

**General Terms and Conditions for Supplies and Services
of MTU Aero Engines AG
(hereinafter called "MTU")
Effective May 15, 2013**

This is a translation from the German language. In case of any conflict between the German and English version, the German language version shall prevail.

I. General Conditions; Validity

1. The following General Terms and Conditions shall exclusively govern all supplies and services (uniformly hereinafter referred to as "Supplies") to be provided by MTU in commercial transactions between businesses.
2. The Customer's general terms and conditions of business shall be excluded and shall not become part of the contract, even if MTU does not explicitly raise objections, or performs the contract without having raised objections to such general terms and conditions of business.
3. Deviating agreements shall be effective only when MTU has confirmed them in writing.
4. Quotations are not binding. Customer's orders shall only be binding subsequent to written confirmation by MTU.
5. Information on performance, weight, consumption and other qualities of the Supplies shall not constitute a guarantee of characteristics ("Beschaffenheitsgarantie") or a separate guarantee (selbständige Garantie) within the meaning of the German Civil Code (BGB).
MTU may change the design, form and material of the Supplies provided the Supplies are thereby not essentially modified and the result of such change is reasonably acceptable to the Customer.
6. MTU shall at any time be entitled to rescind the contract covering the performance of tests on one of MTU's test facilities if MTU has reason to believe that testing might cause damage to the test facility or to life, body and health.
7. The term „claim for damages" used in the present General Terms and Conditions also includes claims for indemnification for useless expenditure (Ersatz vergeblicher Aufwendungen).

II. Time for Supplies

1. All delivery and execution deadlines (uniformly referred to in the following as "delivery period") require written agreement.
2. The delivery period shall be extended for the time period the Customer is in delay with the fulfillment of its cooperative duties such as furnishing documents, permits, releases, etc. as well as executing payments (including deposit payments).
3. The delivery period has been adhered to when the Supplies have left the plant by the expiration of such period or when the Customer has been informed of preparedness to ship.
4. The delivery period shall be reasonably extended in cases of force majeure, labor disputes, insufficient material supplies, energy shortages, refusal of necessary governmental or other authorities' authorizations as well as any other causes beyond MTU's control such as non-performances where MTU is not responsible for and/or inadequate deliveries on the part of suppliers, subcontractors or other such MTU contractors, at least for the duration of such hindrances.

III. Delivery; Passing of Risk; Delay

1. MTU has the right to effectuate partial and advance deliveries.
2. Delivery is effectuated ex works facility MTU Munich [EXW pursuant to Incoterms 2010].
3. If the Customer has failed to take delivery when offered or if shipping is delayed upon its request, the risk shall pass to the Customer. In such cases, MTU shall notwithstanding any further claims, have the right to charge the Customer for the Supplies which are ready to transfer and to store the Supplies at the Customer's cost.
4. If MTU is responsible for the delay (hereinafter referred to as „Delay") and the Customer has demonstrably suffered a loss therefrom, the Customer may claim a compensation as liquidated damages of 0.5 % for every completed week of Delay, but in no cases more than a total of 5 % of the price of the part of the Supplies which due to the Delay could not be put to the intended use.

5. Customer's claims for damages due to delayed Supplies as well as claims for damages in lieu of performance exceeding the limits specified in Article III. 4. above are excluded in all cases of delayed Supplies, even upon expiry of a time set to MTU to effect the Supplies. This shall not apply in cases of mandatory liability based on intent, gross negligence, or due to loss of life, bodily injury or damage to health. Recession of the contract by the Customer based on statute is limited to cases where MTU is responsible for delay. The above provisions do not imply a change in the burden of proof to the detriment of the Customer.

IV. Prices; Terms of Payment; Additional Costs

1. All prices are ex works facility MTU Munich [EXW pursuant to Incoterms 2010] excluding costs for weighing, packaging and loading; value added tax shall be added to the price at the applicable rate. Traveling expenses resulting from tasks an MTU employee has executed in order to fulfill an order shall be borne by the Customer.
2. Unless otherwise agreed, all payments shall be made in euros (EUR) without deduction and charges to MTU's bank account by the agreed payment date. If no such payment date has been agreed, payment shall be made within 30 days subsequent to the date of invoicing.
3. The Customer may set off only those claims which are undisputed or non appealable.
4. In the event that the agreed payment deadlines are not met the Customer shall pay interest on the outstanding amount at eight (8) % p.a. above the base rate published by the Deutsche Bundesbank, provided, however, that such interest payment shall be in addition to, and not in lieu of, any other legal remedies available to MTU.
5. MTU is entitled to claim a reasonable price increase as a consequence of additional costs incurred by MTU due to Customer's instructions or changes to the work scope made at Customer's request.

V. Retention of Title

1. The items pertaining to the Supplies („Retained Goods") shall remain the property of MTU until each and every claim MTU has against the Customer on account of the business relationship has been fulfilled. If the combined value of MTU's security interests exceeds the value of 20 %, MTU shall release a corresponding part of the security interest if so requested by the Customer; MTU shall be entitled to choose the security interest it wishes to release.
2. Handling and processing of the Retained Goods shall be performed for MTU as manufacturer in compliance with § 950 BGB (Civil Code).
3. For the duration of the retention of title, the Customer may not pledge the Retained Goods or use them as security, and resale shall be possible only for resellers in the ordinary course of business and only on condition that the reseller receives payment from its customer or makes the transfer of property to its customer dependent upon the customer fulfilling its obligation to effect payment. The Customer already now assigns to MTU its due claims against third parties (with all accessory rights) which result from the resale of the Retained Goods in order to safeguard the claims stipulated under retention of title according to Article V.1. regardless of whether the Retained Goods are sold with or without processing. The Customer may collect the claims resulting from the resale as long as it duly fulfills its obligations vis-à-vis MTU. The Customer must, upon request by MTU, inform MTU of its debtors including the claims assigned to MTU and notify its debtors of the assigned claims.
4. When the Customer fails to fulfill its duties, especially in the case of culpable delay in payment, MTU shall be entitled to rescind the con-

tract and take back the Retained Goods in the case of continuous failure following expiry of a reasonable remedy period set by MTU; the statutory provisions providing that a remedy period is not needed shall be unaffected. The Customer shall be obliged to return the Retained Goods. The fact that MTU takes back retained Goods and/or exercises the retention of title, or has the Retained Good seized, shall not be construed to constitute a recession of the contract, unless MTU so expressly declares.

5. In the case of damage inflicted upon the Retained Goods during the seizure thereof or during other interventions effected by third parties, the Customer shall immediately notify MTU, among other notification possibilities, by the sending of a seizure protocol. The Customer is responsible for all expenses - especially for court and attorney fees resulting from intervention lawsuits - which occur for MTU in the safeguarding of Retained Goods.
6. The Customer is obligated to insure the Retained Goods for the duration of the retention of ownership against common risks, these being at least fire, water, storm, theft, transport, and assembly risks. This is to be done at the Customer's cost by concluding an insurance contract which identifies MTU as co-insured and as the receiver of the services.

VI. Defects as to Quality

MTU shall be liable for defects as to quality ("Sachmängel", herein-after referred to as „Defects“) as follows:

1. Defective Supplies shall be, at MTU's discretion, repaired replaced or provided again free of charge, provided that the reason for the Defect has already existed at the time when the risk was passed. If repair or replacement is unsuccessful, the Customer is entitled at its discretion to rescind the contract or reduce the remuneration; any claims for damages the Customer may have according to Article VI.6 shall remain unaffected.
2. Claims for repair or replacement are subject to a statute of limitation of 12 months calculated from the start of the statutory statute of limitations; the same shall apply mutatis mutandis in the case of recession and reduction. This shall not apply where longer periods of limitation are prescribed by law. This period shall be a statutory period of limitation and shall also be applicable to recession, reduction of remuneration and claims for damages or compensation.
3. MTU shall be notified in writing of obvious Defects within 10 calendar days after the handing over of the Supplies, and of non-obvious Defects within 10 days subsequent to the discovery of such Defects. MTU's receipt of the notification of deficiency is essential in order to safeguard the period. Upon expiration of the period, the Customer loses all rights that it would have otherwise had due to a Defect.
4. MTU shall not be liable for Defects and/or damage which are the result, among other things, of objects furnished by the Customer, wear and tear, faulty assembly/faulty putting into service by the Customer or by third parties, faulty or negligent handling, unsuitable or undue utilization, excessive operational load, disregarding of MTU utilization or instruction manuals, unsuitable operational resources, spare materials, deficient construction work, unsuitable construction area, modifications and/or repairs not approved by MTU, repairs etc. effected by the Customer or third parties, excessive storage time and other circumstances lying within the Customer's sphere of influence including furnished material, instructions given by the Customer, etc. The Customer is obligated to indemnify and hold harmless MTU from all claims made by third parties resulting from circumstances mentioned above. Upon request by MTU, the Customer is obligated to provide verification of existing insurance coverage which is sufficient for liability risks occurring thus.
5. The Customer shall have no claims with respect to expenses incurred in the course of supplementary performance („Nacherfüllung“), including costs of travel, transport, labor, and material, to the extent that expenses are increased because the subject-matter of the Supplies has subsequently been brought to another location than the Customer's branch office, unless doing so complies with the normal use of the Supplies.
6. The Customer shall have no claims for damages based on Defects. This shall not apply to the extent that a Defect has been fraudulently concealed, guaranteed characteristics are not complied with, in the case of loss of life, bodily injury or damage to health, or intentionally or grossly negligent breach of contract on the part of MTU. The above provisions do not imply a change in the burden of proof to the detriment of the Customer. Any other or additional claims of the

Customer exceeding the claims provided for in this Article VI, based on a Defect, are excluded.

7. Unjustified notifications of a Defect shall entitle MTU to demand reimbursement of its expenses by the Customer.

VII. Other Claims for Damages; Liability

1. The Customer has no claims for damages on whatsoever legal reason, including infringement of duties arising in connection with the contract or tort.
2. The provision of Article VII.1. shall not apply in cases of mandatory liability, e.g. under the German Product Liability Act (Produkthaftungsgesetz), in the case of intent, gross negligence, loss of life, bodily injury or damage to health, or breach of condition, which goes to the root of the contract („wesentliche Vertragspflichten“).
3. However, claims for damages arising from a breach of a condition which goes to the root of the contract shall be limited to the foreseeable damage which is intrinsic to the contract, unless caused by intent, or gross negligence or based liability for loss of life, bodily injury or damage to health.
4. The personal liability of MTU's employees, representatives, or other persons employed or involved in the performance of MTU's obligations shall be excluded and restricted in the same way and extent as MTU's liability.
5. The above provisions in Article VII. do not imply a change in the burden of proof to the detriment of the Customer.
6. In as far as MTU's Supplies consists of the performance of test on a rig of MTU, the further provisions shall apply: MTU shall not be liable for damages to the Customer's test items suffered in connection with the performance of the tests, unless such damage is attributable to willful intent or gross negligence on the part of MTU. The Customer shall be liable vis-a-vis MTU for any damage resulting from the performance of the tests and shall indemnify MTU from and against all third-party claims, unless such damage is attributable to willful intent or gross negligence on the part of MTU.
7. To the extent the Customer has a claim for damages, it shall be time-barred upon expiration of the statute of limitations pursuant to Article VI. 2. The same shall apply to the Customer's claims in connection with actions undertaken to avoid any damage (e.g. callback).

VIII. Impossibility of Performance, etc.

1. The Customer shall be responsible for additional costs incurred by MTU as a consequence of one of the events mentioned in Article II. 4 of these General Terms and Conditions.
2. If events as defined in Article II. 4 substantially change the economical and/or technical definition and purpose of this contract and/or the content of the Supply or if the operation of MTU is influenced to such an extent, in spite of effectuating appropriate contractual adaptation, for example, by extending the delivery period, that adhering to the contract becomes unreasonable for MTU, then MTU shall have the right to withdraw from the contract. The Customer shall be immediately notified of an intended withdrawal as soon as MTU has recognized the scope and implications of the event in question.
3. To the extent that delivery is impossible, the Customer is entitled to claim damages, unless MTU is not responsible for the impossibility. The Customer's claim for damages is, however, limited to an amount of 10 % of the value of the part of the Supplies which, owing to the impossibility, cannot be put to the intended use. This shall not apply in cases of mandatory liability based on intent, gross negligence, or due to loss of life, bodily injury or damage to health. The above provisions do not imply a change in the burden of proof to the detriment of the Customer. The Customer's rights to rescind the contract shall be unaffected.

IX. Intellectual Property Rights and Copyright; Defects in Title

1. In as much as MTU designs, manufactures, and/or assembles according to instructions, drawings, or other such documents furnished by the Customer, MTU shall not be liable for any infringement of intellectual property rights and/or copyrights (hereinafter "IPR") resulting therefrom.
2. If a third party asserts a justified claim against the Customer based on an infringement of an IPR by the Supplies made by MTU and used in conformity with the contract, MTU shall be liable to the Customer within the time period stipulated in Article VI. 2. as follows:

MTU shall choose whether to acquire, at its own expense, the right to use the IPR with respect to the Supplies concerned or whether to modify the Supplies such that they no longer infringe the IPR or replace them. If this would be impossible for MTU, under reasonable conditions, the Customer may rescind the contract or reduce the remuneration pursuant to the applicable statutory provisions. MTU's liability to pay damages is governed by Article VII.

3. The above obligations of MTU shall only apply if the Customer (i) immediately notifies MTU of any such claim asserted by the third party in written form, (ii) does not concede the existence of an infringement and (iii) leaves any protective measures and settlement negotiations to MTU's discretion.
4. Where other defects in title occur, the provisions of Article VI. shall apply mutatis mutandis.
5. Any other claims of the Customer against MTU or any such claims exceeding the claims provided for in this Article IX., based on a defect in title, shall be excluded.

X. Reservation of the Right to Terminate the Contract

1. If, subsequent to the conclusion of the contract, but nonetheless previous to MTU's provision of the Supplies, a substantial deterioration in the Customer's financial situation occurs to the extent of endangering MTU's claim of consideration, or if the Customer provided false information concerning its creditworthiness previous to the conclusion of the contract, MTU shall have the right to terminate the contract. A substantial deterioration in the financial situation in this case would especially be the cases of the Customer stopping payments, the threat of stopping payments or the incapacity to effectuate payments, if a petition has been filed for instituting composition or bankruptcy proceedings, or if protests or bills of exchange, checks, or promissory notes become public. The right to terminate the contract shall not exist if the Customer eliminates the risk of endangering MTU's claim of consideration by providing securities within a reasonable period of time.
2. If the deterioration of the financial situation as defined in Article X.1. occurs subsequent to MTU's provision of Supplies, the entire consideration owed by the Customer shall be due and payable immediately. If the Customer fails to fulfill this obligation and furthermore fails to offer sufficient security, MTU may thus terminate the contract.

XI. Authorizations from Authorities

MTU's Supplies to countries other than Germany may require governmental or other authorities' authorizations/permits. If MTU has agreed to apply for such authorizations/permits the Customer undertakes to place all documents required for applying for such authorizations/permits (e.g. export licenses) at MTU's disposal in good time and free of charge and assist MTU in receiving such authorizations/permits.

XII. Results of the Work

1. MTU herewith reserves any property rights, intellectual property rights and/or copyrights pertaining to its cost estimates, quotations, drawings, models, tools, devices or other documents (hereinafter referred to as "Documents") created to fulfill the contract. These Documents shall not be made accessible to third parties and shall upon MTU's request, be returned without undue delay.
2. In the event MTU's Supplies consists of providing design, development, planning or calculation services or other intangible assets or computer programs (hereinafter „Work Results“) – whether or not those Work Results are protected by industrial property rights and /or copyrights or not - MTU grants the Customer the non-exclusive and non-transferable right to use the Work Results limited to the field of application defined in the contract, provided, however, that the remuneration for the Supplies was paid in full to MTU. MTU shall be exclusively entitled to apply for industrial property rights for Work Results.
3. Any further rights to use the Work Results require MTU's prior written approval and are subject to a separate remuneration.

XIII. Final Provisions

1. If a part of these General Terms and Conditions and/or contracts concluded which are based thereupon is or becomes ineffective, the remaining terms and conditions/contractual agreements retain their full validity. In such a case, the parties commit themselves to replacing the ineffective clause by individual agreement with an effective one which is closest in economical meaning and purpose to the ineffective clause.
2. The legal relations existing in connection with this contract shall be governed by German substantive law, to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).
3. Sole place of venue for all disputes arising out of the contract shall be the court of law which is competent for the registered office of MTU. MTU's right to file suit against the Customer at its registered office or place of business remains unaffected.