

Extended Warranty Program TERMS AND CONDITIONS



1 Preamble

Austro Engine, herein forth referred as "AE", is offering the Extended Warranty Program, herein forth referred as "EWP", as an extension in time and flight hours to standard warranty conditions. The EWP is an optional program and needs to be purchased separately. The AE300 standard warranty does not include the EWP. Unless specified otherwise, all terms and conditions of the standard warranty, especially but not limited to covered and excluded parts, labour allowance and claim procedures, apply as stated in the latest revision of AE warranty terms and conditions.

2 General Eligibility

2.1 EWP is applicable for AE300 engine entirely fulfilling following criteria:

- a) Full service and maintenance record
- b) Execution of all Service Bulletins and related maintenance obligations set by AE Office of Airworthiness.
- c) All Service and Maintenance having been exclusively performed by AE authorized Service Centers
- d) Engine has not exceeded 1.200 hours and 3 years at the time of applying for EWP

3 Coverage of parts and components

3.1 EWP does explicitly only cover costs for parts included in standard warranty terms. Excluded are, but not limited to, any parts suffering as result of wear and tear, consumables, lubricants or scheduled maintenance parts.

3.2 Reimbursement rate for parts and components is based on following gradual schemes considering age and flight hours. Reimbursement rate applicable whichever comes first:

Engine Flight Hours	Reimbursement Rate
Less than 1,000	100%
1,000 to 1,200	100%
1,200 to 1,300	90%
1,300 to 1,400	75%
1,400 to 1,500	60%
More than 1,500	40%

Time since initial Delivery	Reimbursement Rate
Less than 2Y	100%
Less than 3Y	100%
Less than 4Y	75%
Less than 5Y	60%
More than 5Y	40%

4 Maintenance and Repair

4.1 All maintenance, repairs and parts exchange has to be exclusively performed by a Service Center authorized by AE or an AE qualified Fleet Operator MRO as specified under clause XY ("Qualified Fleet Operator MRO") having passed annual qualification audit.

4.2 Labour Costs being reimbursed under same conditions and in same extend as set by standard warranty terms. Operations related to scheduled maintenance or other routine services as well as transportation are being explicitly not reimbursed.

4.3 In order to maintain eligibility for EWP program, the major 1,000 hours maintenance check has to be supervised by an AE engineer at the warrantee's expense. The supervision fee amounts to 1,050 EUR excluding tax, customs, travel and accommodation.

4.4 EWP eligibility furthermore requires exclusive use AE lubricants, unless advised otherwise, and installation of AE genuine parts only.

5 Warranty Limitation

5.1 The maximum accumulated warranty costs, containing approved reimbursement of costs related to part, labour or any other cost, covered by EWP is limited to 25,000 EUR (twentyfivethousand Euro). AE will provide a balance of costs accumulated after every claim as well as annually.

5.2 EWP is limited by 7 years and 4,500 hours maximum.

5.3 "Unlimited hour option", if applicable contains 2 Overhauls or 4,500 hours. Maximum cost limitation as stated under clause 5.1 however explicitly applies also for this option.

6 Qualified Fleet Operator MRO

6.1 In case operator intends to maintain engines through not authorized AE Service Center internally or externally, the pertained MRO has to be qualified by AE in order to achieve or maintain eligibility for EWP. Following criteria must be fulfilled to achieve qualification by designated MRO:

- a) Prove capabilities through pass of initial onsite qualification audit by AE Service and Quality.
- b) Prove continuous eligibility by passing annual audits by AE Service Quality.
- c) Engineers allocated to AE related maintenance must attend AE factory training for engine maintenance and refresher trainings (not less than 3 years after initial training)
- d) Evaluation criteria of audits, training terms and rates are to be obtained through AE's service organization, which may be contacted by service@austroengine.at
- e) After successful qualification, MRO and Operator receives qualification report, certifying eligibility for maintaining engines under EWP.
- f) All costs related to MRO qualification are born by Operator.

7 Transferability of EWP

7.1 EWP is transferable in case of change of ownership

7.2 Transfer of EWP requires written notice by 30 days before actual change of ownership

8 Severability

The provisions contained herein are severable. If any provisions are held to be invalid or unenforceable by a court or governmental agency, the remaining provisions shall continue to be binding. In either case, the parties agree to use their reasonable best efforts to replace any such invalid or unenforceable provision with a valid and

9 Applicable Law and Jurisdiction

The contract shall be construed and interpreted according to Austrian law. It is mutually agreed that the United Nations Convention on Contracts for the International Sale of Goods does not apply.

In the event the Buyer has its domicile and/or place of business within the European Union the exclusive place of jurisdiction shall be the Commercial Court in Vienna, Austria. In the event the Buyer has its domicile and/or place of business outside of the European Union any disputes or claims arising out of or in connection with this EWP, including disputes relating to its validity, breach, termination or nullity, shall be finally settled under the Rules of Arbitration (Vienna Rules) of the Vienna International Arbitral Centre (VIAC) of the Austrian Federal Economic Chamber by one (1) arbitrator appointed in accordance with the said Rules. Venue is Vienna (Austria), language is English. The decision of the arbitrator in such proceedings shall be final and binding on the Parties. However, AE shall be entitled

to initiate legal proceedings, such as injunctions or other preliminary measures to secure AE's rights

hereunder or the Product subject to its retention of title before the courts having respective jurisdiction.

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