

GENERAL TERMS AND CONDITIONS

AIR OPERATION TECHNOLOGIES, a.s.

1. GENERAL PROVISIONS

- 1.1. On signing each of the documents, required for the execution of a contract or order (e.g. Purchase Contract or Purchase Order), the Buyer (an individual or a legal entity) also accepts these general terms and conditions in their entirety and without any reservation (hereinafter "**General Terms and Conditions**" or "**GTC**"), bearing in mind that these GTC do not apply to general documents published by **AIR OPERATION TECHNOLOGIES, a.s.** (being a manufacturer of **SKYLEADER** aircrafts authorized by Light Aircraft Association of the Czech Republic for aircraft manufacturing) with its registered office at Křížová 96/18, Staré Brno, 603 00 Brno, Czech Republic, (hereinafter the "**Seller**"), including the promotional brochures and catalogues, which are only informative in nature. Deviations from these GTC shall apply only upon and to the extent of any explicit, written agreement between the Seller and the Buyer.
- 1.2. The GTC apply in the same manner to the aircraft (hereinafter the "**product**"), as well as to their individual parts or components and to services (hereinafter altogether the "**goods**"). It is not possible to enforce any other terms and conditions other than those specified in the GTC, except in cases when such an exception is allowed by a written agreement provided by the Seller and signed by its statutory body or CEO or Chairman of the Board or by a person authorised by the Seller in a written form of a power of attorney. In cases when the Seller, being in a legal relationship with the Buyer, does not enforce any of the rights specified in the GTC, it possesses the full right to enforce these conditions any time later on, for such a postponement cannot be regarded as a valid renunciation of the GTC.

2. PURCHASE ORDERS

- 2.1. All purchase orders are final and are regarded as accepted, when confirmed by the Seller in writing, usually in the form of a Purchase Contract or a Purchase Order. In order for the order process to be acceptable, orders must be submitted via an official e-mail, or in person, as the case may be. The email shall contain a copy of the appropriate document with the authorised signature of the Buyer.
- 2.2. The goods/product shall be ordered by the Buyer or his authorised representative. The Buyer or his authorised representative cannot transfer the order to a third party without the Seller's prior written consent.
- 2.3. Changes in the Purchase Order by the Buyer are not allowed, except on the condition that the Buyer informs the Seller or its representative about such a change no later than 2 months prior to the delivery date and the Seller accepts such a change in writing. In the case the Seller does not accept such a change, the Buyer is obliged to take over the goods/product as originally ordered.
- 2.4. In case of cancellation of the Purchase Order by the Buyer, the Buyer has no right to claim a reimbursement of the amount he has already paid in advance. The Seller is not obliged to reimburse these payments and may keep them as a penalty fee.

3. PRODUCTS

- 3.1. The Seller reserves at his sole discretion the right to introduce, at any time and without a prior notice, changes concerning the materials, systems or spare and additional parts if he considers that being appropriate and that such changes will have no effect on the function of the product. Such situations may occur when some products, materials or parts have been discontinued by a third party or to improve quality or safety of the product.

4. PAYMENT TERMS

- 4.1. In order to purchase the product, the Buyer shall execute a down payment in the amount as agreed in the Purchase Order or Contract referring to the contractual purchase price no later than 10 working days after the confirmation of the Purchase Order by both contractual parties unless otherwise specified.
- 4.2. The remaining part (s) of the contractual purchase price has to be paid in total at least 10 days before the agreed delivery date, or as agreed individually in writing in the Purchase Order or Contract.
- 4.3. The payment will be net of all banking and other charges and taxes.
- 4.4. The date of payment is understood as the date of crediting the respective amount to the Seller's account.
- 4.5. In the case that the Buyer will be in delay with payments, the Buyer is obliged to pay to the Seller the penalty of 0,01% of the outstanding amount for each day of delay, if the Seller considers it reasonable upon notifying the Buyer hereof with no result.
- 4.6. For purchasing spare parts the Buyer shall settle the whole payment immediately after receipt of the invoice before the spare parts dispatch. Shall the whole payment not be effected in respect of the spare parts purchase within the maturity period of the invoice, the order related to the spare parts shall be deemed null and void and the Seller shall cancel it without further notice.
- 4.7. All payments shall be made to the Seller's bank account net of all import duties, withholding taxes, licenses, consumer taxes, banking fees and commissions and/or any other charges applicable to the sale or ownership of the goods/product.
- 4.8. The goods/product remain in the possession of the Seller until the Buyer meets all his payment liabilities. During this time, the Buyer is not allowed to dispose of the goods/product.
- 4.9. If the Buyer is more than 5 working days late in paying his outstanding obligations, in particular invoices that are overdue, whether partially or in total, the Seller shall be entitled to charge a penalty of EUR 100 per day in addition to interest on late payment. In addition, the Buyer shall be liable for any damages incurred by the Seller as a result of non-payment, in particular costs related to the necessary reorganization of production, increases in the prices of individual components, and other damages suffered by the Seller in connection with the Buyer's late payments.

5. DELIVERY TERMS

- 5.1. Unless otherwise agreed, the goods/product are/is delivered under the delivery terms „EXW INCOTERMS 2020 airfield LKJL” or „EXW INCOTERMS 2020 factory Jihlava”.

6. DELIVERY TIME

- 6.1. The Seller specifies the delivery dates in the same order as the purchase orders are received, and according to the production capacities. The delivery dates are determined with regards to production, however, they may be subject to change in case of some unanticipated problems or delays in the deliveries of products' parts, components or other materials required for the product's completion.
- 6.2. Neither party shall be liable in damages or have the right to complete the Purchase Contract or the Purchase Order for any delay or default in performing hereunder if such delay or default is caused by conditions

beyond its control including, but not limited to Acts of God, Government restrictions (including the denial or cancellation of any export or other necessary license), wars, insurrections and/or any other cause beyond the reasonable control of the party whose performance is affected.

- 6.3. In standard cases, the Seller has to make the goods/product ready for takeover on the anticipated delivery date or 10 days after receipt of the full purchase price.
- 6.4. In case of delays in delivery caused by the Seller exceeding the anticipated delivery date by more than 90 days, the Buyer has the right to cancel his order by notifying the Seller by sending a registered letter or email address mentioned in the Contract addressed to the Seller within 7 days after the expiry of the 90-day period. The Seller will, within next 14 days, reimburse the Buyer the entire sum paid, yet in case of the reimbursement after the expiration of the above stated time limit the Seller is obliged to pay to the Buyer the penalty of 0,03% of the entire sum for each day of delay.
- 6.5. In any case, the delivery is made possible only after the Buyer has met all his financial liabilities with the Seller.
- 6.6. In case the Buyer does not take over of the fully paid goods/product and the delay exceeds the agreed delivery date for at least 21 working days, the Seller has the right to charge a storage fee.
- 6.7. In case the Buyer's delay exceeds the agreed delivery date by more than 90 days, the Seller has the right to keep 25% of the purchase price as a penalty, to sell the goods/product and thus to cover the penalty and storage fees, the balance however is paid back to the Buyer.
- 6.8. In case the Buyer goes bankrupt or dies before the envisaged delivery and does not take over the fully paid goods or product, the paid sum, deducted by the 25% of the purchase price as a penalty and storage fees, will be reimbursed within one month to the account or to the solicitor or person determined to be an heir by the inheritance decision or by some other judicial or official document.

7. ACCEPTANCE OF THE GOODS AND PRODUCT

- 7.1. By accepting the goods or the product, the Buyer also assumes the responsibility for their/its contingent assembly and control of the goods and product operation.
- 7.2. In the case of visible defects or incompatibility of the delivered goods/product with the confirmed Purchase Contract or Purchase Order, the Buyer may submit a warranty claim. It has to be sent as a registered letter within 7 days after the acceptance of the goods/product. Shall the goods/product be damaged during the transportation/shipment, the Buyer shall draw a respective protocol hereof under the presence of the transportation agent/carrier/courier/delivery agent or refuse to accept/take over the goods/product in question and inform the Seller hereof without any unnecessary delay.
- 7.3. The Buyer is required to fill out the corresponding document (e.g. Delivery Note or Takeover Protocol) and return it to the Seller within 7 days of accepting the goods/product.
- 7.4. In case that defects are hidden and of such a nature that the Buyer could not detect them during the acceptance of the goods/product and in case these defects have been already present at that time, the Buyer is required to submit a warranty claim to the Seller by a registered letter within 7 days after discovering the defect.
- 7.5. The Seller does not bear any responsibility whatsoever for any defects that the Seller is otherwise responsible for and which may become evident 24 months after delivery or 200 hours of operation (whichever expires first) if the Buyer is a private individual, or 12 months after delivery, or 200 hours if the Buyer is a legal entity/company/corporation.
- 7.6. The Buyer shall present a detailed description of all the defects, that have been detected on the goods/product, and also provide appropriate supporting documents, e.g. in the form of taking photos of them or in any other similar and as objective as possible manner. The Seller or its authorised representative must be given all the required opportunity to inspect and examine the defects. The Seller exclusively is responsible for rectification of the claimed defects; neither the Buyer nor any other third party not authorised by the Seller in writing have any right to rectify the claimed defects without prior consent of the Seller.
- 7.7. The Buyer has to confirm the acceptance of the goods/product by a written document (Delivery Note or Takeover Protocol), which shall state one of the following options:
 - unconditional acceptance
 - acceptance with the description of deficiency
 - refusal of the acceptance due to the reasons that have to be described.

8. RETURN OF THE GOODS/PRODUCT

- 8.1. In case of any return of goods/product, the official written document has to be drawn up and signed by the Seller or its authorised representative as well as by the Buyer or his representative. Without such a document any returned goods/product remain the property of the Buyer, the Buyer however, is not entitled to a reimbursement of the purchase price. The Seller does not assume any responsibility for such goods/product, neither for the expenses related to the shipment/transportation.
- 8.2. Any return of goods/product, if approved by the Seller in writing, may after the verification of the qualitative and quantitative status of the returned goods/product result in the admission of the Buyer's right to be reimbursed the purchase price.
- 8.3. If the Seller discovers that the delivered goods/product have visible defects, or in case the delivered goods/product are/is not corresponding to the confirmed Purchase Order, the Buyer has the right of and is entitled to the cost-free replacement/substitution of the goods/product.
- 8.4. In case the warranty claim is legitimate, the warranty period is suspended until the deficiency had been rectified.

9. WARRANTY

- 9.1. The Buyer residing in the European Union has the right to the quality warranty according to the legal regulations being in force in the European Union for all range of goods/product.
- 9.2. The Buyer has the right to the quality warranty for ordered goods/products, as confirmed by the Seller, for a period of 24 months after delivery or 200 hours of operation (whichever expires first) if the Buyer is a private individual, or 12 months after delivery, or 200 hours if the Buyer is a legal entity/company/corporation. For the buyers residing/seated/having their registered office in EU countries, the guarantee is in accordance with EU rules.
- 9.3. The quality warranty is unconditionally valid from the moment the Buyer takes over of the goods/product.

- 9.4. If the Seller's goods/product turn out to have defects, the Seller is entitled to rectify the deficiency or to offer the substitution goods/product or to offer the reduction of the agreed purchase price.
- 9.5. The guarantee is prolonged for that time within the guarantee period from the date of the approval of the claim until the defect has been repaired.
- 9.6. Cases that exclude the Seller's guarantee obligations:
- 9.6.1. The quality warranty applies only to individual components and parts.
- 9.6.2. The guarantee does not apply to damage resulting from the inappropriate use of the goods/product.
- 9.6.3. The Seller is not responsible for losses of profit or any other financial or non-financial damage which the Buyer or any third party may incur.
- 9.7. The right to the quality warranty is excluded in the following cases connected with the handling of the goods/products; and general manufacturer's warranty becomes null and void with immediate effect in cases and situations as follows:
- 9.7.1. The goods/product are/is not used according to the Seller's instructions or according to the aircraft's Handbook, manuals, instructions of use or any other relevant documents and training;
- 9.7.2. When the original spare parts and materials delivered by the Seller are replaced with non-original parts without the Seller's prior consent;
- 9.7.3. Any additional equipment is built-in without the Seller's prior consent;
- 9.7.4. When the defect is caused by poor maintenance, an inappropriate maintenance/service or cleaning or by negligent handling, or it is due to the use of the goods/product and its individual parts or components in inadequate operation conditions or it is due to the prolonged use of the goods/product;
- 9.7.5. The Buyer does not carry out regular checkouts within prescribed maintenance periods and service/maintenance by the Seller himself nor by its authorised expert/technician; the list of approved service and maintenance centres and agents is provided at Buyer's request by the Seller; only authorized experts/technicians can carry out maintenance. Shall any unauthorized technician having no certificate of SKYLEADER training carries out any interventions and maintenance work, the whole warranty becomes null and void with immediate effect, same as cases mentioned above.
- 9.7.6. The covers, tyres, electric instruments, particular elements of electric installation, brake pads, condensers, cooling devices, particular pipes, sparking-plugs, components of exhaust system, silent blocks, shock absorbers are considered consumables subjecting to normal wear and tear shall be inspected and replaced by authorized service centres/agents according to the maintenance plan and instruction of particular manufacturer of the component or part in question.
- 9.7.7. The Buyer has not ensured the regular engine inspections and a regular maintenance. All maintenance and service works that are required by the engine manufacturer must be carried out at the authorised service centres and/or agents.
- 9.7.8. The Buyer may provide the Seller, upon signature of the Purchase Order and Purchase Order and upon Seller's prior consent, with his own components, avionics or parts, as the case may be, to be integrated, however, Seller bears no warranty for such supplied components, avionics or parts and Buyer provides them at his own expense, risk and responsibility.
- 9.8. The Buyer's claims shall never exceed the amount of the purchase price.
- 9.9. The place of warranty claim is branch office of the Seller at Hruškové Dvory 139 586 01 Jihlava / Czech Republic.

10. LIABILITY

- 10.1. The UL (ultralight/microlight) / LSA (light sport aircraft) category is a non-certified aircraft and is not constructed in accordance with the ICAO

standards. The same applies also to the production processes and to all repairs and maintenance.

- 10.2. The Buyer hereby accepts that the use of the UL / LSA may prove to be perilous, as it may happen that the navigating of the plane in conditions of the complete control is rendered impossible owing to:
- 10.2.1. Incidental forces of nature or unpredictable meteorological conditions or effects;
- 10.2.2. Defects in the production or repair (service) processes;
- 10.2.3. Sudden break down of the engine or a propeller.
- 10.3. By accepting the goods/product the Buyer assumes the full responsibility for all the risks related to the active use of the UL / LSA and declares that he will use it at his own risk and thus excludes any responsibility of the Seller or its duly authorised representative. In accordance with all stated, the Buyer agrees that neither him nor persons using his plane, nor his relatives or his legal representatives would introduce any compensation claim due to the use of the Seller' goods/product. The Buyer undertakes that the damage caused to the third party, due to the use of the UL / LSA, is to be paid by the Buyer. If the compensation claims are directed to the Seller the Buyer undertakes that he will co-operate in its sorting-out and will indemnify the Seller. The Buyer also undertakes that any damages, compensation and/or reimbursement-related claims, that the Seller would be obliged to pay or which were already paid, are to be fully reimbursed to the Seller by the Buyer.
- 10.4. As it is stated in the instructions for the use of the engine, which is considered the Buyer's property since the moment of the takeover, there are possibilities of a break down or a stoppage of the above-mentioned engine at any time.
- 10.5. The Buyer admits he has been informed that he should take into account the flight limitations stated in the instructions to the goods/product, as well as limitations stipulated and provided by the regulations for the UL / LSA category of planes. The Buyer shall, in any case, when operating the goods/product, during the take-off, flight or during any other activity when navigating the plane, take into account and anticipate the possibility of the safe landing also in case of the engine or propeller's failure.
- 10.6. The Buyer, when operating the goods/product, who does not take into account this warning and disregards the possibility of landing in good conditions without the use of the engine, cannot accuse the Seller for being responsible for any damage incurred by the plane or to its users or to any third party (parties), regardless of whether these persons have been present on the plane during the flight or not.
- 10.7. The Buyer waives, releases and renounces all other warranties, obligations and liabilities of the Seller and acknowledges that the Seller makes no warranty either express or implied and makes no warranties of merchantability, reliability or accuracy or non-breach of intellectual property rights or any warranty of fitness for particular purpose.
- 10.8. The Seller's sole and exclusive maximum liability for direct damages, whether based in contract, tort, or otherwise, shall not in any event exceed the purchase price actually paid by the Buyer for the particular goods/product at issue.

11. GOVERNING LAW

- 11.1. By accepting the GTC, the Buyer acknowledge and agrees that the Contract, GTC and any other document and agreements between the Parties thereto shall be subordinated to the jurisdiction of Czech courts, except as stated otherwise in writing.
- 11.2. The applicability of the UN Convention on the International Sale of Goods ("UNCISG", "Vienna Convention") is expressly excluded.