

General Terms of Sale - Aftermarket

Polskie Zakłady Lotnicze Sp. z o.o.

Contents

1. Acceptance	3
2. Warranty	3
3. Amendments	4
4. Suspension of order execution	4
5. Order termination.....	4
6. Entrusted tooling	4
7. Interpretation/jurisdiction/disputes	5
8. Force Majeure	5
9. Copyright	5
10. Personal Data Protection.....	6
11. Restricted information	6
12. EH&S.....	6
13. Code of Ethics.....	6
14. Limitation of liability	7
15. Inability or refusal to pay	7

1. Acceptance

Subject to the terms and conditions set forth herein, together with those incorporated by reference, Polskie Zakłady Lotnicze in Mielec, with its registered office at ul. Wojska Polskiego 3, 39-300 Mielec, Poland and registered with the District Court in Rzeszów, XII Commercial Department of the National Court Register under KRS No.: 0000051791 (hereinafter referred to as "Seller"), agrees to sell to the Contracting Party identified on the face of the order (hereinafter referred to as "Buyer"), and Buyer agrees to purchase from Seller, the goods or services described in the order. The Seller, within 21 days of receipt of the order from the Buyer to provide the Buyer with an acknowledgement of acceptance of the order, provided terms and conditions are comply with the order/agreement.

The terms of the order, together with these General Conditions of Sale, constitute a binding agreement between the parties and may only be modified in writing in the form of a supplement to the order or an annex to the Agreement signed by authorised representatives of both parties, otherwise being null and void.

2. Warranty

Seller warrants to Buyer, its successors, assigns and customers, that for a period of 12 months after delivery of goods, any goods delivered pursuant to the order shall be free from legal defects and defects in material and workmanship, shall conform to applicable drawings, designs, parameters, samples or other description on which the order is based, shall be suitable for the intended purpose expressed or implied, and shall be free from liens and other encumbrances. The Seller further guarantees that to the extent to which the order relates to the performance of services, such services shall be free from legal defects and defects in workmanship, shall meet all the requirements of the order and shall be performed to the highest professional standards.

Seller shall promptly, at its option, repair or replace any goods or services found to be defective. The seller will bear the costs associated with the replacement or repair and return of the repaired or replaced goods under warranty.

In the case of replacement of defective goods by the Seller, the warranty period shall be suspended and shall run anew from the moment of receipt of repaired or replaced goods by the Buyer.

The foregoing rights of Buyer are not exclusive and do not supersede any other legal remedies available to Buyer under the law or under the Order. This warranty shall be Buyer's exclusive remedy for legal and physical defects in the goods or services. The provisions of statutory warranty are excluded

2.1 Warranty for services

Seller warrants to Buyer that services (repairs, overhauls) performed by Seller will have been performed in a workmanlike manner. Seller's liability and Buyer's remedy under this warranty are limited to the correction of such services, at the factory of manufacturer and/or on site at the Buyer's facility, as are shown to Seller's reasonable satisfaction to have been defective; provided that written notice of the defect shall have been given by Buyer to Seller within six (6) months after the date of performance of such services by Seller (but in no event later than sixty (60) days after Buyer's detection of the defect within the warranty period) or 100 flight hours (100 landing cycles) whichever parameter occurs first. Shipment charges for the return of such defective part to PZL and its reshipment to Buyer and the risk of loss thereof will be incurred by PZL, only if returned in accordance with written shipping instructions from PZL Mielec.

This warranty shall not apply to any part which shall have been repaired or altered outside the facilities of PZL Mielec in any way so as to affect the safety, function or reliability of the aircraft or the part itself, or has been subject to misuse, negligence, accident, inappropriate storage conditions or other abuse.

3. Amendments

Any changes by the Buyer to the order shall constitute an amendment to the order and in order to be valid shall be made in writing and require the consent of both parties. The Buyer shall bear the costs associated with changes made to the order.

4. Suspension of order execution

Buyer shall have the right to cancel at any time by written notice to Seller an order or any part thereof or to suspend or reschedule shipment of goods or performance of services. Promptly upon receipt of such notice, the Seller shall comply with its terms and shall cause its suppliers and subcontractors to finish or stop work. The Buyer shall reimburse to the Seller all costs incurred by the Seller, related to the suspension of the execution of the order together with the Seller's reasonable profit. To the extent not covered by the notice of cancellation or suspension of the order, the Seller shall continue performance in accordance with the order.

5. Order termination

In addition to any other rights hereunder, the Buyer shall have the right to terminate the order or any part thereof for cause attributable to Seller by giving Seller 90 days written notice of termination in the event that:

1. The Seller will grossly violates the terms of the order;
2. The seller becomes insolvent, or a bankruptcy petition is filed or is entered in the register of debtors.

The Buyer shall repurchase from the Seller the goods or parts thereof already produced by the Seller in order to complete the order, and the Seller shall be paid the value of the costs incurred by the Seller.

The Seller has the right to cancel the order if the Buyer delays payment by more than 14 days. In such a case, the Seller shall be entitled to claim reimbursement of all costs incurred by the Seller for the execution of the order.

6. Entrusted tooling

Unless otherwise specified by the Parties in a separate agreement, the following rules shall apply to all tooling entrusted by the Buyer to the Seller, whether delivered separately or made by the Seller to the order and at the expense of the Buyer. A planned list of instrumentation to be entrusted should be part of the contract.

The entrusted tooling shall be handed over by the Buyer to the Seller on the basis of an acceptance report, which shall include a list of the tooling, its names, description of the actual conditions, quantity and value. Furthermore, the Buyer shall be obligated to label the entrusted tooling in a manner that does not raise doubts as to its origin.

In the case of manufacturing of the entrusted tooling by the Seller, the Buyer shall bear the additional costs related to the marking of such tooling.

The entrusted tooling shall be handed over to the Seller immediately, but no later than 30 days after the Parties conclude the contract and shall be returned to the Buyer no later than within 30 days after the expiry of the Seller's obligation.

The tooling transport costs shall be borne by the sending party. During the term of the contract between the Parties, the cost of storing the entrusted tooling shall be borne by the Seller. In the event that the Buyer, after termination of the contract, requests the Seller to store

the entrusted tooling for longer than the 30 days specified in the above sentence, the Buyer shall reimburse to the Seller the tooling storage costs calculated by the Seller according to market rates.

From the moment of signing the transfer report of the entrusted tooling, the Seller shall be responsible for the entrusted tooling, its storage, condition, quantity and minor maintenance and repairs. Costs exceeding the costs of current maintenance, in particular costs associated with the calibration of the tooling and its general overhaul and repair shall be borne by the Buyer. The Parties may establish separate rules for the responsibility for the entrusted property in a separate agreement. The Seller's total liability for the instrumentation entrusted to it shall be limited to one times the value of given tooling item.

The Seller shall not be liable for any latent defects in the tooling. In the case of damage suffered by the Seller and caused by a latent defect in the entrusted tooling, the Buyer shall reimburse the Seller the equivalent of the damage suffered by the Seller caused by the defective tooling.

The Seller undertakes not to use the entrusted tooling for other purposes than those agreed upon in the main contract. The parties may otherwise regulate the scope of use of the tooling in a separate agreement.

7. Interpretation/jurisdiction/disputes

The order and any claims arising therefrom shall be governed solely by and construed in accordance with the laws of the Republic of Poland. For the avoidance of any doubt, the provisions of the Vienna Convention on the International Sale of Goods shall not apply to the Contract.

The Parties may amend the order in writing under pain of nullity.

The Parties undertake to comply with the import and export control regulations applicable to the implementation of the Contract.

8. Force Majeure

The Parties shall not be liable for partial or complete failure to perform their obligations under the order if such failure was caused by force majeure.

Force majeure shall include in particular: earthquakes, floods, storms, hurricanes (or other atmospheric conditions that prevent the flight of aircraft regardless of the level of training of crews during the acceptance), volcanic eruptions, epidemics, as well as wars, acts of terrorism and strikes of national scope or actions or lack of action of state administration bodies not being a direct or indirect result of the Seller's action. Force majeure must directly or indirectly affect the ability to perform obligations under the Contract. The party affected by the force majeure must notify the other party immediately, but not later than within 30 days. Circumstances of force majeure must be documented by presentation of appropriate certificates from a competent state authority or in any other credible, beyond doubt manner within 30 days of the occurrence of the force majeure. The date of performance of the Seller's obligation in case of force majeure shall be postponed by the period during which the Contractor could not perform its obligations.

9. Copyright

Buyer acknowledges that the publications, training courses, support and other information provided under this Agreement constitute or introduce information that is proprietary to Seller, its affiliates, suppliers or licensors (collectively, "Seller's Proprietary Information").

The Buyer shall use the Seller's Proprietary Information solely for its own benefit for the purpose of operating its aircraft for which such Seller Proprietary Information is provided and

not for operating the aircraft or providing services to any third party, except as expressly agreed to by Seller in writing in Seller's sole discretion, or for any other purpose, including, but not limited to, to design, manufacture, reverse engineer or obtain FAA or EASA approvals or approvals from any other authority relating to goods, services, parts or components, and shall not disclose Seller's proprietary information to any third party without the Seller's express written authorization at Seller's sole discretion. The provisions of this article shall not limit or affect Buyer's rights to use and disclose any information that Buyer can document has been or becomes generally available to the public as a result of actions taken or not taken by Buyer or any person or entity that receives Seller's proprietary information by the Buyer, was known to Buyer on a non-confidential basis prior to disclosure to the Seller, or was independently developed by Buyer without reference to or use of the Seller's proprietary information. All rights not expressly granted by the Seller under this Agreement are reserved, including, but not limited to, all rights in Polish, US and other foreign patents. Buyer shall not remove or obscure any copyright or other proprietary rights notices provided on Seller's proprietary information.

10. Personal Data Protection

If, within the framework of an order carried out between the Seller and the Buyer, the Seller being the Controller of personal data, entrusts the Buyer with personal data for processing, the Buyer, becoming the Processor, is obligated to comply with the provisions of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016, on the protection of natural persons in relation to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC (General Data Protection Regulation) and the provisions of the Act of 10 May 2018 on the protection of personal data (Journal of Laws 2018, item 1000).

In addition, in the case referred to above, the Buyer is obligated to sign with the Seller an appropriate Agreement on the entrustment of personal data processing.

11. Restricted information

All information disclosed by the Parties in connection with the order is referred to as "Restricted Information" or "Confidential Information". Unless transferred by a separate transaction, such information shall remain the property of the Parties and shall be processed by the Parties on the basis of the terms and conditions set forth in a separately concluded confidentiality agreement.

12. EH&S

The Buyer's employees performing any activities on the Seller's premises shall comply with the EH&S and environmental protection regulations in force at the Seller's.

Procedures for Occupational Safety and Environmental Protection Policies are available on the Seller's website at:

<http://www.pzlmielec.com.pl/firma/esh/> (in Polish)

<http://www.pzlmielec.com.pl/en/company/ehamps/> (in English).

13. Code of Ethics

In fulfilling an order, Buyer shall observe in all respects and shall take all reasonable steps to ensure compliance with the principles established in the Lockheed Martin Code of Ethics, available online at:

<http://www.pzlmielec.com.pl/firma/kodeks-etyczny/>

The Seller warrants and represents that the services it provides are compliant with the law and Lockheed Martin Standards in effect at the time of performance. In the event that

contractual provisions conflict with applicable law or Lockheed Martin Standards, or if Lockheed Martin Standards change after the execution of this contract, the Seller agrees to notify the Buyer of such conflict immediately in writing. The Seller agrees to keep accounting books in accordance with applicable requirements for all transactions and expenses related to work performed for the Buyer.

14. Limitation of liability

With respect to any Product purchased under this Contract which is the alleged direct or indirect cause of any loss or damage for the Buyer, an amount equal to the invoiced price of such Product (or if not separately priced, Seller's established sales price for such item) shall be the Seller's or its Affiliate's price ceiling, whether in contract or tort (including negligence, strict liability in tort or breach of warranty), arising out of or resulting from this Contract or the performance or breach thereof, or the design, manufacture, delivery, sale, repair, replacement, use or supply of any such Product.

In no event shall Seller, or any Affiliate, be liable for any indirect, incidental, consequential or special damages.

15. Inability or refusal to pay

If the Buyer fails to pay the Seller the agreed payment within 14 days, or any other term agreed by the Parties, the Seller shall have the right to withdraw from the execution of the order after a prior call for payment within 7 days.

Upon such termination, the Seller shall be relieved of all further obligations to the Buyer and the Buyer shall reimburse Seller for costs and expenses incurred in connection with such termination and a reasonable extra money for lost profits. All amounts paid to the Seller from any source may be retained by the Seller and credited against the amount owed to the Seller. In addition, the Seller shall have the right to reduce or set off its claim from amounts due to the Buyer from the Seller or from the Buyer's property in the Seller's possession, debt or other claim which the Seller may have against the Buyer. Amounts in excess, if any, of the total termination amount shall be returned to the Buyer by the Seller.