

GENERAL TERMS AND CONDITIONS FOR DESIGN SERVICES

1. GENERAL TERMS

- 1.1. These General Terms and Conditions of Design Services (hereinafter – the “**General Terms**”) shall constitute an inseparable part of UAB “FL Technics” (hereinafter – “**FL Technics**”) Proposal, Quotation or any other similar document, as applicable (hereinafter – the “**Proposal**”). Acceptance and / or signing of the Proposal by the Customer shall be treated as acceptance of these General Terms. Any Customer’s Standard Contract Terms and Conditions are not applicable. Deviations from these General Terms need to be agreed by FL Technics and the Customer in writing. The terms indicated in specific FL Technics Proposal, Quotation or any similar document from FL Technics side, shall have priority over the terms and conditions of General Terms.
- 1.2. The General Terms shall automatically apply to the Customer without the Customer having the right to impose their own general terms and conditions and any other document, even if subsequently received by FL Technics, unless otherwise agreed in a written document signed beforehand by an authorised representative of FL Technics.
- 1.3. These General Terms apply to all aviation design (DOA EASA.21J.496) services (hereinafter – the “**Services**”) provided by FL Technics until the respective agreement for the provision of Services is executed between the Parties.
- 1.4. Customer shall supply FL Technics in advance with current (updated) and complete aircraft documentation required for Services performance. All documents, correspondence, and other written matters in connection with the Proposal shall be in English.
- 1.5. The Customer warrants that at the date of Services commencement it will have obtained any relevant authorizations required from the appropriate authority to allow FL Technics / its subcontractor to perform the Services and shall provide copy of such authorization.
- 1.6. The Customer shall grant / make the aircraft possessor and/or the owner grant FL Technics’ personnel unrestricted access (either remote or direct) to the aircraft and records/documentations in a timely manner. The Customer is responsible for acquiring (and for negotiation of the terms for such acquisition) all necessary permits such as, inter alia, permissions allowing taking pictures of the aircraft or entry into the airport premises.
- 1.7. FL Technics shall have the right to sub-contract any or all of the Services provided it obtains the Customer’s consent, which consent shall not be unreasonably withheld, as a result of FL Technics lack of capability or capacity.
- 1.8. Unless otherwise agreed in writing, delivery of material and documentation will be at Customer’s risk and expense. Redelivery of material will be EXW the FL Technics facility, unless agreed otherwise
- 1.9. FL Technics reserves the right to change, modify, add or remove these General Terms at any time by way of posting a new version of the General Terms on its website in advance, at least 1 (one) month before the entry into force of the new version of General Terms. As regards the specific Proposal, the version of the General Terms which was valid at the time of concluding specific Proposal shall apply.

2. COMMERCIAL TERMS

- 2.1. Prices for the Services shall be specified in the Proposal and invoice.
- 2.2. All rates prescribed in the Proposal and invoice do not include VAT (if such applies).
- 2.3. In addition to the price for the Services, the Customer shall pay any taxes (including value added taxes, excise, import and export duties and etc.), any levies and any other fees related to the Proposal (including withholding taxes). All payments to be made by the Customer hereunder shall be made without set off or counterclaim, free and clear of and without deduction for or on account of any present or future taxes, charges, levies, imposts, duties or Withholdings (hereinafter – the “**Withholding**”). If the Customer is compelled by law to make a Withholding the Customer will ensure that the deduction does not exceed the minimum legal liability therefore and the Customer shall pay to FL Technics such additional amounts as may be necessary to ensure that FL Technics receives a net amount equal to the full amount that would have been received had the payment not been made subject to such Withholding. FL Technics shall not be liable for any VAT or any taxes, duties or similar charges which arise in any jurisdiction other than Lithuania, and these will be covered by the Customer. Should any taxes be levied by any government or any tax authority against any payment by Customer to FL Technics under the Proposal and should FL Technics not actually receive on due time a net amount equal to the full amount provided for under the Proposal, Customer shall pay all necessary additional amounts to ensure receipt by FL Technics of the full amount so provided.
- 2.4. All payments in connection with the Proposal shall be made in currency specified in the invoice to the bank account specified in the invoice. Any fees charged by a bank in connection with the transfer of funds from Customer to FL Technics will be borne by Customer.
- 2.5. Customer shall be obliged to make payment within 10 calendar days from the issuance date of copy of the invoice, unless otherwise agreed between the Parties in writing. Copies of invoices shall be sent to the Customer via email, or the originals of the invoices shall be sent by post. Customer is responsible for timely provision of information about the change of details, including email address and the postal address. Failure to timely inform FL Technics does not excuse or relieve the Customer from timely compliance with the payment obligations outlined herein.
- 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. Interest shall be immediately payable on demand.
- 2.7. Customer shall notify to FL Technics any disputed amount within seven (7) Days from the invoice issuance date, accompanied with all relevant justification. Customer shall not withhold the payment of any amount of any invoice, nor

shall Customer set off any amount against invoices. After settlement of the dispute, the eventual adjustment of the invoice (and late payment charge) will be made.

- 2.8. All invoices shall become due and payable immediately upon the occurrence of a breach by Customer to perform its obligations as agreed under the Proposal. In case of repeated late payments, FL Technics reserves its right to request other payment terms to Customer (such as but not limited to letter of credit or cash before delivery), or to immediately terminate without legal notice the Proposal or any part thereof without prejudice to any other rights that FL Technics may have under the Proposal or at law.
- 2.9. 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 twenty four (24) hours or shall be re-scheduled.
- 2.10. In case of non-payment by Customer FL Technics has by virtue of its Services rendered a contractual right of retention and a contractual lien over the subject matter in its custody as well as the right to repossess any property of FL Technics in Customer's possession. These rights as well as a set-off right may also be claimed for Services rendered or material supplied previously.
- 2.11. FL Technics may set off amounts due to Customer against amounts due by Customer, even if such amounts are not liquid, fungible and/or payable. FL Technics will notify Customer of such set off. 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. Such set-off shall be without prejudice to any other rights that FL Technics may have under the Agreement or at law.
- 2.12. Notwithstanding any reference contained in any of the Customer's payment order or other relevant document, in the event FL Technics receives smaller amounts than the whole amount payable by the Customer or, in the event the Customer is late to pay invoices, FL Technics has the right to allocate any amounts received under the Proposal based on FIFO or any other reasonable basis without separate alignment with Customer. In the event that payment is applied to invoice or another form of payment obligation, other than the one indicated by the Customer, FL Technics undertakes to notify the Customer about the allocation of the payment received.

3. QUALITY AND WARRANTY

- 3.1. All Services shall be rendered in accordance with the standards and practices of FL Technics. These standards and practices are based on EASA requirements when work is carried out in accordance with FL Technics approval certificate EASA.21J.496 issued by EASA.
- 3.2. FL Technics warrants that all Services provided by FL Technics under the Proposal will be free from defects in workmanship.
- 3.3. This warranty is limited to FL Technics obligation to remedy the defect on modification documentation free of charge if a detailed claim is raised within 7 (seven) days after the Customer has found the defect in question but not later than within two (2) calendar years from completion of relevant Services.
- 3.4. Within thirty (30) days after the warranty claim has been raised FL Technics must be provided with the defective modification document issued by FL Technics to the Customer.
- 3.5. Customer must prove that FL Technics did not properly perform the work causing the defect. Modification document issued by FL Technics may not be modified by anyone other than FL Technics or its Subcontractors.
- 3.6. The cause of the defect must be related to Services rendered by FL Technics. FL Technics does not warrant for Subcontractor's / Supplier's material or Services. For such material or Services any assignable rights to warranty granted to FL Technics by its Subcontractor's / Supplier's will be assigned to Customer. In case work is performed by Subcontractor all assignable warranties of Subcontractor / Supplier will be transferred by FL Technics to Customer. In case of demands, pretensions or warranty claim against a Subcontractor / Supplier FL Technics shall cede its rights against the Subcontractor / Supplier to Customer. Subcontractor / Supplier directly will response and be liable to Customer for its breach of warranty.
- 3.7. FL Technics warranty shall not extend to any claim, failure or damage which results from defects, non conformity, failure or not normal wear and tear which are in whole or in part attributable to or the result of, FOD, IOD, abnormal, incorrect, inaccurate or improper use, production, operation, maintenance, handling, storage, transportation, packing or installation, OEM's design deficiencies, misuse, abuse or accidents, Force Majeure or incidents and taking into consideration the specific use and design of such Aircraft and/or Item, which has not been anticipated by the standards, regulations, procedures and/or requirements issued by the relevant manufacturer, the relevant Airworthiness Authorities and/or FL Technics. FL Technics shall be under no liability under the above warranty (or any other warranty, condition or guarantee) if the total price for the Services has not been paid by the due date.
- 3.8. FL Technics will correct the defective Item or replace it with a non defective Item (at its own discretion) at its own cost and expense except that Customer will arrange at its own risk and expense, where relevant, return of defective modification document to FL Technics. In case of a remedial action, the initial warranty period shall continue for the remaining period of the warranty as set forth in Clause 3.3 above.
- 3.9. Should the warranty claim be rejected, the services provided by FL Technics, including inspections costs and/or specialists assignment (if applicable), will be charged to Customer on a time-and-material basis.

- 3.10. FL Technics liability connected with or resulting from this warranty contained in Section 3 is limited and will not exceed the cost of correcting the defect and the amount allocable to the Service which gave rise to such warranty claim.
- 3.11. The warranties and obligations of FL Technics and remedies of Customer set forth in this Clause are exclusive and in substitution for, and Customer hereby waives, releases and renounces all other warranties, obligations and liabilities of FL Technics and all other rights, claims or remedies of Customer against FL Technics and/or its insurers, express or implied, arising by law or otherwise, with respect to any non-conformity or defect in any data delivered or Service performed in relation to or under the Agreement including but not limited to (i) any warranty against hidden defects, (ii) any implied warranty of merchantability or fitness for intended use, (iii) any implied warranty arising from course of performance, course of dealing or usage of trade, (iv) any warranty against infringement, (v) any obligation, liability, right, claim or remedy (whether in contract, in tort or otherwise). In no event will FL Technics be liable for indirect damages.
- 3.12. The warranty is not assignable without FL Technics written consent.

4. LIABILITY

- 4.1. FL Technics, its personnel and its subcontractors shall not be liable for any damage to, or loss of, property of Customer including the aircraft, or injury or death or any other damage directly or indirectly caused to Customer's 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 the Proposal (including third parties' claims), unless to the extent caused by wilful misconduct or gross negligence of FL Technics or its Subcontractors, 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.
- 4.2. Customer, its personnel and its subcontractors shall be liable for any damage to, or loss of, property of FL Technics (or property of any third party, which is located at FL Technics facility) including any facility where the aircraft or any part may be situated, or injury or death or any other damage directly or indirectly caused to FL Technics, its directors, officers, employees, agents, servants during or after, due to, or in connection with, or in consequence of the performance or non-performance of this Agreement (including third parties' claims), unless to the extent caused by wilful misconduct or gross negligence of FL Technics.
- 4.3. In case of disagreement on FL Technics liability or its levels, Customer shall provide all required information and documentary proof, including legal memorandum from a reputable law firm, showing FL Technics gross negligence or wilful misconduct caused damages.
- 4.4. Notwithstanding anything to the contrary contained in the Proposal, in no event, whether in contract or tort, as a result of breach of Proposal, 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 prospective economic advantage, costs incurred as a result of the lease of a spare aircraft or item or other costs resulting from the unavailability of an aircraft or an item, accommodation and compensation of passengers, 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.
- 4.5. 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.
- 4.6. FL Technics and Customer are fully aware and agree to FL Technics liability limitation and acknowledge that prices and rates for services specified in the Proposal have been calculated, *inter alia* by specific reference to the exclusions and liability limitations.

5. INSURANCE

- 5.1. Throughout the duration of the Proposal (and for 2 years thereafter or to the next major check whichever is the greater) Customer shall procure and maintain and will provide FL Technics with a certificate of the following insurances in respect of the Aircraft: Hull All Risk insurance in respect of the aircraft; Hull War Risks insurance in respect of the aircraft, Passenger and Passenger Baggage Legal Liability, Cargo and Mail Legal Liability, aircraft third Party Legal Liability and Comprehensive General Third Party Legal Liability, All Risks Property insurance including war risks covering Components whilst not installed on the Aircraft, Aviation General Legal Liability Insurance, including without limitation third party, products, war and passenger risks in a combined single limit of not less than USD 750,000,000.00 (seven hundred fifty million) per each occurrence. The insurance referred above will include the following provisions where applicable:
 - 5.1.1. FL Technics, its directors, officers, employees, servants, agents and sub-contractors will be included as additional assured under all required liability insurance;
 - 5.1.2. waiver of underwriter's rights of subrogation against FL Technics, its directors, officers, employees, agents, servants and subcontractors under all required Hull / Hull war insurance;
 - 5.1.3. provide that in the interests of the additional assured, the insurance will not be invalidated by any action or inaction of the Customer regardless of any breach or violation of any warranty of the policy;

- 5.1.4. include a severability of interests section under the liability coverage, which provides that the insurance shall operate to give each Insured the same protection as if there were a separate policy, issued to each Insured;
- 5.1.5. a thirty (30) days written notice-period of cancellation or material change in favour of FL Technics (seven (7) days or such lesser period as may be available for war risks cover).
- 5.2. The Customer will, at least 3 (three) days prior to the commencement of the Services and from time to time as FL Technics may reasonably request, furnish to FL Technics certificates of insurance evidencing that the forgoing insurances are in full force and effect.
- 5.3. FL Technics reserves the right to not commence the provision of the Services until the certificates of insurance and all the relevant information mentioned in this Clause are received by FL Technics. FL Technics shall not be held responsible or liable for any kind of delay resulting from lack of certificates of insurance received from the Customer.
- 5.4. Failure by the Customer to evidence the certificates of insurance or include necessary provisions required by Clauses 5.1 – 5.2 shall not relieve the Customer from the insurance requirements set forth and/or in any way relieve or limit its obligations and liabilities under any other provision of the Proposal. Customer understands that obligations related to insurance are of the essence and releases, indemnifies, defends and waives FL Technics' any liability and obligations under any provision of the Agreement for the duration of the Customer's failure to comply with the requirements of this clause. FL Technics shall not have any obligations and liability under any other provision of the Proposal if the Customer fails to provide to FL Technics the required insurance certificate and/ or fulfil the insurance requirements as described herein above.

6. EXCUSABLE DELAYS

- 6.1. The Parties agree that it will be deemed not to be FL Technics' fault and FL Technics will not be held liable if such Turnaround Times, performance dates or other agreed upon time limits are not met for reasons such as but not limited to (hereinafter – the “**Excusable Delay**”):
 - 6.1.1. force majeure, including but not limited to acts of the public enemy; war, insurrections, or riots; fires; floods; explosions; earthquakes; serious accidents; epidemics, pandemic or quarantine; any act of government or governmental authority; strikes or labour troubles causing cessation, slowdown or interruption of work; general hindrance in transportation;
 - 6.1.2. Major Defects on airframe, systems, Engines or Components which were unforeseen, and which could not have been expected and which have an impact on the Services to be performed;
 - 6.1.3. Unfinished maintenance or other works which, at the sole discretion of FL Technics, are considered to have impact on Services' provision ;
 - 6.1.4. an aircraft, material, required up to date technical documentation: (certificates, reports, specifications, datasheets), required equipment, insurance certificates or securities to be supplied by Customer not being available, is incomplete, available but not fit for purpose of Services provision or being supplied late or Customer not accepting suitable material offered by FL Technics;
 - 6.1.5. Material ordered in a timely manner from Suppliers not being delivered to FL Technics on time or not being delivered at all;
 - 6.1.6. When applicable, during the period required for the application and issuance of the export license or any other authorization or in the event the issuance of such export license/authorisation was refused by the relevant authority, including all types of permits, licenses or authorisations required for the dedicated staff of FL Technics no matter if arranged by the Customer or FL Technics;
 - 6.1.7. Customer withholding or delaying its consent / instruction / information where such consent / instruction / information is required;
 - 6.1.8. delays or failure of Customer to comply with the payment terms;
 - 6.1.9. additional tasks which were not part of the contracted work scope being carried out by FL Technics upon Customer's request;
 - 6.1.10. any other cause to the extent such cause is beyond FL Technics control and not occasioned by FL Technics fault or negligence;
 - 6.1.11. FL Technics rightfully stopping or refusing the performance of Services.
- 6.2. If FL Technics is prevented by Excusable Delay 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, however, always subject to FL Technics' man power availability.

7. EVENT OF DEFAULT

- 7.1. The occurrence of any of the following will constitute an event of default and material breach of the Proposal (hereinafter collectively – “**Event of Default**”):
 - 7.1.1. Party fails to make any payment due hereunder in the manner and by the date provided herein and fails to make such payment within twenty (20) calendar days after such payment is due;
 - 7.1.2. Party fails to make any payment due under any other proposal or agreement between the Parties or otherwise for more than twenty (20) calendar days after such payment is due or otherwise materially violates any other agreement between the Parties;

- 7.1.3. Party (i) suspends payment on its debts or other obligations, (ii) is unable to or admits its inability to pay its debts or other obligations as they fall due, (iii) is adjudicated or becomes bankrupt or insolvent or (iv) proposes or enters into any composition or other arrangement for the benefit of its creditors generally;
 - 7.1.4. any proceedings, resolutions, filings or other steps are instituted or threatened with respect to the Party relating to the bankruptcy, liquidation, reorganization or protection from creditors of the Party or a substantial part of the Party's property;
 - 7.1.5. any changes in the applicable export control laws and regulations (under such jurisdiction as, inter alia, the United Nations, the European Union, the United States of America, the Republic of Lithuania), which might have a direct or indirect effect on the performance of the Proposal;
 - 7.1.6. if the Customer fails to comply with the covenants, requirements, representations or warranties set forth in Clause 12.
- 7.2. In the Event of Default by Customer, FL Technics may, upon written notice to Customer, (1) suspend its performance in whole or in part, (2) terminate the Proposal and/or (3) declare all sums owing to FL Technics immediately due and payable. Exercise of any of the foregoing remedies by FL Technics shall not preclude exercise of any of the others, and neither the existence nor exercise of such remedies shall be construed as limiting, in any manner, any of the rights or remedies available to FL Technics under the applicable law.

8. INTELLECTUAL PROPERTY

- 8.1. The performance by FL Technics of the Services shall not constitute in any way for Customer a transfer of title or any right of use, of all or part of the Intellectual Property Rights owned by FL Technics or licensed to FL Technics by any third party. Should the performance of the Services by FL Technics result in the creation and development of any Intellectual Property Right, FL Technics shall be the sole owner and shall have full title and interest in such right upon its creation, including all rights relating to such Intellectual Property Right.
- 8.2. The FL Technics is authorised to reproduce, modify and re-use the information received and the know-how (methods, processes, etc.) acquired during the performance of the Proposal, as well as any reports, documentation, plans, drawings, software and any other information, including technical information, regardless of the medium, in connection with the provision of the Services (and any supplies) without a time limit, excluding the Customer's data and information and subject to the applicable confidentiality provisions.
- 8.3. Each Party shall retain ownership of its know-how, processes, methods and any other intellectual property rights owned by it prior to the performance of the Services.
- 8.4. In the event that services include elements of the Customer's industrial or intellectual property, the latter indemnifies FL Technics against all the consequences of legal action which could be brought due to performance of a Service covered by industrial or intellectual property rights. FL Technics is authorised to reproduce, modify and re-use the information received and the know-how (methods, processes, etc.) acquired during the performance under the Proposal, as well as any reports, documentation, plans, drawings, software and any other information, including technical information, regardless of the medium, in connection with the provision of the Services (and any supplies) without a time limit, excluding the Customer's data and information and subject to the applicable confidentiality provisions.

9. CONFIDENTIALITY

- 9.1. FL Technics and Customer shall keep all details connected with the Proposal between FL Technics and Customer strictly confidential and shall not disclose any details of Proposal to any third party without first obtaining a written consent of the other Party, except (and only insofar as is necessary) in connection with the performance by the Parties hereto of their obligations under the Proposal or for the purpose of legal proceedings related thereto. Notwithstanding the previous sentence FL Technics shall have a right, but not an obligation, to disclose any and all information under the Proposal as it deems appropriate to the owner of the respective Aircraft and the Customer hereby expressly consents to such disclosure.

10. PERSONAL DATA PROCESSING

- 10.1. Each Party agrees to comply with FL Technics' General Terms of Personal Data Protection: <https://fltechnics.com/general-terms-of-personal-data-protection/>.

11. GOVERNING LAW AND DISPUTE RESOLUTION

- 11.1. Proposal is executed and will be interpreted according to laws of the England and Wales.
- 11.2. Any dispute or difference arising between the Parties hereto as to the construction of the Proposal or any other matter or thing arising hereunder or in connection therewith shall in the first instance be settled by the Parties in good faith through friendly negotiations. Failing such settlement, the Courts of England shall settle such disputes in accordance with English law.

12. COMPLIANCE

- 12.1. The Customer confirms, agrees with and guarantees compliance with the FL Technics' General Terms of Compliance published on the FL Technics' website <https://fltechnics.com/general-terms-of-compliance/>.

13. EXPORT CONTROL

- 13.1. Each Party acknowledges that the goods, services or any data provided pursuant to this Proposal may be subject to, and controlled by, the export laws and sanctions regulations European Union, the United States and other applicable

countries which regulates dual-use goods, software, technology, encryption and certain military items to countries around the world (collectively referred to as "Export Laws").

- 13.2. The Customer agrees to comply with all applicable Export Laws. Goods, services and data required to be provided in accordance with the Proposal shall only be supplied in accordance with the then applicable Export Laws.
- 13.3. Neither Party shall be required to perform any obligation specified in the Proposal that would result in or require it to breach of any applicable Export Laws.
- 13.4. All required export licenses and permits must be in place, before applicable goods or data are shipped to or from either Party, and prior to any applicable Services to be provided. The receiving Party may refuse any goods or data shipped prior to proper licensing or equivalent export authorization being obtained and may return any such goods to the shipping Party at that Party's expense.
- 13.5. Each Party agrees not to export or re-export the goods or data provided pursuant to the Proposal in violation of the applicable Export Laws.
- 13.6. FL Technics shall not be liable for any damage or costs incurred by Customer (and/or aircraft's owner) if any delivery or re-delivery of Services and/or aircraft under the Proposal or if the performance of any Services is delayed due to the refusal to issue a license by any governing authority.

14. THIRD PARTY RIGHTS.

14.1. Third Party Rights. A person who is not a party to the Proposal shall have no rights under the Contracts (Rights of Third Parties) Act 1999, or otherwise, to enforce any term of the Proposal. This clause does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.