

1. Subject Matter

- 1.1. UAB "FL Technics" ("FL Technics" or "FLT") shall supply to the Customer spare parts, components, materials and equipment (including tools, test equipment and ground support equipment) for the aircraft or engine of civil aviation (hereinafter collectively – the "Spare Parts") on sale, exchange or lease basis (collectively – "Sale") as detailed in Customer's Purchase Order and FL Technics Invoice. Customer's Standard Contract Terms and Conditions are not applicable. Deviations from these General Terms need to be agreed in writing. These General Terms shall apply until the respective agreement for the supply of the Spare Parts is executed between the Parties.
- 1.2. In case of cancelling Purchase Order 15% restocking fee of the price of Purchase Order shall be applicable.
- 1.3. Spare Parts shall be delivered "as is where is", unless otherwise specified in the Invoice.
- 1.4. FL Technics shall send the Spare Parts to Customer EXW Vilnius (Incoterms 2010), unless otherwise specified in the Invoice.
- 1.5. Title to Spare Parts sold to Customer shall pass from FL Technics to the Customer when payment in full has been received by FL Technics.
- 1.6. Lease. The leased Spare Parts remain the property of FL Technics and shall be returned upon expiration of the lease term. When Spare Part is returned upon expiry of the lease, it shall be sent for testing and recertification. The cost of repair, testing, recertification and any other FL Technics' expenses for the recovery of serviceable condition (if required) shall be at the Customer's expense. If the Spare Part is lost during the lease, repair costs after the lease term exceed 65% of Spare Part outright agreed value or Spare Part is deemed Beyond Economical Repair ("BER"), the Customer shall in addition to the lease price and any other incurred FL Technics' expenses reimburse FL Technics with the outright value of the Spare Part.
- 1.7. Exchange. (a) FL Technics will, for an agreed Exchange Fee, exchange with a Customer a serviceable Spare Part for a core unit, pursuant to the terms and conditions described herein. (b) Customer shall pay the Exchange Fee, and cover all transportation (including freight, customs fees and charges for the serviceable Spare Part, the core unit, and the freight incurred during maintenance of the core unit), re-certification, and/or modification, and/or overhaul and/or test costs incurred by FL Technics. (c) Customer must deliver to FL Technics core unit acceptable to FL Technics within 21 calendar days after shipment of serviceable Spare Part. Core unit returned to FL Technics must be repairable and of the same part number, dash number, and modification level as the serviceable Spare Part. Any deviation must be approved in writing by FL Technics prior to delivery of the core unit to FL Technics. (d) Whenever a serviceable Spare Part has left FL Technics' facility, Customer assumes risk of loss, if otherwise not stated in mutually agreed applicable Incoterms delivery conditions. (e) Core unit returned to FL Technics will not be accepted by FL Technics unless it is accompanied by the following Documentation: (i) Unserviceable tags, containing Reason for Removal information, Removal date and aircraft MSN; (ii) a certificate of origin (non-incident statement from Customer and the airline from which part is removed, Proof of trace from the airline via packing slip or a signed statement from the operator indicating part number and serial number); (iii) records for life-limited parts (i.e.: vanes, disk, etc.); (iv) cargo customs declaration (the component must be released to free circulation) for FL Technics review shall be supplied in advance. (f) In the event the core unit is unacceptable for FL Technics, repair cost of the core unit exceeds 65% of the agreed outright value or the core unit is deemed BER by the repair station, the Customer will be billed the outright value as well as the original exchange fee and transportation and evaluation fees of the core unit. (g) FL Technics warrants that each serviceable Spare Part supplied hereunder shall be free from defects in material and workmanship, airworthy and is in serviceable condition at the time of delivery for the Exchange. The valid manufacturers, vendors or repair station warranties, shall be assigned to the Customer. FL Technics will support Customer in pursuing such Warranty claim. (h) Customer shall perform Incoming Inspection of all delivered serviceable Spare Part. Defect claim must be raised in writing within 5 days of receipt of the serviceable Spare Part, prior to returning a failed Spare Part, otherwise the returned Spare Part will be processed as a normal core unit and Customer will be liable for any and all recertification, modification and/or overhaul costs. (i) Customer agrees and warrants that title to, and ownership of, the serviceable Spare Part shall remain with and be vested in FL Technics without encumbrances, until the Customer returns core unit acceptable to FL Technics as described above and until payment in full to FL Technics is received from the Customer. Simultaneously, title to, and ownership of, the core unit will vest, without encumbrances, with FL Technics. (g) If the core unit does not comply with the requirements as stated above, or if FL Technics has not received the core unit (including its documentation) within 21 calendar days from the date of the shipment of serviceable Spare Part, then the Customer will be billed an additional amount equal to the Exchange Fee, and the terms of this Agreement will continue to apply. If an acceptable core unit has not been received by FL Technics within 42 calendar days from the date of the shipment of the serviceable Spare Part, then the exchanged unit will be considered to have been sold to Customer at its outright value, plus the Exchange Fee and any additional amounts already billed to Customer. Alternatively, FL Technics may elect to invoice additional Exchange Fees every 21 days until an acceptable core unit is received. Received unacceptable core unit will be returned to Customer at Customer's expense and risk after outright value is received by FL Technics and any and all charges incurred associated with the core unit will be charged to and payable by the Customer.
- 1.8. Where applicable, the Customer shall assist and provide FL Technics in a timely manner with all relevant information and/or documentations in order to enable FL Technics to apply for and receive any export licenses required at FL Technics' location or otherwise. Upon receipt of all appropriate documentation from the Customer FL Technics shall apply for the required export license and if any export license is refused by the relevant authority, FL Technics shall advise Customer hereof in a timely manner. No obligation shall fall on FL Technics should such export licenses fail to be forthcoming, therefore the Customer waives any claims or demands against FL Technics in relation to any damages, expenses or costs (direct or indirect) incurred by Customer if issuance of the required export licenses was being delayed or if such export licenses were not being issued at all.
- 1.9. FL Technics reserves the right to change, modify, add or remove these General Terms at any time without prior notice.

2. Commercial Terms

- 2.1. Prices shall be specified in Purchase Order and Invoice.
- 2.2. All rates prescribed in Purchase Order and Invoice do not include VAT (if such applies) or any other taxes and Customer shall pay these in addition to the purchase price.
- 2.3. All Spare Parts transportation expenses and related taxes and duties shall be borne by Customer.
- 2.4. Customer shall perform payment of purchase price before delivery of Spare Parts, unless otherwise specified in the Invoice. Customer shall make payment of remaining / additional amounts and charges within 10 calendar days from the issuance of final invoice.
- 2.5. All payments will be made in currency stipulated in the invoice by bank transfer to the account specified in the invoice. Any fees charged by a bank in connection with the transfer of funds by Customer will be borne by Customer.
- 2.6. Should any delay of the payments occur, the Customer shall pay to FL Technics a penalty at the rate of 0.1% of the value of the late-payment for each day of delay.
- 2.7. In the event that any sum is not paid by the Customer when due then FL Technics shall be entitled to suspend further performance of its obligations until all outstanding amounts have been received by FL Technics and the time for performance of such obligations shall, at FL Technics option, either be extended by a period equal at least to the duration of the suspension plus 24 (twenty four) hours or shall be re-scheduled.
- 2.8. In case payments are due under one or more invoices, FL Technics shall be entitled at its own discretion to set off any amounts paid by Customer against any outstanding invoices due under any agreement between the Parties without regards to the actual purpose of the payment (reference) indicated by Customer at the time when the payment (transaction) was made.

3. Excusable delays

- 3.1. FL Technics shall not be responsible for excess of performance dates and / or delays, and / or non-performance of its obligations if (i) the Customer fails to make any payment due on time and FL Technics suspends further performance of its obligations until all outstanding amounts are received by FL Technics; or (ii) the Customer fails to provide required and necessary information for execution of Purchase Order on FL Technics request; or (iii) caused by force majeure; or (iv) during the period required for the application and issuance of the export license or in the event the issuance of such export license was required by the relevant authority.
- 3.2. Nothing shall require FL Technics to take any action contrary to the law or to any order or regulation of any government or contrary to any permit or authorization granted to FL Technics by any government.
- 3.3. If FL Technics is prevented by Excusable Delay stipulated herein from timely performance of any of its obligations hereunder, the time for performance will be extended by a period of business days equal to the time lost by reason of such delay, provided that FL Technics shall promptly notify of any excusable delay affecting FL Technics' performance.

4. Warranty

- 4.1. For all Spare Parts any assignable rights to warranty granted to FL Technics by its suppliers will be assigned to Customer, if not otherwise stated in the respective invoice. FL Technics will support Customer in pursuing such warranty claim.
- 4.2. THE SPARE PARTS ARE BEING SOLD TO CUSTOMER IN AN "AS IS, WHERE IS" CONDITION WITH ALL FAULTS AND WITHOUT RECOURSE AS AT THE DELIVERY DATE. CUSTOMER ACKNOWLEDGES AND AGREES THAT NEITHER FL TECHNICS NOR ANY OF ITS AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES OR REPRESENTATIVES HAS MADE OR WILL BE DEEMED TO HAVE MADE ANY TERM, CONDITION, REPRESENTATION, WARRANTY OR COVENANT EXPRESS OR IMPLIED (WHETHER STATUTORY OR OTHERWISE) AS TO (A) THE CAPACITY, AGE, AIRWORTHINESS, VALUE, CONDITION, QUALITY, DURABILITY, DESCRIPTION, COMPLIANCE WITH SPECIFICATIONS, DESIGN, WORKMANSHIP, MATERIALS, MANUFACTURE, CONSTRUCTION, OPERATION, STATE, MERCHANTABILITY, PERFORMANCE, FITNESS FOR ANY PARTICULAR USE OR PURPOSE, SUITABILITY OF THE SPARE PARTS OR ANY PART THEREOF, (B) THE ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE, KNOWN OR UNKNOWN, APPARENT OR CONCEALED, EXTERIOR OR INTERIOR, (C) ANY OBLIGATION OR LIABILITY OF FL TECHNICS ARISING IN CONTRACT OR IN TORT, ACTUAL OR IMPUTED, OR IN STRICT LIABILITY OR NEGLIGENCE, INCLUDING ANY OBLIGATION OR LIABILITY FOR LOSS OR USE, REVENUE OR PROFIT, WITH RESPECT TO THE SPARE PARTS OR FOR ANY LIABILITY OF THE TRANSFEREE TO ANY THIRD PARTY OR ANY OTHER DIRECT, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGE WHATSOEVER WITH RESPECT TO THE SPARE PARTS, (D) ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE AVAILABILITY, RELIABILITY, COMPLETENESS, OR ACCURACY OF THE SPARE PARTS DOCUMENTATION, IF ANY, AND (E) ANY IMPLIED WARRANTY ARISING FROM THE COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE, IT BEING UNDERSTOOD THAT NOTHING HEREIN WILL BE DEEMED TO LIMIT CUSTOMER FROM AVAILABLE ITSELF OF ANY WARRANTIES, COVENANTS, AND REPRESENTATIONS OF ANY MANUFACTURER. THE DESCRIPTION OF THE SPARE PARTS CONTAINED IN ANY DOCUMENT DELIVERED HEREUNDER IS FOR THE PURPOSE OF IDENTIFICATION ONLY AND NO REPRESENTATION, WARRANTY OR CONDITION IS OR WILL BE GIVEN BY FL TECHNICS CONCERNING THE ACCURACY OF ANY SUCH DESCRIPTION.
- 4.3. Any Spare Part returned for failure or warranty must be received at FL Technics' facility within 5 days from the defect claim date. If warranty is denied, or no trouble is found with

the returned Spare Part, Customer agrees to be responsible for any and all costs associated with such Spare Part.

- 4.4. Expenses related to the warranted Spare Parts, test, inspection and repair during the warranty term provided by FL Technics and assigned by FL Technics to Customer or End User of the Spare Parts, shall be on FL Technics'. Upon expiry of warranty term, these expenses shall be borne by the Customer and/or End User. All transportation costs and risk of loss of warranted Spare Part shipped for correction of defects to and from the facility designated by FL Technics shall be borne by Customer.
- 4.5. The warranty shall not be applicable in case of improper use, unqualified repairs or repairs in contradiction with repair instructions and operation and maintenance manuals, or in case warranted Spare Part has been subject to the misuse, mishandling, negligence, accident, or ingestion of foreign material. The warranted Spare Part must not be altered, repaired, or serviced since purchase by anyone other than FL Technics or manufacturer.
- 4.6. All original documentation supplied by FL Technics to Customer and an engineer's report detailing the reason for removal or failure, need to be returned with the warranted Spare Part for warranty consideration.
- 4.7. FL Technics liability connected with or resulting from this warranty will not exceed the cost of correcting the defect.

5. Liability

- 5.1. FL Technics, its personnel and its subcontractors shall not be liable for any damage to, or loss of, property including the aircraft, or injury or death or any other damage directly or indirectly caused to Customer, its directors, officers, employees, agents, servants or third parties during or after, due to, or in connection with, or in consequence of the performance or non-performance of this Sale between FL Technics and Customer, unless caused by wilful misconduct or gross negligence of FL Technics, and Customer shall indemnify and hold harmless FL Technics, its directors, officers, employees, agents, servants and subcontractors against any and all such claims including costs and expenses incident thereto.
- 5.2. FL Technics total liability for any and all demands, pretensions or claims, whether in contract between FL Technics and Customer, warranty, tort or restitution, product liability, patent infringement, or for breach of statutory duty or misrepresentation or otherwise, for any damages arising out or connected with, or resulting from the performance, or non-performance of any service will not exceed the price allocable to the service / goods which gave rise to the demand, pretension or claim.
- 5.3. Notwithstanding anything to the contrary contained in this Sale, in no event, whether in contract or tort, as a result of breach of this Sale, statutory duty or warranty, as a result of misrepresentation, restitution, product liability, patent infringement or otherwise, FL Technics will be liable for any loss of profit, loss or damage of goodwill, loss of use, loss of revenue, loss of contracts, increased costs and expenses, wasted expenditure, loss of sales or business, loss of business opportunity, loss of anticipated saving, loss or corruption of data or information and/or for any and all special, consequential, incidental, resultant or indirect damage or punitive or exemplary damages.
- 5.4. FL Technics and Customer are fully aware and agree to FL Technics liability limitation and acknowledge that prices and rates have been calculated, inter alia by specific reference to the exclusions and liability limitations.

6. Governing Law. Dispute Resolution. Language

- 6.1. Sale of Spare Parts is contracted, executed and shall be interpreted according to the laws of the Republic of Lithuania and the Parties hereby expressly opt out of the application of the United Nation Convention on Contracts for the International Sale of Goods (Vienna Convention of 1980) (CISG).
- 6.2. Any disputes or differences arising between the parties hereto as to the construction of this Sale or any other matter or thing arising hereunder or in connection therewith shall be settled by the Parties in good faith through friendly negotiations. Failing such settlement, the Courts of Lithuania shall settle such disputes in accordance with Lithuanian law.

7. Export Compliance

- 7.1. Where applicable, the Customer shall assist and provide FL Technics in a timely manner with all relevant information and/or documentations in order to enable FL Technics to apply for and receive any export licenses required at FL Technics' location or otherwise. Upon receipt of all appropriate documentation from the Customer FL Technics shall apply for the required export license and if any export license is refused by the relevant authority, FL Technics shall advise Customer hereof in a timely manner. No obligation shall fall on FL Technics should such export licenses fail to be forthcoming, therefore the Customer waives any claims or demands against FL Technics in relation to any damages, expenses or costs (direct or indirect) incurred by Customer if issuance of the required export licenses was being delayed or if such export licenses were not being issued at all.
- 7.2. The Customer acknowledges that the Spare Parts, including but not limited to commodities, technology and software, and/or services to be provided by FL Technics may be subject to export control laws and regulations (under such jurisdiction as, inter alia, the United Nations, the European Union, the United States of America or the Republic of Lithuania), and any supply or use of such Spare Parts and/or services contrary to such laws and regulations is prohibited. The Customer shall indemnify and hold FL Technics harmless against any losses, damages, fees or monetary sanctions imposed as a result of Customer's failure to comply with any applicable export control law or regulation.