company in the execution of the agreement, against all third-party claims for damage, occurred by or in connection with the execution of the agreement by the company, subcontractors and/or other auxiliary persons, in so far as these claims exceed those or are different than those which the client is entitled to in respect of the company.

Article 14 Force Majeure

1. Force majeure exists if the execution of the agreement is prevented in whole or in part, temporarily or otherwise, by circumstances beyond the control of the parties and/or due to circumstances on the part of the company such as strike, personnel issues, transport problems, weather conditions, the impossibility to obtain import or export licenses, failure in the supply or provision of raw materials, auxiliary materials, energy or business requisites, including breach of contract by suppliers from whom the entrepreneur has purchased any goods or services.
2. In case of force majeure, the obligations of the parties will be suspended. If the force majeure situation lasts longer than three months, each of the parties to the agreement shall be entitled to dissolve the agreement through a written statement to the other party for the part not yet executed, without being obliged to pay any compensation whatsoever.

Article 15 Complaints

1. Complaints with respect to externally visible defects must be noted on the consignment note or letter of receipt upon receipt of the goods. Complaints with regard to outwardly visible defects must also be submitted to the company in writing within ten days of delivery. Complaints regarding defects in a service provided by the company must be submitted to the company in writing within ten days after the execution of the relevant service. In the event of other defects, complaints regarding such defects must be submitted in writing to the company within ten days after such defects have been or could reasonably have been detected, but no later than six months after the delivery.
2. Failure to comply with the provision of the previous paragraph shall result in the cancellation of any arrangement in respect of the company regarding the defects in question.
3. Goods with regard to which, at the discretion of the company, complaints have been validly lodged, must be returned to the company at the company's first request.

Article 16 Default, dissolution and suspension

1. Without prejudice to the provisions in the other Articles of these general terms and conditions, the client shall, if:
 - a) the client does not, not properly or not on time comply with any obligation, which may arise for the client from this or any other agreement concluded with the company, or
 - b) the client has been declared bankrupt, the client has applied for suspension of payment, or the client's company has been shut down or liquidated, or
 - c) the delivered goods are subject to attachment levied against the client, the ownership of which has not or not yet been transferred to the client,

legally deemed to be in default, and the company has the right, without any notice of default, to suspend the execution of the agreement or to dissolve the agreement in whole or in part through a written statement, without the company being bound by the payment of any compensation or the provision of any guarantee, and without prejudice to any further rights vested in the company.
2. In the cases referred to in the previous paragraph under (a), (b) and (c), any claim that the company has or will have on the client will be immediately and due and payable.

In case the company has reasonable doubts about the solvency of the client, the company has the right:

 - a) to suspend the further execution of the agreement until the doubt has been adequately removed in the reasonable judgment of the company, and/or

- b) to demand and receive advance payment or proper security from the client before proceeding with the execution of the agreement.

3. If, in the reasonable opinion of the company, it is to be feared or to be expected that by virtue of article 16 of the Dutch Act on the Collection of State Taxes, an attachment shall be levied against goods delivered by the company, the ownership of which has not or not yet transferred to the client, the company has the right, at the expense of the client and without any compensation, to take back such goods or to bring such goods outside the control of the client, to enter all accommodations available to the client with respect to this, and to store such goods at the expense of the client until, in the reasonable opinion of the company, such fear or expectation has been removed.
4. If an attachment of the goods is levied against the client or third parties, the ownership of which has not or not yet been transferred to the client, the client is obliged, at the time such attachment is levied, to report the fact that the ownership of such goods is not vested in the client, and the client is furthermore obliged to inform the company immediately of the attachment(s) and give the company access to all related writs, subpoenas and so on.

Article 17 Divisibility

If one or more of the provisions of these general terms and conditions or of the agreement concluded with the client is denied legal force, such lack of legal force will not affect the legal force of the other provisions of these general terms and conditions or of the agreement concluded with the client and the binding force of such other provisions shall fully continue to be effective.

Article 18 Notifications

All notices, notices of default and so on that are referred to in these general terms and conditions or in the agreement, will be made in writing and sent by letter, telex, telegram or fax to the address of the relevant party to the agreement. If the communication has been sent by post, it will be deemed to have been received by the addressee on the second working day after the date thereof. If a communication has been sent by telex, telegram or fax, it will be deemed to have been received on the same day if it has been sent during the regular office hours of the company (8 am to 4:30 pm on business days).

Article 19 Disputes and applicable law

1. Any dispute arising from the agreement concluded between the client or purchaser and the company or any further agreements, including the collection of claims, shall be settled exclusively by the competent court of the area in which the company is established, unless the company prefers a another court with jurisdiction.
2. The applicability of the United Nations Convention on Contracts for the International Sale of Goods regarding moveable property is expressly excluded.
3. Only Dutch law applies to the agreements concluded with the company.

These terms and conditions have been filed with the District Court of Amsterdam on 21st May 1993.

GENERAL PART OF THE GENERAL TERMS AND CONDITIONS OF THE VNLO Vereniging.van Nederlandse Luchtvaart Ondernemingen ("VNLO")