

General Terms and Conditions of Baden Aircraft Operations G mbH (hereinafter referred to as BAO)

Definitions:

"BAO" means Baden Aircraft Operations GmbH having its registered address at: Montreal Ave. D423, D-77836, Rheinmünster, Germany. Fax number: +49 7229 186 9912, Phone number: +49 7229 186 990, E-mail: info@avangard-aviation.com.

"Person" means any individual, company, corporation, unincorporated association or body, government, state, agency, organization or other entity whether or not having separate legal personality.

"Client" means the Person who books a flight or flights with BAO and who is therefore the party to the contract with BAO.

"GTC" means these General Terms and Conditions.

"Guest(s)" mean(s) the person(s) who is/are on board the aircraft operated by BAO or a third party operator pursuant to Clause 2 of the GTC.

The following General Terms and Conditions of Baden Aircraft Operations GmbH shall be an integral part of any contract with BAO for all flights conducted by BAO (or any third party pursuant to Clause 2 of these GTC).

By accepting any service(s) offered by BAO or by entering into any transaction with BAO, you agree to be bound by all applicable terms and conditions set out in this GTC in their entirety, without modification.

No order for BAO's services shall be binding upon BAO until acknowledged in writing by BAO. All orders and acknowledgements are conditioned upon being compliant with applicable mandatory law and regulations, and subject to all necessary permissions, all necessary crew visas as well as all necessary landing, departure and traffic rights which must be obtained and complied with (the "**Necessary Preconditions**"). That acknowledgement and these GTC constitute the entire agreement between BAO and Client.

Any and all contractual obligations of BAO are further subject to the condition precedent that the owner of the aircraft has approved the respective flight (the "**Owner's Approval**"). If BAO does not obtain the Owner's Approval or such Approval is revoked by the owner prior to the flight, BAO shall be entitled to withdraw from the respective contract without any liability towards the Client or the Guests.

CONCLUSION OF THE CONTRACT

A Client may submit a flight booking request by letter, facsimile, e-mail or phone. A flight contract (the "**Contract**") shall not be deemed to be concluded unless and until BAO will have sent the Client an acknowledgement in the form of a signed flight booking confirmation (the "**Confirmation**") which must be countersigned by the Client. The Confirmation shall be sent via e-mail or facsimile. All flights remain subject to availability until BAO has sent the countersigned Confirmation. The Client shall have the obligation to verify the Confirmation and to notify BAO immediately about any errors or discrepancies and to promptly return the countersigned Confirmation via e-mail or facsimile to BAO. If the Client requests changes at a later point in time, BAO may either accept or reject such changes, at its sole discretion.

The Client shall be responsible for passing these GTC and other notices from BAO on to the Guest(s) completely, correctly and promptly. If the Client fails to comply with this requirement, the Client shall indemnify and hold harmless BAO in respect of any and all Guest claims.

CONTRACT PERFORMANCE THROUGH A THIRD PARTY

BAO reserves the right to subcontract its contractual obligations in part or in whole to a third party or to third parties including third party operators.

Where the terms and conditions of a third party operator differ from those herein, the terms and conditions of the third party operator shall take precedence and it is the responsibility of the Client to request those terms and conditions and to verify anything therein related.

In case of such subcontracting to third party operators, the relevant agreement shall not constitute a contract for carriage between BAO and the Client. The third party operator shall have the sole operational control over the aircraft and BAO shall have no discretion or responsibility regarding operational matters. BAO acts solely as agent for the Client and operator and shall not act as a common carrier or any other type of carrier in respect of any of its obligations under the relevant agreement with such third party. The third party operator shall have the sole responsibility, liability and control of all aspects of the aircraft charter services provided including, without limitation, aircraft availability and pricing, the commencement and termination of scheduled flights, the operation, regulation and safety of the flight. At BAO's option, the subcontracting may be done either directly by BAO or BAO may enter into a separate agreement in the name of the Client. The Client hereby authorizes BAO as the Client's agent to enter into the third party operator's terms of business on behalf of and in the name of the Client.

BAO makes no representations or warranty with regard to the third party operator and will not be liable in any way whatsoever for any loss, damage, injury or expense suffered or incurred by the Client, the Guest(s) or any third party howsoever.

The Client shall indemnify and hold harmless BAO against all liabilities, claims and expenses (including legal costs and fees) in respect of any liability of BAO towards such third party operators for any loss or damage whatsoever (including costs and expenses on a full indemnity basis) arising out of any act or omission of the Client, its servants or agents or any Guest(s) carried by authority of the Client.

TRANSPORTATION OF DANGEROUS GOODS AND ANY OTHER OBJECTS

It is expressly agreed and understood by the Client that BAO makes no warranties, guarantees or undertakings whatsoever in relation to the carriage of any luggage or baggage or cargo. Carriage of such items is at the sole discretion of the specific pilot in command. Furthermore, the quantity and volume of luggage should always be a major consideration in determining whether the chosen aircraft is capable of carrying it with the agreed number of Guests. If in any doubt the Client must discuss this with BAO at the time of booking.

If it is discovered at the time of departure that the volume of luggage is inappropriate for the aircraft selected, the excess luggage will be left behind or the client may pay to have it shipped. It is agreed by the Client that BAO makes

no warranties, guarantees, or undertakings whatsoever in relation to damage, loss or theft of any luggage or baggage items.

The Client shall ensure that all luggage, baggage or cargo is properly and sufficiently packed for carriage and BAO shall have the right to refuse to carry on board any luggage which has not been properly packaged and secured.

In addition, the carriage of hazardous goods on the aircraft is not permitted and BAO and its staff or assigns shall have the right to refuse carriage of any goods should they deem such goods to be potentially hazardous. BAO reserves the right to open and inspect any luggage, baggage or cargo it sees fit and will refuse any cargo not appropriately marked as to its contents.

Each Guest has the obligation to inform himself/herself, prior to boarding the aircraft, about the list of prohibited articles (in accordance with the Annex №1 to this GTC) in carry-on and/or travel baggage. If a Guest carries any prohibited articles as defined under the applicable law on his/her body or in his/her baggage, the Guest must notify the captain accordingly prior to the commencement of the air trip. The captain shall decide on how these goods are to be transported and he/she shall be authorized to refuse transportation if a safety risk for Guests or the aircraft is suspected. Any objects, bulky luggage, etc., shall be admitted as carry-on luggage only if significant damages, contamination or hazard of and to other luggage, the aircraft or any Guest can be positively ruled out.

CAPTAIN'S AUTHORITY

The captain of the aircraft is authorized to take all necessary safety measures at all times. The captain is authorized to change the payload, seating capacity, number of Guests, their belongings, and the loading, unloading, or distribution of Guests, baggage and freight and to decide on whether and how the flight is undertaken, on any deviations from the flight route, and where to land.

All decisions regarding flight plans (including decisions to add, omit or alter a stopping place in cases of necessity), how and when to take off and land the aircraft, airworthiness, weather or any other matter that could possibly affect the safe operation of the aircraft and safety of the Guests and crew shall be made by the pilot (or, in the absence of the Captain, by the First Officer). If any flight(s) is/are diverted to another airfield, the flight(s) shall nevertheless be deemed to be completed when the aircraft arrives at that other destination. No compensation or reduction in the charter price shall be given.

The captain is entitled to refuse to carry Guests about whom BAO had not been notified, or cancel or divert a flight if the conduct of a Guest is deemed to adversely affect safety or personal rights of other Guests or the crew. In such an event, the Client shall pay the contractual charter price and bear any additional costs incurred by BAO in respect of the proper measures taken in such situation. BAO's employees are to follow instructions from BAO operational management, only.

TRANSPORTATION AND TRAVEL DOCUMENTS

BAO shall issue the transportation documents, if any. In order to enable BAO to do so, the Client shall provide BAO with a complete Guest list and all other necessary information and documentation not later than 24 hours before departure, or by the deadline set out by BAO.

The Client shall ensure that the Guests are in possession of all necessary travel documentation in order to allow passage in to the designated place or places of arrival, including but not limited to visa and passport. BAO makes no warranty and accepts no responsibility in relation to the requirements for entry into or departure from any of the scheduled countries or states and the Client shall be liable for any costs occasioned by and incidental to any failure by the Client or the Guests to present the correct documentation.

The Client shall comply, and ensure that all Guests comply, with all directions given by BAO in relation to applicable customs, legislation, police, public health and other regulations and other rules and codes of industry practice that are applicable to all countries or states to which the relevant flight relates. The Client shall also be responsible for any additional charges for warehousing, ground transportation and customs clearance in relation to any luggage it or its Guests take on board the flight(s) as notified by BAO to the Client.

The Client shall be liable for any damages resulting from any incorrect or incomplete information provided to BAO or from the delayed or improper provision of such information. The Client shall indemnify BAO in respect of all costs incurred in connection with Guest(s)' failure to comply with all legal requirements of the country of departure, countries travelled through, and the country of destination, including but not limited to the prevailing currency and health regulations. BAO may deny boarding to a Guest who does not have all required documents, without being liable for any damages due to such denied boarding.

CHARTER PRICE AND PAYMENT

The charter price includes transportation from the agreed place of departure to the agreed place of arrival, including the costs for crew, crew visas and hotel accommodation, landing fees, enroute navigation fees, standard food and beverages and handling at business aviation handling facilities, as well as security fees. The charter price does not include any of the following cost provisions (the "**Additional Costs**"): ground transportation service between airports and between airports and off-airport destinations, costs and fees for upgraded or special catering, VIP handling, required extension of airport opening hours, procurement of additional traffic rights and special services, as well as aircraft de-icing on the ground, cost for visa stamps and customs, customs duties, as well as airport and Guest taxes, fees, duties and other charges and taxes levied by law, administrative regulations or rules of another entity such as airports upon the Guests, or for the utilization of services by such Guests, including country-specific Guest taxes, fees and duties, as well as costs for the usage of on-board communications (such as internet, telephone, etc.). If BAO incurs any Additional Costs, Client shall pay those to BAO in addition to the charter price. Each additional passenger will be charged at the rate of € 600 (six hundred Euros) per leg. BAO reserves the right to adjust the charter price in the event of governmental authorities imposing new taxes or fees and/or increasing existing taxes and fees directly connected with the flight transportation and for changes in the fuel price implemented after the date of issue of the respective Contract.

The agreed payment terms for the respective Contract are laid out in the Confirmation. The Client shall pay the full amount of the charter price (including the cost for a ferry flight if necessary to position the aircraft to the airport where the Guest(s) will start the flight trip or from the airport where the Guest(s) will end the flight trip, if applicable) to BAO before the first flight.

departure on the earlier of:

(a) the date which is two (2) business days from the date of any invoice rendered by BAO; or

(b) the date which is fourteen (14) business days prior to the departure of the first flight as indicated in the Confirmation;

(c) immediately upon booking if the flight is yet to take place and is within two (2) calendar days.

For the purpose of this Clause 6, time shall be of the essence and non-payment or late payment shall entitle BAO to cancel or suspend the booking without liability and without prejudice to BAO's right to charge the Client for such cancellation as set forth under Clause 8 below, and to refuse transportation of the respective Guest(s).

The final invoice for the charter price will be issued after the completion of the flight and will include all Additional Costs as defined in this Clause 6 of these GTC. All further costs subsequently and after the issuance of the final invoice charged to BAO in connection with the Client's flight shall be paid by Client in addition to the final invoice.

Any and all payments due shall be exclusive of local taxes and VAT. Should the Client be a resident within the EU or should the Client not be able to show reason why VAT/TVA should not be paid, all payments shall have VAT added to the quoted prices at the government-appointed rate within Germany or the relevant country.

The payment of the charter price shall be made in the quoted currency, which will be Euros or US Dollars, or such other currency as is agreed between the parties in advance, and without deduction or set-off unless otherwise agreed in writing between the parties. Unless payment of the charter price is made within two (2) business days of the price being quoted, BAO reserves the right to recharge the Client for any fluctuation in the exchange rates applicable to the currency quoted.

The payment is considered to be effected upon the funds having been credited to the current account of BAO. Other payment conditions may be agreed by the parties and specified in the Confirmation.

DELAYS CAUSED BY THE CLIENT OR THE GUEST(S)

The Client shall arrive, and shall ensure that all Guests arrive, at the designated place of departure by the designated check-in time as set out in the Confirmation. BAO reserves the right for the aircraft to depart as scheduled whether or not all the Guests are on board the aircraft. BAO will have no further responsibility in relation to those Guests who fail to make it onto the flight and reserves the right to cancel a flight without compensation or reduction in price if the aircraft has been waiting for more than four (4) hours.

Should the Client or any Guests fail to arrive prior to the scheduled departure time, the Client shall be liable to pay any costs arising from, and incidental to, the delay. Such costs may include, but shall not be limited to, additional airport

charges, as well as costs in relation to additional crew and pilot expenses (such as accommodation, a meal and refreshments required as a result of any such delay, etc.)

The Client shall also be liable for any costs occasioned by, and incidental to, reasonable delays caused by poor weather conditions, including but not limited to costs caused by deicing time, time slot delays, additional hangarage, aircraft parking and other additional airport charges, as well as crew and pilot expenses for accommodation, meal(s) and refreshments required as a result of any such delay.

In the case of a partially-cancelled flight, the Client will be liable for any subsequent transport costs to return the aircraft to its home base or its next assignment.

In the event that the aircraft is not able to depart from the place of departure at the scheduled time, or during stopovers due to Guest(s), baggage or freight not being ready for boarding in time, or Guest(s) missing travel or other necessary documents which are in the responsibility of the Client and/or the Guest(s), or due to other actions or omissions of the Client, its employees, agents or Guest(s) including, without limitation, Client or Client's Guest(s) acting in any manner (or threatening to act in any manner) likely to jeopardize any aircraft or any person or property, therein or elsewhere, or disobeying the lawful authority and instruction(s) of the captain of the aircraft, or breaching any applicable law or regulation relating to his/her/their use of, or travel aboard, the aircraft before, during or after any flight, the Client shall compensate BAO for any losses claims, damages, liabilities or expenses suffered by BAO, such losses, etc., to include (without limitation) any parking fees, actual demurrage charges incurred at the respective airport and actual extra fees for additional actual ground time and block time, or other charges levied by an airport or any charges imposed upon BAO by the third party operator (as stipulated under Clause 2) as a result of the late departure and/or return of the aircraft. In addition, the Client shall reimburse BAO for any additional costs evidenced to the Client which are incurred by BAO in connection with the delay or cancellation of a flight due to the reasons set forth under this Clause 7.

WITHDRAWAL/ REBOOKING/ CANCELLATION

BAO may withdraw from the charter contract immediately, without prejudice to its rights and without being obligated to pay damages to the Client or the Guest(s), for any compelling reason including, without limitation:

- - the Client defaults in the payment of any amount payable hereunder by the due date; or
- - the Client is in breach of any of its other obligations hereunder which, if capable of remedy, has not been remedied within two (2) business days of receipt of written notice from BAO requiring remedy of such breach; or
- - the Client admits in writing its inability to pay or becomes unable to pay its debts; a petition is presented for an administration order to be made up in relation to the Client; proceedings are started or any steps are taken for the winding-up or dissolution of the Client or for the appointment of a receiver, administrative receiver, trustee, supervisor or similar officer of the Client or any or all of its revenues and assets; the Client is unable to pay its debts; or
- - in the opinion of BAO, a material adverse change occurs in the business, assets, condition, operations or prospects of the Client; or
- - force majeure or another cause for which BAO or the relevant third party operator is not responsible, or circumstances beyond the reasonable control of BAO or of the relevant third party operator, prevent the performance of the flight; or
- - the German Department of Foreign Affairs or other relevant authority has published current travel warnings and security advice for the destination or the route to be followed to the destination, including enroute stops, which may result in danger to the aircraft or to Guest(s).

In such cases BAO shall not be obligated to offer a replacement flight.

If, at any time prior to the scheduled time of departure, the aircraft becomes unavailable or unserviceable for any reason whatsoever, BAO will endeavour to find another suitable aircraft from its own fleet or from another operator at the same price. Should this prove not possible, BAO will endeavour to find an alternative operator and/or aircraft at a price as close as possible to the charter price and suggest such possibility to the Client for acceptance. If BAO is not able to substitute another aircraft or the Client does not accept the available alternatives, BAO shall return the amounts paid to the Client and shall not be under any further liability whatsoever to the Client. However, the Client shall remain liable to pay for any part of the flight schedule that has already been operated or for any costs already incurred.

If a flight cannot be performed as consequence of the withdrawal or the late granting of the necessary governmental authorizations, the present contract will be considered as terminated with respect to the flight. In such case, BAO will be relieved of any obligation whatsoever towards the Client by refunding that part of

the charter price which has already been paid minus any expenses incurred by BAO.

In case the Client withdraws from the contract before the scheduled departure, the Client shall pay a cancellation fee as set forth below, if not otherwise set forth in the Confirmation:

- - 10% after confirmation.
- - 25% if cancelled less than 7 days before scheduled departure time.
- - 50% if cancelled less than 72 hours before scheduled departure time.
- - 100% if cancelled less than 24 hours before the scheduled departure time of the 1st leg (including the positioning sector.)

BAO may apply any monies already received from the Client in satisfaction of such cancellation fees.

Without prejudice to any other conditions or any applicable law, in case the Client renounces the flight in the process of departure or flight, the amount of the total charter price is retained by BAO in full.

The time of BAO's receipt of the written cancellation notice shall govern the applicable charge. Any cancellation by the Client must be received in writing by mail, e-mail, facsimile or text message (SMS).

Any cancellation of flights with third party operators pursuant to Clause 2 of these GTC are subject to the cancellation charges of such third party operators which are incorporated in the relevant Contract by reference. The Client shall be liable to pay all such cancellation fees to the third party operator. In addition, the Client shall be liable to pay the administrative fee of 5% of the total charter price to BAO. BAO expressly reserves the right to claim from Client additional costs incurred in relation to such cancellation. The Client shall pay to BAO the cancellation fee of such third party operators as well as 5% of the total charter price as BAO administrative fee.

BAO will issue an accordant invoice to the Client in which BAO may apply any monies already received from the Client in satisfaction of such cancellation fees and administrative fees.

A flight may be rebooked free of charge up to twenty-four (24) hours before the first scheduled departure. Thereafter, a minimum rebooking fee of Euro five hundred (€ 500,00) may apply. All costs incurred by BAO in connection with the requested rebooking, including but not limited to costs related to the aircraft

and/or crew positioning needed in order to fulfill the Client's original flight request, shall be borne by the Client. Any rebooking is subject to availability of the aircraft and crew, as well as the fulfillment of all Necessary Preconditions. In the event that the Client requests a change of destination in connection with any rebooking, the Client may be obligated to pay a higher charter price and, if so, shall pay to BAO the respective difference between the previously paid charter price and the new charter price promptly upon receipt of the revised invoice. The Client shall pay such difference prior to departure of the respective flight. In the event that the Client cancels a rebooked flight, the Client shall pay to BAO, at a minimum, 40% of the charter price, if not otherwise set forth in the Confirmation. In that case, the cancellation fee is based either on the original charter price or on the rebooked charter price, whichever is higher.

These cancellation and rebooking fees represent liquidated damages, whereby BAO expressly reserves the right to claim reimbursement for any additional costs incurred.

In the event that the aircraft is, for any reason, diverted from any airport, aerodrome or destination shown in the initial flight schedule to another, the journey to the scheduled destination shall be deemed to be completed when the aircraft arrives at such alternate destination. The Client agrees to indemnify BAO or the relevant third party operator in full against any supplementary costs incurred as direct result of the diversion in respect of, but not limited to, any additional flying and/or fees incurred, and pursuant to the provisions of alternative arrangement(s) to enable the Guest(s) to complete the journey to the intended destination as defined in the itinerary.

REFUSAL TO CARRY ON BOARD

Without prejudice to its rights, BAO may refuse, at its sole discretion, to carry any Guest(s) and/or his/her/their baggage on board the aircraft if one point or more of the following points have occurred or, BAO reasonably assumes, may occur:

- - such action is necessary in order to comply with any applicable government laws, regulations or orders;
- - the Guest refuses BAO's request for information about himself/herself, including information required by governments;
- - the Guest has a communicable disease or infection that poses a direct threat to the health or safety of others;

- - the Guest's medical condition is such that there is reasonable doubt that the Guest can complete the flight safely without requiring extraordinary medical assistance during the flight, unless the Guest provides a suitable medical certificate attesting that it is safe for the Guest to make the flight;
- - the Guest's mental or physical state (including impairment due to alcohol or drugs and disorderly, abusive or violent conduct) presents a safety or health hazard or risk to the Guests, the crew or property, or may materially affect the comfort of other Guests or the crew. BAO will make reasonable accommodations for Guests with disabilities in accordance with applicable laws;
- - the Guest refuses to submit himself/herself and/or his/her baggage to a security check or, having submitted to such a check, the Guest fails to provide satisfactory answers or responses to any security questions or issues;
- - the Guest lacks a valid passport, required visa or other travel document(s), seeks to enter a country through which he/she may be in transit or for which he/she does not have such document(s), destroys such document(s) during flight, or refuses to surrender such document(s) to the flight crew for review when so requested, or the Guest cannot prove that he/she is the person named in the Guest list.

LIABILITY

Without prejudice to the terms of the Warsaw Convention dated October 12, 1929, or that convention as amended by the Hague Protocol of 1955 or either of those instruments as amended by the Montreal Protocols of 1975 and that provided for in the Guadalajara Convention dated September 18, 1961 or the Montreal Convention dated May 28, 1999 or EC Regulation 2027/97 (as applicable), BAO shall not be liable for any cancellation or delay of a flight if not caused directly by the gross negligence or willful misconduct of BAO. BAO shall not be liable for force majeure and events beyond its control such as (including - but not limited to) strikes, lock-out, civil commotion, war or warlike operations or imminence thereof, riots, civil war, blockade, embargo, acts or omissions of governmental authorities including all civil aviation authorities, acts of God, fire, flood, fog, frost, ice, storms, epidemics, quarantine, hijacking, requisition of aircraft by public authorities, breakdown or accident to aircraft, or if the safety of Guests and/or property is deemed by the aircraft commander or BAO's operational supervisors to be in jeopardy, natural catastrophes, weather conditions and security risks. In case of such cancellations, BAO shall be under no obligation or liability to the Client beyond refund of the agreed charter price for such cancelled flight(s) or, in case of cancellation of part of a charter flight, such part of the charter price relating to the cancelled portion of the flight.

Furthermore, BAO shall not be liable for actions of other airlines, security and ground handling firms and their vicarious agents, or for personal belongings left on board the aircraft or in terminal facilities by the Guest(s).

All warranties, conditions, representations whatsoever implied by statutory or common law are, to the fullest extent permitted by law, excluded from these GTC. The liability of BAO for death or personal injury caused by its gross negligence or fraudulent misrepresentation shall remain unaffected.

In no event shall BAO be liable for indirect, special, consequential, exemplary or incidental losses and/or damages, including but not limited to loss of profits, lost business, loss of goodwill, loss of opportunity, etc., arising out of or resulting from, or in any way related to the Contract or the provision of services hereunder, or the failure of or delay in the services, and Client hereby waives for itself and on behalf of the Guest(s) any right to such losses and/or damages. Liability for death and personal injury shall be in accordance with applicable law.

Any exclusion or limitation of BAO`s liability shall apply to and be for the benefit of BAO`s employees or freelancers, agents, servants and representatives, and any third party whose aircraft is operated by BAO and the respective employees, agents, servants and representatives of that third party.

The Client incurs unlimited liability for damages to the aircraft or the aircraft interior if caused by the Guest(s) or any additional personnel provided by the Client. The Client's liability shall be irrespective of any liability agreement between the Client and its Guest or its personnel.

PERSONAL DATA

Personal data may include Client`s and/or Guest`s data: name, address, copies of identification and corporate documents, commercial terms, transactions details, etc. ("the Personal data").

BAO may collect, use and otherwise process (collect, record, classify, aggregate, store, update, change, extract, use, transfer, distribute, provide access, delete, etc.) all necessary Personal data of the Clients and/or Guests provided by them during any contact with BAO as a Client/Guest or potential Client/Guest, including when they use services, website of BAO and book to use services through third parties.

Personal data collected by BAO may be communicated, including, but not limited to, to the local authorities (customs, immigration, police, etc.), both in Germany

and overseas, to the personnel of BAO, its partners or external service providers in order to provide all or part of the services in accordance with GTC or to comply with specific legal requirements. BAO also reserves the right to use or communicate such Personal data to its partners. At any time, the Client and/or Guest can request that Personal data no longer be used for promotional purposes.

Failure to provide Personal data or providing incorrect Personal data may lead to the Guest being stopped from boarding or refused entry into a foreign country, in which case BAO cannot be held responsible.

BAO shall make reasonable efforts to protect Personal data privacy. However, BAO is not responsible for third parties' use of the Personal data where such use is permitted for their own purposes.

Clients and Guests will compensate all loss or damages which BAO may at any time incur or have incurred or sustain or have sustained arising out of the Personal data processing or in connection with the Personal data processing or by thing done or omitted to be done by BAO, or other costs and expenses whatsoever.

By submitting a flight booking request by letter, facsimile, e-mail or phone, the Clients and/or Guests agree with the terms and conditions of this clause as specified hereinabove.

GOVERNING LAW, JURISDICTION

The Contract as well as the performance of the transportation services are governed by the laws of Germany, in particular the Air Traffic Act, the Montreal Convention or the Warsaw Convention as applicable (the "Conventions") and EC Regulation No. 2027/97 in the form of EC Regulation No. 889/2002, as well as these GTC. Guests shall be compensated and assisted in the event of denied boarding and for cancellation or long delay of flights, in accordance with EC Regulation No. 261/2004.

All matters of the relevant Contract falling under the Warsaw and Montreal Conventions shall be resolved as provided therein. The Conventions apply if a Guest's journey involves an ultimate destination or stop in a country other than the country of departure. The Conventions govern and may limit the liability of the operator for death or personal injury or loss of or damage to baggage and for delay. Client shall ensure that details of this notice are given to each Guest before embarkation on the aircraft.

If the Client is a merchant or a legal person under the public law, the exclusive place of jurisdiction shall be with the courts of Baden-Baden, Baden-Württemberg, Federal Republic of Germany.

MISCELLANEOUS

If any provision of these GTC is or becomes invalid or void, the other provisions shall not be affected thereby. The parties agree to replace any invalid or void provision with a valid provision which has a content that is as similar as possible to the invalid or void provision.

NOTICES

Carriage hereunder shall be subject to the rules and limitations relating to liability and all other provisions established by the Montreal Convention insofar as such carriage is 'international transportation' as defined therein and is governed thereby.

Notices applicable only for carriage in the European Community:

BASIS FOR THE INFORMATION

The basis for the rules described below is the Montreal Convention of 28 May 1999 which is implemented in the European Community by Regulation (EC) No 2027/97 (as amended by Regulation (EC) No 889/2002) and national legislation of the Member States of the European Community.

Disclaimer: This is a notice required by European Community Regulation (EC) No. 889/2002 for carriage by air in the European Community. This notice may not be used as a basis for a claim for compensation, nor to interpret the provisions of the Regulation or the Montreal Convention, and it shall not be part of the Contract between BAO (to be understood as "air carrier") and/ or the Client/ Guest(s). No representation is made by BAO as to the accuracy of the contents of this notice.

NOTICE according to annex of EC Regulation 20 27/97 as amended by EC Regulation 889/02

AIR CARRIER LIABILITY FOR GUESTS AND THEIR BAGGAGE

This information notice summarises the liability rules applied by European Community air carriers as required by the European Community legislation and the Montreal Convention.

COMPENSATION IN THE CASE OF DEATH OR INJURY

There are no financial limits to the liability for Guest injury or death. For damages up to 50.000 Special Drawing Rights (SDRs) the air carrier cannot contest claims for compensation. In case of a claim which is above that amount, the air carrier can defend itself against that claim by proving that it was not negligent or otherwise at fault.

GUEST DELAYS

In case of a Guest delay, the air carrier is liable for damages unless the air carrier took all reasonable measures to avoid the damages or it was impossible to take such measures. The liability for a Guest delay is limited to 500,00 SDRs. BAO is a 'point-to-point' charter company. BAO therefore does not offer, and cannot facilitate, the transfer of Guests or their baggage to other flights operated by other carriers.

BAGGAGE DELAYS

In case of a baggage delay, the air carrier is liable for damage unless it took all reasonable measures to avoid the damage or it was impossible to take such measures. The liability for baggage delay is limited to 250,00 SDRs.

DESTRUCTION, LOSS OR DAMAGE TO BAGGAGE

The air carrier shall be liable for destruction, loss or damage to baggage up to 250,00 SDRs. In the case of checked baggage, it shall be liable even if not at fault, unless the baggage was defective. In the case of unchecked baggage, the carrier shall be liable only if at fault.

HIGHER LIMITS FOR BAGGAGE

Guest baggage weight is limited for flight safety reasons and varies according to aircraft type. Items determined by the crew to be of excessive weight or size will not be permitted on the aircraft. A Guest may benefit from a higher liability limit by making a special declaration at the latest at check-in and by paying a supplementary fee.

COMPLAINTS ON BAGGAGE

If the baggage is damaged, delayed, lost or destroyed, the Guest must write and complain to the air carrier as soon as possible. In the case of damage to checked baggage, the Guest must write and complain within seven days, and in the case of delay within 21 days, in both cases from the date on which the baggage was placed at the Guest's disposal.

TIME LIMIT FOR ACTION

Any action in court to claim damages must be brought within two years from the date of arrival of the aircraft, or from the date on which the aircraft ought to have arrived.

Carriage shall be subject to BAO's current GTC.

ANNEX № 1 TO GTC OF BADEN AIRCRAFT OPERATIONS GMBH LIST OF PROHIBITED ARTICLES

Guests are not permitted to carry the following articles in their hold baggage, unless the Client has notified BAO adequately in advance that any Guest wants to carry any of these articles and BAO has obtained an approval from the relevant authority that such article may be carried in the hold baggage:

Explosives and incendiary substances and devices:

- explosives and incendiary substances and devices capable of being used to cause serious injury or to pose a threat to the safety of the aircraft, including ammunition,
- blasting caps,
- detonators and fuses,
- mines, grenades and other explosive military stores,
- fireworks and other pyrotechnics,
- smoke-generating canisters and smoke-generating cartridges,
- dynamite, gunpowder and plastic explosives.

Without prejudice to applicable safety rules, Guests are not permitted to carry the following articles into securityrestricted areas and on board an aircraft, unless the Client has notified BAO adequately in advance that any Guest wants to carryany of these articles and BAO has obtained an approval fromthe relevant authority that such article may be carried onboard the aircraft:

a. Guns, firearms and other devices that discharge projectiles; devices capable, or appearing capable, of being used to cause serious injury by discharging a projectile, including:

- firearms of all types, such as pistols, revolvers, rifles, shotguns,
- toy guns, replicas and imitation firearms capable of being mistaken for real weapons,
- component parts of firearms, excluding telescopic sights,

- compressed air and CO2 guns, such as pistols, pellet guns, rifles and ball bearing guns,
 - signal flare pistols and starter pistols,
 - bows, cross bows and arrows,
 - harpoon guns and spear guns,
 - slingshots and catapults;
- b. stunning devices; devices designed specifically to stun or immobilise, including:
- devices for shocking, such as stun guns, tasers, and stun batons,
 - animal stunners and animal killers,
 - disabling and incapacitating chemicals, gases and sprays, such as mace, pepper sprays, capsicum sprays, tear gas, acid sprays and animal repellent sprays;
- c. objects with a sharp point or sharp edge; objects with a sharp point or sharp edge capable of being used to cause serious injury, including:
- items designed for chopping, such as axes, hatchets and cleavers,
 - ice axes and ice picks,
 - razor blades,
 - box cutters,
 - knives with blades of more than 6 cm ,
 - scissors with blades of more than 6 cm as measured the fulcrum,
 - martial arts equipment with a sharp point or sharp edge,
 - swords and sabres;
- d. workmen's tools; tools capable of being used either to cause serious injury or to threaten the safety of aircraft, including:
- crowbars,
 - drills and drill bits, including cordless portable power drills,
 - tools with a blade or a shaft of more than 6 cm capable of use as a weapon, such as screwdrivers and chisels,
 - saws, including cordless portable power saws,
 - blowtorches, bolt guns and nail guns;
- e. blunt instruments — objects capable of being used to cause serious injury when used to hit, including:
- baseball and softball bats,
 - clubs and batons, such as billy clubs, blackjacks and night sticks,
 - martial arts equipment;
- f. explosives and incendiary substances and devices; explosives and incendiary substances and devices capable, or appearing capable, of being used to cause serious injury or to pose a threat to the safety of the aircraft, including:
- ammunition,

- blasting caps,
 - detonators and fuses,
 - replica or imitation explosive devices,
 - mines, grenades and other explosive military stores,
 - fireworks and other pyrotechnics,
 - smoke-generating canisters and smoke-generating cartridges,
 - dynamite, gunpowder and plastic explosives.
- g. infectious substances and infected live animals.