

# General Conditions of Sale

## I. Offer and Conclusion of Contract

(1) The purchase order signed by the customer (hereafter: the Customer) is a binding offer. Schleicher GmbH & Co. Segelflugzeugbau (hereafter: the Company) may accept this offer within two weeks by means of sending an order confirmation. If the Customer provides a down payment as a result of a written or verbal offer by the Company, a contract is not valid until Schleicher has confirmed the conclusion of the contract in writing. In no case is interest payable on a down payment provided by the Customer.

(2) All declarations are to be submitted in writing. This is also the case for any collateral agreements, assurances or subsequent contract amendments.

(3) The transfer of rights and duties from this contract to a third party requires previous agreement from the Company and may be subject to conditions.

## II. Price and Payment

(1) Payment of the purchase price can only be made to the account shown below.

(2) A down payment of the amount shown in the confirmed offer is required to establish a contract. If the contract is not completed for reasons arising from the Customer, the down payment is retained to compensate the Company for expenditures incurred. The Company may also claim additional compensatory costs. However, the Customer may be able to establish that there were no or minimal resulting expenses.

(3) Payment for any purchased item and any additional associated costs is due on delivery, or at the latest, 8 days after receipt of the notice for delivery and receipt or submission of the sales invoice. Default interest is charged at the rate of 5% over the normal base interest rate. The Company reserves the right to assess higher default damages payments. In a case where higher damages have been assessed as a result of a default on the part of the Customer, the Customer has the chance to show that the assessed extra default damages should not be applied or should be lowered.

## III. Offsetting and Retention Rights

The Customer only has the right for offsetting costs if his counterclaims have been legally proven or are unopposed.

The customer may only pursue retention rights if his counterclaim is based on the same contractual relationship.

## IV. Delivery

(1) In the event that the Customer does not fulfil all obligations in a timely manner, the Company reserves the right to terminate the contract and will not be required to fulfil the order.

(2) If the Customer defaults in acceptance or if he culpably violates other cooperation obligations, the Company is entitled to demand reparations for the damages caused thereby as well as possible additional expenses. The Customer is entitled to attempt to show that damages to the extent claimed do not exist or are lower than stated. The Customer assumes the risks of an accidental damage to or loss of value of the object being sold at the point at which he entered into acceptance or debtor's delay.

(3) The Company is liable for delivery default, caused intentionally or due to gross negligence, for each complete month of default in the framework of a flat compensation rate in the amount of 1% of the contract value, but not more than a maximum of 5% of the contract value.

(4) Any further legal claims and rights of the Customer due to delayed delivery remain in effect.

## V. Retention of Title

(1) The Company retains ownership of the delivered item until full payment of all claims arising from the contract is made. The Company has the right to make delivery of the item being purchased dependent on complete payment of the purchase price.

(2) As long as he/she has not yet gained ownership of the property, the Customer is obligated to handle the contractual item with due care. He is especially obligated to insure the item sufficiently for its as new value and at his cost against theft, fire and water damages. If maintenance and inspections are required the Customer must carry them out at his own cost at the proper times. As long as the Customer has not taken ownership the Customer must immediately inform the Company in writing if the delivered item could be or has been seized or otherwise subjected to the intervention of any third party. If the third party is not in the position of reimbursing the Company for the judicial and extra judicial costs pursuant to paragraph 771 of the German code of Civil Procedure (ZPO), the Customer is liable for the cost incurred by the Company.

(3) The processing, re-working or modification of the contractual object by the Customer may only be carried out with the permission and under the instructions of the Company. In this case the expectant right of the Customer to the processed or transformed object of the contract continues in force. If the item is being re-worked using other items or materials which do not belong to the Company, it acquires co-ownership of the new item relative to its objective value in relation the other re-worked items at the time of the re-working.

(4) Upon request by the Customer, the Company is obligated to release securities provided to it or due to it to the extent that the value of the securities claimed exceeds 20%.

## VI. Warranty and Notice of Defect

(1) Any obvious faults in the contractual object must be reported in writing to the Company within two weeks of receipt of the object.

(2) Initially, the Customer is only entitled to a non-monetary correction of faults by means of repair procedure. The repair procedure is considered insufficient if, after a failed second attempt, there is no significant change or improvement in the nature of the issue or the fault. A reduction of the purchase price or a cancellation of the contract by the Customer is not possible during the correction procedure. The Customer may ask for a replacement if the repair procedure at least twice fails to correct the fault.

(3) The statutory rights to raise further claims for damages with respect to the conditions shown below are not hereby affected.

(4) The Company is unrestrictedly responsible, irrespective of the previously named regulations and the following liability restrictions, for damages to life, body and health caused by negligence of or caused intentionally by its legal representatives, vicarious agents or assistants, as well as for damages covered by the liability under the German Product Liability Act, as well as for any damages resulting from a breach of contract caused wilfully or by gross negligence or fraudulent intent by its legal representatives, vicarious agents or assistants. So far as the Company gave a guarantee of quality and /or durability with regards to the goods or parts, it is liable for these goods or parts within the limits of this guarantee. For damages based on defects in guaranteed quality or durability, which however are not directly attributable or connected to the goods, the company is only liable when the risk of such a damage is clearly evident and covered by the guarantee of quality and durability.

(5) The Company is also responsible for damages caused by ordinary negligence, insofar as this negligence applies to the violation of such contractual duties to which the adherence is of particular importance for the attainment of the aim of the contract (cardinal duties). However, the Company is only liable for damages which are typically connected with the contract and which are foreseeable. In the case of simple, negligent breaches of non-contract specific incidental obligations, the Company is not generally liable. The limitations on liability included in sentences 1 – 3 shall also apply if the liability involves the legal representatives, senior executives and other vicarious agents of the company.

(6) Liability for compensation that goes beyond the verified claim is excluded, irrespective of the legal nature of the asserted claim. Insofar as liability is excluded or limited, this shall also apply to the personal liability of the Company's employees, personnel, staff and other agents. Normal wear of the contractual object is also not covered by the warranty.

(7) The warranty period is 2 years, calculated from the transfer of risk. The risk is transferred as soon as the Company has made the contractual object available to the Customer ex. works. This time period is also valid for claims arising from replacement of subsequent damages from defects, as long as claims are not made as a result of unauthorized handling.

## VII. Other

(1) This contract and all legal relationships between both parties shall be governed by the laws of the Federal Republic of Germany.

(2) The place of fulfilment for all obligations arising from the contractual relationship is 36163 Poppenhausen. Place of jurisdiction – if the Customer is a business entity – is 36037 Fulda.

(3) Any mistakes, unforeseeable omissions or contradictions in this contract shall be dealt with and interpreted in accordance with the principles of the contract and the principles of mutual trust and having regard to the mutual interest of the parties. The legal validity of one or more provisions of this contract shall in no way affect the validity of the remaining provisions. This shall not apply if continued adherence to the contract would constitute unreasonable hardship for one of the parties to the contract.

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Poppenhausen, 2018-01-01

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