

# Commercial Terms and Conditions for Purchase Agreements

(Aircraft Industries, a.s. as a Seller)

Issued by

**Aircraft Industries, a.s.**

Registered office: Na Záhonech 1177, 686 04 Kunovice, Comp. Reg. No. 27174841,

Registered in the Commercial Register kept by the Regional Court in Brno, Section B, file No. 4444

## Preamble

These Commercial Terms and Conditions for Purchase Agreements (hereinafter referred to as "CTCPA") were issued by Aircraft Industries, a.s., (hereinafter referred to as the "Seller") and they form an integral part of any and all Purchase Agreements entered into between the Seller and other parties as the Buyers(s).

## I Definitions

1. "Delivery Terms and Conditions" – specific conditions in the Purchase Agreement applicable to the delivery of the Goods according to the international standards INCOTERMS 2010.
2. "Purchase Price" – the remuneration, for which the Buyer buys Goods from the Seller;
3. "Purchase Agreement" – an expression of the will of both the Contracting Parties, usually in the written form, based on which the Seller is bound to provide the Buyer the Goods as well as documents related to the Goods, and make it possible for the Buyer to acquire ownership interest to the Goods, and the Buyer is bound to pay the Seller the Purchase Price. The Purchase Agreement may take the form of an Offer and acceptance of the Offer;
4. "Seller" – Aircraft Industries, a.s., as defined above herein;
5. "Offer" – a written proposal of the Seller leading to a conclusion of a Purchase Agreement.
6. "CTCPA" – these Commercial Terms and Conditions for Purchase Agreements, which complement and form an integral part of any Purchase Agreement;
7. "CC" – Act No. 89/2012 Coll., Civil Code, as amended;
8. "Buyer" – person buying Goods based on a Purchase Agreement;
9. "Contracting Parties" – the Buyer and the Seller pursuant to the Purchase Agreement and these GCTCPA;
10. "Goods" – a subject of purchase according to a Purchase Agreement.

## II Scope of CTCPA

1. The contents of any Purchase Agreement entered into by and between the Buyer and the Seller shall be complemented with reference to these CTCPA.
2. Any divergent arrangements in the Purchase Agreement shall prevail over the wording of CTCPA, if made in writing or in any other manner, which does not give rise to doubts as to the joint will of the Buyer and the Seller to depart from the wording of CTCPA.
3. It shall be understood that any person, who enters into a written Purchase Agreement referring to CTCPA and/or implicitly enters into a Purchase Agreement by accepting the Goods based on an Offer, which has included a reference to CTCPA, thereby accepts in full the currently valid CTCPA.

## III

### Purchase Price and Payment Terms and Conditions

1. The Seller shall be entitled to receive the Purchase Price of the Goods, which were delivered to the Buyer.

2. Unless agreed otherwise in the Purchase Agreement, the Purchase Price shall include the delivery of the Goods including its packaging pursuant to the Delivery Terms and Conditions to the place of destination specified in the Purchase Agreement.
3. The Purchase Price shall be binding for both the Seller and the Buyer.
4. The Buyer will pay the Seller the Price of Goods and, as the case may be, make other payments according to the invoice issued by the Seller. The invoice must especially contain the number of the Purchase Agreement, the identification data of both the Seller and the Buyer, including their bank details, specification of the Goods, including Goods number assigned by the Seller, the Purchase Price, currency, invoice issue date, the date of taxable supply, the invoice due date and other information that was agreed upon in advance by the Parties or that is required by law.
5. Unless agreed otherwise in the Purchase Agreement, an invoice shall become due and payable 30 calendar days after the date when the invoice was available at the Buyer's disposal for the first time at the latest.
6. Any financial liabilities of the Buyer vis-à-vis the Seller shall be deemed to have been settled upon the moment when the respective amount is credited to the Seller's account.
7. The Buyer shall be entitled to return an invoice to the Seller without payment within its due term if the invoice does not contain all particulars specified in paragraph 4 of this Article. In such case the due term is suspended and its running continues by the moment when the invoice which contains the information specified in par. 4 of this Article is delivered to the Buyer.
8. If the Buyer fails to meet its obligation to pay the Price of the Goods within the due term, the Seller shall be entitled to claim a contractual penalty amounting to 0.05% per day of the debt. The right to claim damages shall not be affected by this provision.
9. If the duration of the Buyer's delay exceeds 30 days, the Seller shall have the right to withdraw from the Purchase Agreement. Such withdrawal from the Purchase Agreement shall be made in writing and it is without prejudice to the Seller's right to claim a contractual penalty or to claim damages.
10. If a payment of the Purchase Price in instalments has been stipulated and the Buyer has failed to pay any of the instalments, the Seller has the right to have the entire claim discharged (loss of the benefit of instalments).
11. The Buyer shall upon the written notice of the Seller provide the Seller required security of his claims towards the Buyer within the time determined by the Seller in such written notice.
12. The Buyer is not entitled to condition the payment according to the Purchase Agreement in any way.

## IV

### Delivery of the Goods

1. The Seller shall be obliged to deliver the Goods to the Buyer properly and in time.
2. The Goods shall be deemed to have been delivered in time provided that they have been properly handed over to the Buyer.
3. The Goods shall be deemed to have been properly delivered if:
  - a) In consistence with the Purchase Agreement and these CTCPA, the Goods were delivered to the place of destination and the Buyer has been allowed to dispose of the Goods; at the same time
  - b) A full documentation related to the Goods was handed over together with the Goods.
4. Unless agreed otherwise in the Purchase Agreement, the delivery of the Goods shall take place under EXW Kunovice (the registered office of the Seller) in accordance with INCOTERMS 2010.



5. The Seller shall be obliged to hand over to the Buyer the Goods in the quantity, quality and workmanship as defined in the Purchase Agreement and within the period of time and at the place as specified in the Purchase Agreement. If the quality or the workmanship is not contractually defined, the Goods shall be delivered by the Seller in the common workmanship and quality.
6. The Goods must be packed and fitted by the Seller for the transport in the manner as defined in the Purchase Agreement or in the relevant technical specifications. Where the Purchase Agreement and/or the technical specifications fail to define the manner of how the Goods are to be packed or fitted for transport, the Seller shall pack and fit the Goods for transport in a manner as to prevent any damage to the Goods and, at the same time, in a manner that is common for the transport of the Goods of that nature, paying special attention to the relevant standard and purpose of use of the Goods.
7. The place of delivery of the Goods shall be the Seller's registered office, unless specified otherwise in the Purchase Agreement.
8. The delivery date for the Goods shall be specifically defined in the Purchase Agreement. The Seller shall be authorized to deliver the Goods before the agreed delivery date with the Buyer's previous consent only.
9. If the place of delivery of the Goods shall be the Seller's registered office, the Buyer shall accept the Goods on business days within working hours of the Seller, i.e. from 6:00 a.m. to 2:30 p.m. Any handover of the Goods outside these hours shall only be possible upon previous agreement with the Seller.
10. If the duration of the Seller's delay with the delivery of the Goods exceeds 30 days, the Buyer shall have the right to withdraw from the Purchase Agreement. Such withdrawal from the Purchase Agreement shall be made in writing.
11. The Buyer shall acquire the ownership to the Goods as soon as the Purchase Price for the Goods has been paid at full.
12. The risk of damage to the Goods shall be transferred to the Buyer upon the time of delivery of the Goods. Damage to a thing incurred after the risk of damage passes to the Buyer, does not affect the duty of the Buyer to pay the Purchase Price.

## V

### Liability for Defects of the Goods and Warranty

1. The Seller shall be liable for any defects shown by the Goods at the time when the risk of damage to the Goods is transferred to the Buyer.
2. The Seller shall also be liable for any defect occurring after the transfer of the risk of damage to the Goods, provided that the defect has been caused by any violation of the Seller's obligations.
3. The Seller shall assume warranty for the quality of the Goods if stated in the Purchase Agreement, in the length stipulated by the Purchase Agreement, under the following conditions:
  - a) The warranty shall guarantee that the Goods delivered have the agreed, and unless agreed, then common properties, which will be retained throughout the warranty period;
  - b) The warranty shall commence upon the time of handover and acceptance of the Goods. The warranty shall be extended by the period of time when the Buyer is not able to use the Goods due to a defect falling under the liability of the Seller.
4. The Seller shall be obliged to reimburse any provable reasonable and purposely spent costs incurred by the Buyer in connection with any justified quality warranty claims or in connection with any justified claims arising from the defects of the Goods up to the amount of the Purchase Price for the Goods which is subject to the warranty claim excluding VAT. Any costs incurred by the Seller in connection with the Buyer's justified warranty claims or claims arising from the defects of the Goods shall be borne by the Seller. In case of unjust assertion of warranty for quality or a claim arising

from the defects of the Goods by the Buyer, all costs including the Seller's costs shall be borne by the Buyer.

5. It is always at the Seller's discretion to choose the method of exercising the claims concerning liability for defects. The Seller has right to:
  - a) remedy the defects by delivering new perfect Goods or by delivering the missing Goods and correcting any legal defects; or
  - b) remedy the defects by repair of the Goods provided that the defects are repairable; or
  - c) provide the Buyer a reasonable discount on the Purchase Price.
 In case that a defect of the Goods is not remedied by the Seller, the Buyer shall be entitled to withdraw from the Purchase Agreement in writing.
6. An application of the right from the warranty for quality of Goods or defects of Goods has no effect on Buyer's obligation to pay the Seller the Purchase Price for the Goods.
7. Regardless of any other provision of these CTCPA, if the obligation to pay damages by the Seller to the Buyer occurs, the Seller shall pay the actual damage to the Buyer up to the amount of the Purchase Price excluding VAT.
8. The Seller shall not be responsible for any failure to perform its obligations under the Purchase Agreement if such default or non-performance is attributable to an insurmountable obstacle, which occurred independently on the will of the Seller (hereinafter the „force majeure“). The delivery time for the hand over of the Goods to the Buyer shall be prolonged by the time of the duration of the force majeure correspondingly.

## VI

### Final Provisions

1. The Contracting Parties undertake to keep confidentiality vis-à-vis third parties in relation to any and all facts they come to know about in connection with the performance of the Purchase Agreement under these CTCPA.
2. The Seller may update these CTCPA. The wording of the CTCPA shall be made available to the Buyer by the Seller at the Seller's website as well as by reference to these CTCPA in the Purchase Agreement.
3. The new updated version of CTCPA shall apply to all new Purchase Agreement. The original contracts will be implemented according to the original version of CTCPA, unless the Parties agree otherwise.
4. Any claims arising from defects of the Goods as well as claims for contractual penalty or damages shall survive the termination or lapse of the Purchase Agreement and/or CTCPA or any provisions thereof.
5. The Buyer shall not be entitled to assign, as a whole or in part, its liabilities and receivables under the Purchase Agreement, or assign the Purchase Agreement to any third party without the Seller's previous written consent; otherwise such act shall be invalid. The Buyer shall not be entitled to unilaterally set off his claims arising from the Purchase Agreement against the claims of the Seller towards the Buyer.
6. Any legal relationship arising from agreements and from CTCPA shall be governed by the law of the Czech Republic, in particular by the Civil Code.
7. If any of the provisions of the Purchase Agreement (including CTCPA) becomes invalid or ineffective, the validity and effect of the remaining provisions of the Purchase Agreement shall not be thereby affected. In such case, invalid or ineffective provisions shall be replaced by the Contracting Parties by such valid and effective provisions which will have the same purpose and will have the same economic impact.
8. An acknowledgement of the Offer for entering into Purchase Agreement within the meaning of Section 1740 (3) of CC with an addendum or derogation which does not significantly change terms

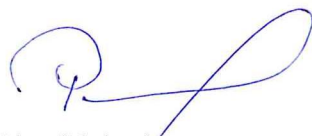
and conditions of the Offer, shall not mean acceptance of the Offer for entering into the Purchase Agreement. An acknowledgement of the Offer within the meaning of Section 1751 (2) of CC shall not mean acceptance of the Offer for entering into the Purchase Agreement.

9. The application of the provisions of Section 558 (2) of CC, regulating the application of business customs, shall be excluded.
10. The application of the provisions of Section 1757 (2) and (3) of CC, regulating a manner of concluding an agreement in the form of an acknowledgement letter, shall be excluded.
11. The Buyer assumes the risk of a change in circumstances
12. The Seller and the Buyer shall strive to find an amicable settlement to any and all disputes arising from the Purchase Agreement and from CTCPA. If negotiations fail, the dispute will be dealt with by a court of competent territorial jurisdiction based on the Seller's registered office.
13. The Seller states that he is processing the personal data of natural persons in compliance with the Regulation (EU) 2016/679 of the European Parliament and of the Council.

Up-to-date detailed information on processing of the personal data is available on the website [www.let.cz](http://www.let.cz).

14. These CTCPA come into force on 18 Jun 2018.

Kunovice, 18 Jun 2018



Aircraft Industries, a.s.  
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