

Standard Terms and Conditions of Sales/Lease

between:

Flyer-Aviation Sp. z o.o. whose registered office is at, 48, Komitetu Obrony Robotników Street, 02-146 Warsaw, Poland, entered into the Registry of Entrepreneurs of National Court Registry in the District Court for the capital city of Warsaw in Warsaw, XIII Commercial Division of National Court Registry under KRS No.:0000312391, Tax Identification Number 522 290 8702, share capital 300 000,00 PLN, hereinafter referred to as Flyer or Seller

and

The Customer specified in the Quotation, hereinafter referred to as Customer or Buyer

PREAMBULE:

- I.** This Agreement is entered into between Flyer and the Customer and shall settle the rules of:
 1. sale of parts, components and modules removed from aircraft (collectively and individually, "Part(s)") and/ or
 2. lease of tools (hereinafter "Tools") through the brand AOGTools.com, by Flyer to Customer.

- II.** By signing and returning the Quotation (or otherwise confirming Customer's wish to purchase Parts and/or lease Tools on the basis of the information provided in the Quotation), Customer acknowledges that these terms and conditions shall apply to purchase of the Parts and/ or lease of the Tools. For the avoidance of doubts, the Parties agree that Flyer's obligations under this Agreement arise after the date of delivery of the Order Confirmation by Flyer to the Customer.

1. DEFINITIONS

1.1. For the purpose of this Agreement, the following words shall have the meanings ascribed below:

Agreement: means these terms and conditions, the Quotation, the Confirmation of Order and Incoterms 2010;

AR or As-Removed: means Part(s) that have been removed from the engine/aircraft and are pending repair or recertification;

Confirmation of Order: means a notice in writing confirming Flyer's acceptance of the Customers Order;

OH or Overhauled: means Part(s) have been overhauled by an EASA or FAA 145 organization and are sold with attached EASA Form One and/or FAA Form 8130-3 certificate stating Overhauled;

Quotation: means the document in which these terms and conditions are referenced which identify the Customer, details of the Parts which the Customer wishes to purchase, the price of the Parts and any other information relevant to the sale of Parts;

SV or Serviceable: means Parts that have been removed from the aircraft/engine and have a current and valid EASA Form One and/or FAA Form 8130-3 or any other equivalent certificate issued by an approved organization.

2. PRICE AND PAYMENT:

2.1. All prices of Parts and Tools are net and, unless otherwise specified in the Quotation, do not include transportation, insurance, taxes, import or export charges or duties, levies, imposts, penalties, interest or other similar charges (including, without limitation, value added tax, withhold tax and any transfer tax), all of which shall be the responsibility of Customer and payable to Flyer.

2.2. Prices set out in the Quotation are valid for 30 days or such other period as may be specified in the Quotation. Thereafter prices are subject to change without notice.

2.3. Unless specified in the Quotation that the credit terms set out in Annex A apply, the Customer shall pay to Flyer all due amounts prior to the due delivery date.

2.4. If the Customer fails to make any payment due to Flyer under this Agreement by the due date for payment ("Due Date"), Flyer shall have the right to charge interest on the overdue amount at the rate of 4 per cent per annum above the current National Bank of Poland's base rate accruing on a daily basis from the Due Date until the date of actual payment of the overdue amount, whether before or after judgment, and compounding quarterly. For the purpose of this clause 2.4 time of payment shall be of the essence of the Agreement.

2.5. The Due Date shall be 30 calendar days from the date of the invoice unless otherwise stated in writing by Flyer.

2.6. The Customer shall pay all amounts due under the Agreement in full without any deduction or withholding except as required by law and the Customer shall not

be entitled to assert any credit, setoff or counterclaim against Flyer in order to justify withholding payment of any such amount in whole or in part. Flyer may, without limiting its other rights or remedies, set off any amount owing to it by the Customer against any amount payable by Flyer to the Customer

3. DELIVERY AND INSPECTION:

3.1. Parts/ Tools shall be delivered ExWorks from the Flyer's Storage Facilities in Poland, unless otherwise stated on the Quotation, (Incoterms 2010 EXW) or from other facility as may be designated in writing by Flyer. Unless otherwise agreed, all Parts/ Tools delivered to Customer will be packed for road transportation in Poland in accordance with Flyer's standard packing procedures for such Part(s)/ Tool(s). Flyer reserves the right to charge for special additional packing requirements of the Customer. Packing material, containers, and module and component transportation stands are returnable at Customer's cost.

3.2. Any dates set out in the Quotation are approximate only and the time of delivery shall not be of the essence. Flyer shall provide reasonable notice of when the Part(s) are available for delivery. There is nothing preventing Flyer from bringing forward the delivery date, or complete performance of any order, prior to the time set forth in the Quotation. Unless otherwise agreed, Flyer shall have the right to deliver the Parts/ Tools in partial shipments.

3.3. If, upon receipt of the Parts/ Tools by the Customer, the Parts/ Tools do not conform to the Quotation, the Customer shall, within two (2) calendar days (or if non-conformance relates to an AR condition Part, (30) calendar days) after receipt thereof, notify Flyer of such non-conformance and:

3.3.1. provide such evidence of non-conformance as Flyer may reasonably require, including photographic evidence;

3.3.2. in the case of confirmed non-conformance due to the Flyer's fault - arrange the return of the non-conforming Part(s)/ Tool (s) at Flyer's expense or if requested in writing by Flyer, arrange the Part/ Tool to be scrapped (in which instance the Customer will produce a certificate evidencing the Part/ Tool has been scrapped) or in the case of lack of the confirmation of the non-conformance due to the Flyer's fault - arrange the return of the non-conforming Part(s)/ Tool (s) at Customer's expense or if requested in writing by Flyer, arrange the Part/ Tool to be scrapped (in which instance the Customer will produce a certificate evidencing the Part/ Tool has been scrapped) - ; and

3.3.3. the Customer shall permit Flyer a reasonable opportunity to replace such Part.

3.4 for the purpose of clause 3.1, non-conformity shall mean failure of the individual Part/ Tool to conform with the description set out in the Quotation including the condition of that Part which may include OH, SV and AR. In the case of AR specifically nonconformance shall be deemed to include where the cost of repair or overhaul

would exceed 65% of the cost of the then latest catalogue price for that Part, or where an EASA authorized repair station deems the condition of such part to be beyond repair limits in accordance with the applicable manufacturer's manuals for that Part.

3.5. In the event of an unjustified return of Parts/ Tools by the Customer, the Customer shall be additionally charged with the fee for re-introducing Parts/ Tools to the Flyer's magazine (so called "restocking fee") in the amount of 20% of the order's value.

3.6. Goods specifically purchased by Flyer from a supplier for on sale to the Buyer, may not be returned to Flyer for credit.

4. TITLE AND RISK

4.1. The risk connected to the Parts/ Tools shall pass on to the Customer on a date, the Parts/ Tools have been collected by the transportation company, unless otherwise stated in the Offer.

4.2. In the case of sale of the Parts, the ownership title shall pass to the Customer when Flyer has received the payment in full (in cash or cleared funds).

5. WARRANTY:

5.1. Flyer warrants that on the date of sale/ lease it has a good legal title to the Parts/ Tools respectively sold or leased to Customer.

5.2. **DISCLAIMER:** All other warranties or conditions (whether expressed or implied) as to quality, condition, description, compliance with sample or fitness for the purpose (whether statutory or otherwise) other than those expressly set out in this Agreement, are excluded from this Agreement to the fullest extent permitted by law. Each Part sold and/ or leased to the Customer is sold/ leased in "as is, where is" condition with all assignable warranties from the last operator or repair facility (if such warranties exist).

6. INDEMNITY:

6.1. The Customer hereby indemnifies Flyer and its affiliates and subsidiaries, (including their respective agents, directors, employees, officers, shareholders, subcontractors, successors and assigns) against all liabilities, claims, losses and damages of any nature, including, but not limited to, all expenses (including legal fees), costs, and judgments for property damage or injury to or death of any person and any other direct, indirect, incidental, consequential, economic or statutory civil damages, any of which arise out of or are in any way related to the provision of the Parts/ Tools or other services pursuant to this Agreement.

6.2. Notwithstanding the generality of clause 6.1, the indemnity set out in that clause shall specifically include (but not limited by) the use, operation, repair, maintenance, or disposition of Parts/ Tools provided under this Agreement, whether or not arising from breach of this Agreement, strict liability or tort (including negligence), provided that nothing in this clause shall require the Customer to indemnify Flyer for claims or liabilities arising from the willful misconduct of Flyer.

6.3. The Customer shall carry and maintain such insurance in full force and effect and in types and amounts as would be carried by prudent companies engaged in the Customer's industry. Such policies of insurance shall be primary with respect to the indemnities of Customer set forth in this Agreement, and shall contain waivers of subrogation of the insurers in favor of the Flyer Indemnities. The Customer will provide Flyer with certificates of insurance as may be requested by Flyer from time to time.

7. LIMITATION OF LIABILITY

7.1. Nothing in this Agreement shall limit or exclude Flyer's liability for death, personal injury caused by its negligence, the negligence of its employees, agents or subcontractors, or fraud or fraudulent misrepresentation.

7.2. Subject to 7.1

7.2.1. Flyer shall under no circumstances whatever be liable to the Customer, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, for any loss of profit, or any indirect or consequential loss arising under or in connection with this Agreement; and

7.2.2. Flyer's total liability to the Customer in respect of all other losses arising under or in connection with this Agreement, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, shall in no circumstances exceed one hundred (100%) of the total Price paid by the Customer pursuant to this Agreement.

8. DELAY:

Flyer will not be liable in any way in respect of late delivery, howsoever caused or for any delay in performance due to causes beyond Flyer's reasonable control including, without limitation, embargoes, blockages, seizures or freeze of assets, delays or refusals to grant export or import licenses or the suspension or revocation thereof, or any other acts or omissions of government, fires, floods, severe weather, or any other acts of God, quarantines, labor strikes or lockouts, riots, insurrection, civil disobedience or acts of criminals or terrorists, war, material shortages or delays in delivery by third parties and, in the event of such delay the date of delivery shall be extended for a period of time as may be reasonably necessary to compensate for any such delay. The Customer shall be bound to accept the Parts/ Tools when available.

9. GOVERNMENTAL AUTHORIZATIONS:

Unless specified otherwise in the Quotation, the Customer shall be the importer or exporter of record and shall be responsible for timely obtaining any required governmental authorization such as an import license, export license, exchange permit or any other required governmental authorization.

10. ENTIRE AGREEMENT:

10.1. No statements, negotiations, warranties, course of dealing or usage of trade will be part of this Agreement between Flyer and Customer. Flyer rejects any of Customer's inconsistent or additional terms, whether submitted before or after the terms and conditions herein, in purchase orders or however stated, and such shall not be part of this Agreement, unless specific and explicit references to changes to this Agreement are made in writing by an authorized representative of Flyer. Anyone signing for the customer represents that she or he is employed by the customer in the capacity indicated and is unequivocally authorized to bind the Customer to this agreement.

11. GOVERNING LAW AND JURISDICTION:

11.1. This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including noncontractual disputes or claims) shall be governed by and construed in accordance with the law of Poland.

11.2. The Parties irrevocably agree that the court of Poland shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Agreement or its subject matter or formation (including non-contractual disputes or claims).

11.3. The Parties shall seek to resolve any disputes that may arise from the conclusion and the implementation of this Agreement by direct negotiation. Notwithstanding the foregoing any disputes that may arise from this Agreement shall be settled by the court competent for the registered office of the Flyer, current at the date of conclusion of the Agreement.

11.4. Any amendments to this Agreement require the written form otherwise shall be null and void.

Annex A: Credit Terms

Where Flyer has agreed to providing credit to the Customer, the following shall be deemed to replace clause 2.4 of the Terms and Conditions:

"Flyer shall be entitled to invoice the Customer for each order, or part order on or at any time after delivery. The Customer shall pay invoices in full and in cleared



funds within 30 days of issue of the invoice. Payment shall be made to the bank account nominated in writing by Flyer”.