

**1. Scope of Validity**

These General Conditions of Business for Component Services ("GCBCS") are valid for (a) all component maintenance services performed and (b) all component supplies by means of sale, loan or exchange by STRADE Ltd. ("STRADE"). Where the context permits or requires references in the GCBCS to "Services" means any work performed or supply of goods or parts provided by STRADE related to inspection, testing, repair, overhaul, modification or supply of a component. In the context of the GCBCS, "Component" means a repairable or rotatable device, module or individual part of an aircraft identified by part number and serial number in the purchase order and/or offer described in clause 2 hereunder. These GCBCS prevail over any other standard terms of business suggested by the Customer and any conflicting terms in any of the Customer's documents given to STRADE at any time are null and void. These GCBCS shall not be amended unless both parties do so in writing.

**2. Offers and Conclusion of Contract**

- 2.1 Offers which do not contain an acceptance period shall not be binding. A contract shall be deemed to have been concluded when the Customer acknowledges in writing acceptance of STRADE's offer or when Customer submits a purchase order incorporating the GCBCS by reference and STRADE accepts such purchase order.
- 2.2 If the Customer issues a purchase order (term equally used for component purchase, loan or exchange order, repair order or similar document requesting STRADE' Services) without reference to an offer of STRADE and/or to the GCBCS, STRADE may accept and amend such purchase order to include the GCBCS and may request Customer's written approval prior to performance of any Services.
- 2.3 STRADE shall not be under any obligation to perform any Services that have not been agreed in accordance with this clause 2.

**3. Standard of Services**

The Services shall be performed in accordance with (a) appropriate EASA Part-145 maintenance organization approval, (b) relevant working methods and procedures based upon manufacturer's manuals, (c) the current requirements of the competent authority as defined in EASA Part M Art. M.1 as may be applicable and (d) the applicable component maintenance manual.

**4. Delivery and Redelivery**

- 4.1 The Customer at its risk will deliver or cause to be delivered the Component DDP (Incoterms 2020) to delivery location designated by STRADE and will accept or cause to be accepted the Component FCA (Incoterms 2020) at delivery location designated by STRADE.
- 4.2 In the context of these GCBCS, delivery location means STRADE's warehouse in London, UK ("London Logistics Center") if no other delivery location is otherwise agreed and stated in either STRADE offer or purchase order. On all shipments to and from the Customer, the Customer shall be importer and exporter of record at any other destination other than London Logistics Center.
- 4.3 Any shipment that includes one or more Component that is deemed hazardous material, and which requires specific hazardous packing and/or a dangerous goods declaration to be issued prior to shipment, will be subject to a hazardous material fee. The fee may not be waived in case the Customer cancels the relevant purchase order.
- 4.4 The Customer shall ensure that all Components are properly packed and secured in accordance with ATA 300 specifications. In case the shipping containers cannot be used by STRADE for the redelivery, Customer shall bear the costs for new shipping containers.
- 4.5 Should the Customer not collect the Component within seven (7) days after the agreed delivery date in accordance with clause 4.1., STRADE will consider such case as cancellation of service by the Customer for which the minimum charge shall apply. In case it is not collected, STRADE reserves the right to ship the

component with its preferred freight forwarder at actual cost with a markup of 10%.

**5. Beyond Economical Repair**

- 5.1 If STRADE estimates that the cost to repair a Component will exceed the fair market value, such Component shall be deemed to be in a condition beyond economical repair. In the event the Component is owned by the Customer and sent for component maintenance services to STRADE, STRADE shall notify the Customer accordingly. The Customer shall either (a) authorize STRADE to proceed with the repair, (b) request STRADE to scrap the Component on site or (c) request STRADE to re-deliver the Component as is to the Customer. Charges for cleaning, inspecting, scrapping or redelivery shall be borne by the Customer. In the event of loan and/or exchange the clause 7.6 and/or clause 8.4 respectively shall apply.
- 5.2 In the event a shop replacement unit ("SRU") (term equivalent subassembly, subunit) supplied by the Customer and replaced during maintenance Services, is deemed to be in condition of beyond economical repair or not anymore repairable according to manufactures current manual, STRADE reserves the right to substitute such SRU with a SRU in similar condition as the one supplied by STRADE. Any expenses incurred to STRADE related to the substitution shall be borne by the Customer.

**6. Turn around time**

- 6.1 For any agreed turn around time ("TAT"), such TAT starts on the first business day after a Component arrives at the workshop and the relevant documentation required have been received by STRADE as set out in clause 13. It ends on the day the Component is declared serviceable by the relevant repair shop.
- 6.2 Any TAT is binding only if agreed in writing and none of the following events occurs: (a) Components show abrasion and defects exceeding normal operational conditions as described in OEM current manual (beyond normal wear and tear conditions); (b) unusual major defects due to FOD, IOD, incidents accidents and/or Out Of Scope Repairs ("OOSR") and/or additional work and/or deviations of Services required by the Customer affecting the length of shop visit; (c) modifications which cannot be performed within the TAT and all warranty related repair; (d) idle time due to waiting for Customers instructions; (e) material, documents and/or services ordered through and/or to be provided by the Customer (from suppliers or from the Customer's stocks) being delivered late, incomplete, not in accordance with the technical status of the Component and/or not at all; (f) in any case of circumstances beyond STRADE' control including delays in material supply not attributable to STRADE; (g) if invoices due for payment prior to completion of Service and the Customer has not paid such invoices after STRADE has given a three (3) Business Days prior written notice; (h) in case of force majeure as stated in clause 20 or in the event of conditions of beyond economical repair as stated in clause 5.

**7. Loan**

- 7.1 The loan period shall commence upon delivery of the Component by STRADE. The loan period shall terminate on re-delivery of the Component in serviceable or unserviceable condition to STRADE. STRADE shall invoice the loan at the end of each period of 30 days starting at commencement of the loan period. If the loan or the remaining loan period is shorter than 30 days, STRADE will issue respective invoices on a pro-rata per day basis.
- 7.2 Title to the loaned Component shall remain vested in STRADE or a third party owner, as applicable, at all times. The Customer may not loan or otherwise make available a loaned component to any third party without the prior written approval of STRADE.
- 7.3 Any loaned Components returned to STRADE in a serviceable condition shall be accompanied by a release to service (airworthiness) certificate issued by the OEM or a maintenance supplier approved by STRADE. The list of STRADE's approved repair stations is available upon request. All costs relating to bringing the Component to a serviceable condition shall be borne by the Customer.
- 7.4 If the Component is returned to STRADE in unserviceable condition, without an airworthiness certificate attached, with

incorrect paperwork or without data on number of operating hours or cycles, the Customer shall pay all charges in respect of test, repair and any other maintenance service to return the Component to the standard it was supplied at commencement of loan. STRADE may apply loan charges at the agreed rates until hours and cycles have been reported where applicable, the Component has been re-certified and returned to the designated storage location.

7.5 The Customer shall not return a different Component as an alternative to that loaned in order to terminate the loan, except with the prior written approval of STRADE. Any such alternative Component shall be identical to, have a full traceable history, be of a same or better condition and age to that of the loaned Component and be free of any lien or encumbrance. STRADE may reject the returned Component and the loan will not terminate until receipt of an acceptable Component.

7.6 If a loaned Component is either not returned on the agreed date or is lost or damaged beyond economical repair, as determined by STRADE, the loan may, at the sole option of STRADE, be converted to a sale and the Customer shall be invoiced for the Unit Price (as stated in the offer) in addition to any costs, charges or fees already incurred, including loan charges, whilst a replacement Component is acquired.

7.7 If the Customer prior to delivery of the loaned Component cancels a loan, the Customer shall pay the minimum charge together with any other costs incurred in respect of such cancellation.

7.8 In case a loaned Component is returned unused, the minimum charge or the daily loan rate per day of non-availability of the Component at STRADE shall apply, whichever is higher. The Customer shall return such unused Component with the original documentation and a written confirmation (non-usage statement) that the Component has not been installed on an aircraft. STRADE may perform a bench test on the unused and returned Component and the expenses thereof shall be borne by the Customer.

**8. Exchange**

8.1 In the event of an exchange, STRADE shall deliver a serviceable Component (the "Replacement Component") in exchange for a serviceable or unserviceable Component to be delivered by the Customer (the "Replaced Component").

8.2 If the Replaced Component is returned in a serviceable condition, the Customer shall deliver such Replaced Component with a dual release tag (FAA and EASA and additional releases equivalent to the Replacement Component) not older than one hundred eighty (180) days accompanied by the required documentation including but not limited to the shop visit report and non-incident statement. The Replaced Component shall have a warranty of at least (a) 180 days if it has been tested or repaired only or (b) 360 days if it has been overhauled or if it is new. The warranty period will commence on the date of delivery to STRADE. The warranty shall provide for the Replaced Components to be free from defects in workmanship, material and design and be fit for the intended purpose. The Replaced Component shall only be maintained and re-certified by the OEM or a maintenance organization approved by STRADE. The list of STRADE's approved repair stations is available upon request.

8.3 If the Replaced Component is returned (a) in unserviceable condition, (b) without EASA and FAA release certificate and releases equivalent to the Replacement Component and/or (c) if the Customer does not provide the historical data and documentation as required within the period agreed, STRADE or its subcontractors shall inspect, test and perform routine maintenance including repair, overhaul and/or modification of the Replaced Component at Customer's expenses in order to achieve the same standard as the Replacement Component initially supplied by STRADE in exchange.

8.4 If the Replaced Component received from the Customer is either not repairable or is deemed to be of a condition beyond economical repair, STRADE may charge the Customer the replacement cost that is equivalent to the Unit Price as stated in the offer.

8.5 The Replaced Component shall be identical ("like for like"), including warranty terms, with the Replacement Component and

be in same or better condition than the originally supplied Component, have a full traceable history, be of same age and life time limitations, be free of PMA parts or products (non-OEM licensed manufactures) and be of a modification standard that is acceptable to STRADE. STRADE may (a) reject the returned Replaced Component and convert the exchange transaction into a sale or (b) have the Replaced Component overhauled at Customer's expense or (c) apply a depreciated condition differentiation fee according the following table:

	NEW unit in	OVHLD unit in	REP or Test/Insp unit in
NEW unit out	-	30% CCP	40% CCP
OVHLD unit out	-	-	10% CCP
REP or Test/Insp unit out	-	-	-

In case of conversion to sale, the original exchange fee as well as late fees as provided for in clause 8.11 shall apply. Notwithstanding foregoing, for any Component subject to a manufacturer's life limitation clause 8.6 shall apply.

8.6 If the Replaced Component is subject to a manufacturer's life limitation, the Customer shall provide a Replaced Component with an equal or newer date of manufacture ("DOM") than the Replacement Component supplied by STRADE. For any Replaced Component not fulfilling the aforementioned requirement, the Customer shall be charged a life depreciation fee.

8.7 The life depreciation fee is equivalent to the difference of life in months since DOM of the Replacement and the Replaced Component multiplied with the monthly straight-line depreciation of the value based on 100 % of the current CCP. The life depreciation fee will be charged in addition to any other charges that apply to the exchange. Upon mutual agreement, the Customer may return an alternative Component, instead of paying the life depreciation fee, provided that such alternative Component is interchangeable and fulfils the requirement of this clause 8 to the extent applicable. Notwithstanding the foregoing, STRADE will not accept any life limited Component with a life remaining of less than 20%.

8.8 Title to the Replaced Component shall transfer to STRADE when the Replaced Component is delivered to STRADE as set out in clause 4.1 and provided STRADE does not reject the Replacement Component in accordance with the terms of the GCBCS. Title to the Replacement Component shall transfer to the Customer when (a) the Replaced Component has been delivered to and accepted by STRADE and (b) when STRADE has been paid in full for the exchange. Any Component exchanged under the provisions of these GCBS shall be free of encumbrances or liens. For the avoidance of doubt, in case a Replacement Component is not accepted by STRADE, the Customer shall pay late fees as per clause 8.12.

8.9 If the Customer cancels an exchange prior to delivery of the Replaced Component, the Customer shall pay the minimum charge together with any costs incurred in respect of such cancellation.

8.10 If a Replacement Component is returned unused, the exchange fee shall apply and the Customer shall return such unused Replacement with the original documentation and a written confirmation (non-usage statement) that the Replacement has not been installed on an aircraft. STRADE may perform a bench test on subject Component and the expenses shall be borne by the Customer.

8.11 If the Customer does not return the Replaced Component within (a) 21 days in case of an unserviceable or unused unit, or (b) 30 days in case of a serviceable unit after delivery of Replacement Component from STRADE facility, STRADE may apply a late return fee that is equivalent to the exchange fee stated in the offer.

8.12 The late fee shall be invoiced after the initial period of 21 days respectively 30 days has lapsed and grants the Customer an additional period of 15 days to return the unit. STRADE may charge the late fee recurrently for periods of 15 days, however after the late fee has been charged three times, STRADE may convert the exchange into a sale and charge the Unit Price (as stated in the offer) as well as the exchange and all already issued late fees in addition. Any return of a unit shall only be completed when STRADE has received and accepted the unit and the required documentation has been received.

9. *Sale*  
The Customer may cancel a sale within a maximum period of 7 days from delivery subject to prior written approval of STRADE. A fee of 20% of the agreed sales price or the minimum charge shall apply, whichever is higher. No cancellation of a sale will be accepted later than seven days after delivery.
10. *Warranty for Maintenance, Repair and Overhaul Services*
- 10.1 STRADE will offer applicable warranty for maintenance, repair and overhaul services on a case-by-case basis in a formal STRADE offer.
- 10.2 Without limiting the terms of clause 10.1, STRADE assumes no liability of whatever nature relating to material or parts which (a) have only been tested and/or been installed by STRADE or (b) were declared satisfying but have not been restored, manufactured or repaired by STRADE. STRADE shall assign to the Customer (to the extent possible and at the Customer's cost) any warranties it receives from manufacturers or suppliers of parts and material.
- 10.3 Components repaired under warranty shall not be subject to any predefined TAT for such service, and STRADE shall not provide free of charge replacement Components during the warranty evaluation period or the warranty repair period.
11. *Warranty for Sale, Loan and Exchange*
- 11.1 STRADE warrants that any Component supplied by STRADE pursuant to an exchange, loan or sale transaction is free from defects in material and workmanship for a period of 180 days for serviceable Components (repaired) and 360 days for overhauled or new Components starting from the date of delivery of the Component to the Customer. Any Component that (a) is not new nor repaired but has only been inspected and tested (b) has been individually sourced from a third party on Customer's specific order or (c) has paperwork that is older than 18 months, will be delivered with a (90) day warranty. Unserviceable components are sold as is without any warranty.
- 11.2 In the event of an exchange, the Customer shall provide warranty for the Replaced Unit that is at least equal to the warranty provided by STRADE for the Replacement Component in clause 11.1.
12. *Warranties: Common Provisions and Remedies*
- 12.1 If a Component fails during the applicable warranty period due to a defect which qualifies for warranty, STRADE shall at its discretion and as full and final satisfaction of any liability for such defect (a) rectify the defect free of charge, (b) replace the defective Component with a serviceable equivalent Component on basis of exchange, (c) offer a refund or (d) assign to the Customer any warranties (or the proceeds thereof) STRADE has received from the manufacturer or supplier of the Component. If the Defect is due to STRADE' or its subcontractor's faulty workmanship, only option (a) or (b) shall apply.
- 12.2 The warranties provided in clauses 10 and 11 are in lieu of and the Customer waives all other warranties, obligations and liabilities (express or implied) of STRADE arising by law or otherwise with respect to or relating to the work performed and/or material supplied and/or Services rendered by STRADE for losses in respect of the Component or any of its parts or components or for the loss of the use, revenue or profit or for any other direct, incidental or consequential losses
- 12.3 No warranty or protection is provided if the Customer or a third party undertakes modifications or repairs without STRADE's written consent. Any dismantling or attempt to dismantle a Component by the Customer or a third party unless approved by STRADE will void any warranty.
- 12.4 The Customer shall report any defect in writing to STRADE as soon as practical and in any event within 14 days after the Customer becomes aware of the defect.
- 12.5 This warranty does not apply to defects caused by normal wear and tear or if the Component is not operated, handled or stored by the Customer in accordance with the manufacturer's intended purpose.
- 12.6 Where STRADE carries out Services under a warranty claim, STRADE warrants that such Services meet the warranty terms of clause 11 these GCBCS provided that the length of this future warranty shall not extend beyond the original warranty period.
- 12.7 No warranty period may exceed the mean time between removals ("MTBR") of a Component as defined by the manufacturer. If the MTBR is less than the warranty period provided in these GCBS, then the MTBR shall apply.
13. *Documentation*
- 13.1 The Customer shall supply at its cost all technical documentation necessary for performing the Services.
- 13.2 Each party to the contract retains all rights to technical documents provided to the other. The party receiving such documents recognizes these rights and shall not (without the prior written consent of the other party) make these documents available to any third party, either in whole or in part, nor use them for purposes other than those for which they were provided.
- 13.3 The Customer confirms that any of the Components sent to STRADE were not maintained under other than the civil aviation regulations requirements (e.g. military) and have not been involved in any major incident or accident (as defined by ICAO), nor has it been subjected to severe stress, heat, fire damage, immersed in salt water or otherwise exposed to corrosive agents outside normal operation. Upon STRADE's request, the Customer shall deliver such statement on individual Component serial number level.
- 13.4 STRADE does not accept military traceability.
14. *Subcontracting*
- 14.1 STRADE may subcontract Services to appropriately EASA-145 approved subcontractors at STRADE's discretion. Transportation charges from STRADE to the subcontractor both ways will be recharged to the Customer plus a handling fee of ten percent.
- 14.2 Any subcontracted services will be charged to the Customer on basis of the subcontractor's invoice plus a handling fee of ten percent, if not quoted otherwise.
15. *Prices*
- 15.1 If a fixed price has been agreed upon, such price does not include implementation of service bulletins or airworthiness directives, replacement of missing parts, housings or racks, removal of non-approved repairs or materials, damage due to mishandling and/or non-observance of manufacturers' maintenance instructions or repair of foreign or internal object damage unless any of aforementioned services has expressly been agreed upon as included in the fixed price.
- 15.2 A price quoted as an estimate shall not be binding and STRADE may charge the Services on basis of actual time and material.
- 15.3 Taxes, withholding taxes, withholding on VAT, duties, dues, fees and the like, which are levied at STRADE expense in connection with the contract, but not income taxes, shall be borne by the Customer. VAT and the like shall be charged to the Customer if applicable.
16. *Terms of Payment*
- 16.1 Unless stated otherwise in these GCBCS, Prices and costs are invoiced upon performance of Services or part thereof and shall be paid by the Customer in the invoiced currency within thirty (30) days of the date of the invoice. STRADE reserves the right to require partial or complete payment in advance of completion of the Services.
- 16.2 The Customer shall make all payments to STRADE by bank transfer to STRADE's account at Credit Suisse (Switzerland) AG, Zurich, Switzerland, IBAN no. CH16 0483 5351 9463 0100 0 for CHF (Swiss francs), no. CH79 0483 5351 9463 0200 0 for USD (US dollars), CH52 0483 5351 9463 0200 1 for EUR (Euros) or CH25 0483 5351 9463 0200 2 for GBP (British Pounds) according to the invoiced currency or to such other bank account as STRADE may from time to time notify to the Customer. All payments shall be made in full without any deduction, defense, set-off, counterclaim, recoupment or other right of any kind or for any other circumstance.

- 16.3 All payments shall be made even if the Services are delayed or are impossible to complete for reasons beyond STRADE' control.
- 16.4 If the Customer fails to make payment on the due date, the Customer shall pay interest on the overdue amounts from the due date to the date of payment in full at a monthly rate of one (1%) percent. Payment of default interest shall not release the Customer from paying the sums due under the terms of the contract.
- 16.5 The Customer shall report any discrepancies or disputes in writing to STRADE within thirty (30) days from the date of the relevant invoice. In case an invoice is only disputed in parts, the Customer shall pay the undisputed part to the respective invoice within the period stated in this Agreement. Any invoice or part thereof not disputed within thirty (30) days shall be deemed accepted by the Customer and payment shall be made as specified in this Agreement. Disputes reported thereafter shall be of no legal effect. The Parties shall negotiate in good faith to resolve invoice disputes within thirty (30) days. If such dispute is resolved in favor of STRADE, the Customer shall pay the amount agreed including daily interest at the rate of twelve (12%) percent per annum from the date the payment would have been due.
- 16.6 Subject to applicable law, STRADE has a general and a particular lien and the right to withhold any of the Customer's property or goods in STRADE' possession until all monies payable to STRADE have been paid in full.

**17. Risk of Damage and Loss**

- 17.1 Unless otherwise specified, the Customer assumes the risk of loss or damage immediately upon completion of the Services by STRADE or, in the case of goods, when STRADE makes the goods available for collection.
- 17.2 In the case of delayed delivery or dispatch or service performance caused by the Customer or by circumstances beyond STRADE' control, risk of damage and loss passes to the Customer at due time of delivery or dispatch or service performance.

**18. Liability**

- 18.1 STRADE shall be liable to the Customer only for property damage caused by its personnel through gross negligence or willful misconduct during the performance of the Services. In case of personal injury, the statutory liability shall apply.
- 18.2 STRADE shall not be liable to the Customer for production shut down, loss of profit, loss of use, financial damages, economic, consequential or incidental losses and losses resulting due to STRADE' performance of Services.
- 18.3 The Customer shall be responsible for any damage caused through deficiency in the tools, equipment and materials etc. it provides.
- 18.4 STRADE shall not be liable and the Customer agrees to indemnify and hold harmless STRADE against any losses which STRADE may sustain or incur or pay arising out any claim made by third parties relating to any of the Services or material provided by STRADE in connection with this GCBS unless such claim and/or losses are directly due to gross negligence or willful misconduct of STRADE.

**19. Insurance**

- 19.1 The Customer shall insure the Component whilst held as a spare and/or in transit for its full value for all risks. In addition, both parties shall arrange insurance to support their respective obligations under Clause 18 with a liability limit of not less than USD 750,000,000 and in accordance with standard industry practice. If required by STRADE, the Customer will provide evidence of compliance with this Clause by supplying an insurance certificate acceptable to STRADE.

**20. Force Majeure**

- 20.1 Save that all payments shall be made on time, in other cases no delay or failure to perform by either party shall give rise to any claim for any losses including anticipated profits if caused by Force Majeure.
- 20.2 "Force Majeure" means an occurrence beyond the control and without fault or negligence of the party affected and which the

party cannot prevent or provide against by exercising reasonable diligence. It includes act of God or public enemy, expropriation or confiscation of facilities, any form of Government intervention, hostilities, rebellion, terrorist activity, local, national or regional emergency, sabotage, riots, floods, unusually severe weather conditions which could not reasonably be anticipated, fires, explosions or other catastrophes, strikes or any other concerted act of workmen or other similar occurrences.

- 20.3 If any delay or failure in performance caused by Force Majeure continues for seven (7) days or more, either party may terminate the contract by giving seven (7) days' notice in writing.

**21. Miscellaneous**

- 21.1 **Unenforceability:** If any term in the contract or these GCBCS is ineffective, this shall not affect the validity of the remaining terms. The parties agree to replace ineffective terms with new ones, which are consistent as far as possible with the economic objectives of the contract.
- 21.2 **Confidentiality:** Information contained in STRADE's offers and/or contracts, including information from third parties, is intended for the exclusive use to the Customer. Any distribution, copying, publicizing or other disclosure to third parties without prior written consent of STRADE is prohibited.
- 21.3 **International Trade Regulations:** The Parties agree to comply with all export laws, regulations and orders imposed by the United States of America and any other jurisdictions to the extent applicable to any activity conducted in furtherance of this agreement. The Parties shall not sell, lease, trade, (re-) export, transfer or otherwise dispose of any good or service (including its technical documentation, technology or know-how) provided under this agreement to any country, company or individual without the necessary government authorization or license required by such laws and regulations. The Parties shall provide information required to comply with relevant domestic and foreign trade regulations on each invoice and shipping document and for each item, including the export classification (ECCN), Harmonized System (HS) tariff number, customs value and country of origin (non-preferential).
- 21.4 **Notices:** All notices, correspondence and documents to be given under these GCBCS shall be in English or a signed English translation. If there is any difference between the English version and any version in any other language, the English version shall prevail.

**22. Governing Law and Jurisdiction**

The governing law of the GCBCS and/or the contract is the law of Switzerland. All disputes arising out these GCBCS and/or the contract shall be brought before the competent courts in the Canton of Zurich, Switzerland.