

# **NORDIC AIRCRAFT SYSTEMS, UAB**

## **General Terms & Conditions of Sale**

### **I. General**

1. Unless expressly agreed otherwise in writing between the parties, the following terms and conditions shall apply exclusively for all deliveries and services under the relationship between Nordic Aircraft Systems, UAB and the purchaser or client (hereinafter "the Client"). Any services and deliveries, especially those involving craft, components, devices or other parts of any kind thereof will be rendered or, respectively, made by Nordic Aircraft Systems, UAB exclusively on the basis of the following terms and conditions. Any deviating or supplementary terms of the Client shall be applicable only if confirmed in writing by Nordic Aircraft Systems, UAB in advance.
2. The terms and conditions of Nordic Aircraft Systems, UAB shall also apply for any future business dealings with the Client even if not agreed expressly once more.

### **II. Offer, cost estimate, scope of an agreement**

1. An offer or a cost estimate shall be binding only if made in writing and expressly designated as binding in the text. Modifications, technical changes and deviations with regard to material, shape, color or weight corresponding to the state of the art made by the manufacturer shall be accepted by the Client to a reasonable extent.
2. If it should turn out while working on an order that additional work is necessary, Nordic Aircraft Systems, UAB is entitled to carry out such extra work also without the separate consent of the Client provided these are measures required to maintain or restore worthiness or safety of traffic of the object that is the subject matter of the order unless the extra cost would be clearly disproportionate to the scope of the order as such.
3. Nordic Aircraft Systems, UAB is entitled, but not obliged to provide services under the contract using re-placement parts as common in the industry. Upon acceptance of the contractual service or part the dismantled part becomes the property of Nordic Aircraft Systems, UAB.
4. An order placed with Nordic Aircraft Systems, UAB comprises the authority to conduct trial flights, trial runs and other work subject to charges as necessary to test the object of the order.

### **III. Delivery**

1. Delivery dates and deadlines shall be binding for Nordic Aircraft Systems, UAB only if confirmed by Nordic Aircraft Systems, UAB expressly and in writing and without any reservations (for example after an examination). If additional work as set forth in paragraph II.2 should become necessary, binding delivery dates shall be extended accordingly.
2. Nordic Aircraft Systems, UAB is entitled to make partial deliveries and to perform partial services unless this constitutes an unreasonable disadvantage for the Client.
3. To the extent Nordic Aircraft Systems, UAB has given dates or deadlines – also with binding effect – these shall be subject to the proviso of timely and complete deliveries to Nordic Aircraft Systems, UAB itself by relevant suppliers or subcontractors. In the event that, in such cases, Nordic Aircraft Systems, UAB does not receive sufficient or timely deliveries from suppliers or subcontractors for reasons which Nordic Aircraft Systems, UAB cannot be held responsible for, Nordic Aircraft Systems, UAB shall be entitled to either postpone the delivery date or the performance by the duration of the impediment or to rescind the contract. Irrespective of the legal basis, damage claims of the Client are ruled out in this case as well as in cases of force majeure and other unforeseeable events which Nordic Aircraft Systems, UAB cannot be held responsible for. The foregoing shall be without prejudice to the Client's right of rescission as stipulated by law.

#### **4. Restocking Fee**

In the event that a product is returned for any reason other than being defective or not as described, a restocking fee equivalent to 25% of the outright purchase price will be applied. This fee will be deducted from the total refund amount. The restocking fee covers the costs associated with processing the return and restocking the product. To be eligible for a refund (less the restocking fee), the product must be returned in its original condition, including all packaging, accessories, and documentation

#### **IV. Prices and terms of payment**

1. In the event that no fixed price has been agreed, the fixed prices set forth in the Nordic Aircraft Systems, UAB price lists and the hourly rates for material and man-hours in force at the time the contract is concluded shall apply. All prices are ex-works Nordic Aircraft Systems, UAB facility. All prices are net prices plus turnover tax in the amount applicable from time to time if prescribed by law.
2. In the event that a part or a device is replaced, replacement prices can be calculated only if the replaced part or device is complete and not in a state, which is either irreparable or can be repaired only at an unreasonably high cost. To that extent, billing by Nordic Aircraft Systems, UAB is subject to the proviso of correction where necessary.
3. Nordic Aircraft Systems, UAB is entitled to request an adequate down payment or to issue adequate partial invoices at any time.
4. Unless otherwise agreed, invoices are due for payment without deduction immediately. In case of default, default interest in the amount of 5 % points above the respective basic interest rate will be billed to the Client. The foregoing is without prejudice to Nordic Aircraft Systems, UAB claiming higher damages as the result of default.
5. The Client is not authorized to offset claims of Nordic Aircraft Systems, UAB against claims of its own, unless such a counter-claim has been declared valid by a court of law or is not disputed by Nordic Aircraft Systems, UAB. The same applies for a possible right of retention on the part of the Client.

#### **V. Acceptance, transfer of risk**

1. In the event that acceptance of a service or delivery by the Client is required, the acceptance procedure shall take place at the Nordic Aircraft Systems, UAB facility or another site agreed by both parties. The Client is obliged to arrange for acceptance as soon as it has been notified of completion and within three (3) business days at the latest. A delivery or service is deemed to have been accepted by the Client if the Client is in default with timely acceptance of the object of the order by more than one week.
2. Nordic Aircraft Systems, UAB is not obliged to inspect the power of attorney of the individual collecting the craft or his/her license to fly.
3. If the Client is in default concerning acceptance, Nordic Aircraft Systems, UAB is entitled to bill the Client for the customary parking or storage fees. In such a case, the object of the order may also be duly parked or stored elsewhere on the usual conditions and at the expense of the Client.
4. Unless provided otherwise in the confirmation of the order, delivery will be "ex works" the facility".
5. The risk of accident Nordic Aircraft Systems, UAB destruction or accident Nordic Aircraft Systems, UAB deterioration of the object of the order or delivery shall transfer to the Client upon acceptance, default in acceptance or, if no acceptance procedure has been scheduled, upon handing the object over to the Client at the Nordic Aircraft Systems, UAB facility. In the event the object of the order is shipped, the risk shall be transferred upon surrender to the shipping company,

irrespective of the place of shipping. The cost of packaging and shipping shall be billed to the Client, unless expressly agreed otherwise in the confirmation of the order.

## **VI. Warranty claims and liability**

1. Nordic Aircraft Systems, UAB shall honor justified warranty claims for all new products and services for the duration of up to one year from the date of delivery or acceptance. After that, no warranty claims against Nordic Aircraft Systems, UAB will be accepted due to expiry of the statute of limitations. If the defect is a material defect which a supplier or subcontractor of Nordic Aircraft Systems, UAB is responsible for, Nordic Aircraft Systems, UAB, even now, assigns its own warranty claims against the subcontractor, with the consequence that warranty claims against Nordic Aircraft Systems, UAB are ruled out in that respect.
2. Evident defects shall be reported in writing to Nordic Aircraft Systems, UAB without delay, but no later than two weeks after acceptance or the delivery date. The same applies for defects which should have been identified if the delivery had been examined properly and immediately for completeness and the absence of defects. If no complaint is made on time, warranty claims shall be forfeited. For other defects, this time limit begins to run from the date they are identified.
3. Warranty claims are also ruled out if the defect is based on normal wear and tear, force majeure, inappropriate or faulty treatment, changes made by the Client or third parties or the failure to observe statutory regulations or technical instructions.
4. No warranty is granted for the delivery of used materials, unless Nordic Aircraft Systems, UAB has offered a separate warranty in this respect.
5. In the event that the Client is entitled to rectification in case of a defect, Nordic Aircraft Systems, UAB shall decide at its sole discretion whether such rectification can be made by elimination of the defect or by delivering a replacement or producing a new object free of defects. The Client is entitled to reduce the price or to rescind the contract only if rectification has failed for good.
6. Nordic Aircraft Systems, UAB shall be liable for damage claims or claims for the reimbursement of expenditures as a result of breaches of obligations on the part of Nordic Aircraft Systems, UAB or its legal representatives or agents, if the damage is based on premeditation or gross negligence. This limitation of liability shall not be applicable in the event of injury to life body and health. In the event of a breach of essential obligations under the contract, Nordic Aircraft Systems, UAB shall be liable for negligence, but only up to the amount of the damage typical to the contract and foreseeable. Claims on the grounds loss of profits, saved expenditures or other indirect damages or consequential damages are ruled out.
7. As a matter of principle, rep of damages shall be carried out on the premises of Nordic Aircraft Systems, UAB. However, Nordic Aircraft Systems, UAB shall be entitled in exceptional cases to repair the defects at the site where the defective object is located either itself or by engaging a third party.

## **VII. Reservation of title, right of lien and right of retention**

1. Nordic Aircraft Systems, UAB reserves the title to any delivery or service until full payment has been made. Such reservation of title is extended to all claims under the current business relations with the Client. If ownership of Nordic Aircraft Systems, UAB should cease as a result of compounding, mixing or processing, Nordic Aircraft Systems, UAB shall become a pro-rata co-owner of the object into which the object delivered has been compounded, mixed or processed.
2. The Client is entitled to sell objects subject to reservation of title in the course of regular business transactions. Any claims against buyers or third parties the Client may be entitled to from such a sale or on another legal basis are herewith assigned to Nordic Aircraft Systems, UAB, and Nordic Aircraft Systems, UAB accepts said assignment. However, the Client is authorized to collect the

assigned claim without any prejudice to the authority of Nordic Aircraft Systems, UAB to collect such claims itself. The Client shall notify Nordic Aircraft Systems, UAB immediately of any seizures or other confiscation of objects subject to reservation of title or of an assigned claim by third parties.

3. Nordic Aircraft Systems, UAB is entitled to a right of retention and a contractual right of lien to objects that come into its possession in connection with all claims under the order or other claims from the business relation. Reservation of title and the contractual right of lien may also be asserted for claims relating to services and deliveries made in the past if such services and deliveries were connected to the object of the order.

### **Exchanges**

All cores must be delivered to Nordic Aircraft Systems within 14 days following the shipping date of the serviceable unit, unless otherwise agreed in written form. Cores are to be delivered under Delivery Duty Paid (DDP) terms to Metalog 2, Vilnius, unless alternative arrangements have been mutually confirmed.

Cores should be returned in a normal run-out condition. Should the repair cost of a core exceed 70 percent of its assessed value, the unit will be deemed Beyond Economic Repair (BER). Late delivery of cores may incur a late fee as per the agreement terms.

In the event that the core is sent for repair through a different supplier, the terms and conditions of the respective supplier will govern the transaction“.

### **VIII. Insurance**

1. As a matter of principle, the Client is responsible for arranging insurance cover for an object ordered against damages of any kind. If so requested, the Client shall submit proof of sufficient insurance cover to Nordic Aircraft Systems, UAB at any time.

2. In the event that the Client acts in breach of its obligation to submit evidence of insurance cover or if the necessary insurance cover does not exist, Nordic Aircraft Systems, UAB is entitled to take out such insurance at the expense of the Client and to demand reimbursement of the insurance premium from the customer.

### **IX. Data protection**

Nordic Aircraft Systems, UAB is entitled to process and save any data it obtains in connection with the business dealings with the Client within the scope of the European Union or the United States laws or to arrange for processing and storage by third parties it has retained. Unless required for performing the sale, Nordic Aircraft Systems, UAB shall not pass such data on to third parties without the consent of the Client.

### **X. Closing provisions**

1. The place of performance for all obligations resulting from the contractual relationship shall be the domicile of Nordic Aircraft Systems, UAB unless there is an exception from these conditions.

2. Republic of Lithuania courts shall have jurisdiction for all disputes arising from the contractual relationship. However, Nordic Aircraft Systems, UAB is also entitled to take legal action at the domicile of the Client or before other courts having jurisdiction under national or international law.

3. The present terms and conditions are governed by the law of the Republic of Lithuania, ruling out the United Nations Convention on the International Sale of Goods.

4. Unless expressly agreed in writing by Nordic Aircraft Systems, UAB, the assignment of rights or claims by the Client to third parties is ruled out.
5. In the event that any provision of the present terms and conditions or other agreements should be or become invalid, the validity of all other provisions of these terms and conditions or other agreements shall not be affected.
6. Upon request, the customer will be provided with the Client version of these terms and conditions which can also be called up on the homepage of Nordic Aircraft Systems, UAB. In case of doubt, the English version shall prevail.

#### **Appendix 1 "Security Declaration"**

With conclusion of the contract, you are obligated to ensure that the purchased goods from Nordic Aircraft Systems, UAB will be protected against unauthorized access, only be handled by trustworthy and trained staff and your involved business partners are informed about those circumstances, to maintain the secure supply chain. Any returns to Nordic Aircraft Systems, UAB must be kept in a secured area and needs to be passed in a safe state to the freight forwarder.

#### **Appendix 2 "Compliance"**

The Client represents and warrants to best of its knowledge that neither it nor any person or entity that owns or controls it or that it owns and controls is a designated target of any trade, and/or economic and/or financial sanction or sanctions (including without limitation any relevant law, regulation, order, ordinance, resolution, decree, restrictive measure or other requirement having the force of law), adopted by the U.S., E.U. (or its respective Member States), U.N., Switzerland, or the country of origin of the goods (collectively "Sanctions"). The Client agrees and undertakes to Nordic Aircraft Systems, UAB that it and its agents, contractors, and representatives will fully comply with the requirements of all applicable Sanctions.

The Client agrees and undertakes to Nordic Aircraft Systems, UAB that the Goods will not directly or indirectly originate from, be provided by or be transported on a vessel or by a carrier owned, flagged, chartered, managed or controlled, directly or indirectly, by any country, person, entity, or body, or for the purpose of any commercial activity, that would cause Client or a person subject to U.S. jurisdiction to be in violation of applicable Sanctions and/or export or re-export controls. If Client requires, Seller shall provide Buyer with appropriate documentation for the purposes of verifying the origin of the goods.

Client agrees and undertakes to Nordic Aircraft Systems, UAB that the Goods will not be:

- (i) resold to;
- (ii) disposed of by; or

(iii) transported on a vessel, or by a carrier, owned, flagged, chartered, managed or controlled by, directly or indirectly to, any country, person or entity, or for the purpose of any commercial activity, which would cause Nordic Aircraft Systems, UAB to be in violation of applicable Sanctions and/or export or re-export controls. If Nordic Aircraft Systems, UAB requires, the Client shall provide appropriate documentation for the purposes of verifying the final destination of the goods. Nordic Aircraft Systems, UAB has the right to reject any restricted destination, vessel, transit route, person or entity to violate any applicable Sanctions or which would cause Nordic Aircraft Systems or its agents, contractors, or representatives or a person subject to U.S. jurisdiction to be in violation of or be penalized by any applicable Sanctions.

Client further represents and warrants that it will not make payment for the Goods through or via such country, bank, or other entity or body or facility, as would cause Nordic Aircraft Systems, UAB to be in violation of or be penalized by any applicable Sanctions. Should payment for the goods be impeded, blocked, delayed, or prevented, for longer than three business days, by reason of

Sanctions or their alleged applicability, Client shall use its best endeavours to make payment by alternative lawful means that do not, directly or indirectly, violate any Sanctions, (insofar as they apply or are applied or implemented by banks, governments, or other lawfully-constituted authority whatsoever), unless any such payment problems are a result of Seller's violation of the Sanctions. Without prejudice to the foregoing, Client agree to cooperate with Nordic Aircraft Systems, UAB reasonable requests for information and/or documentary evidence to support and/or verify compliance with this Appendix.