

GENERAL TERMS AND CONDITIONS

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 GTCs do not apply to general documents published by LETOV Simulátory, s.r.o. (limited liability company) with its registered office at Lucemburská 1301/37, 130 00 Prague 3, 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 composed by the Seller and signed by its statutory body or CEO or a person authorised by him 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 a facsimile or e-mail. The email shall contain a copy of the appropriate document with the authorised signature of the buyer.
- 2.2. The goods 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 of 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 the case the Seller does not accept such a change, the buyer is obliged to take over the goods as originally ordered.
- 2.4. In case of cancellation of the purchase order by the buyer, or in the event of a late payment of pre-agreed instalments, the buyer has no right to claim a reimbursement of the amount he/she 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.

4. PAYMENT TERMS

- 4.1. In order to purchase the product, the buyer shall execute a down payment in the amount of 40 % of the contractual purchase price no later than 10 working days after the confirmation of the Purchase Order by both contractual parties unless otherwise specified in writing in the Purchase Contract.
- 4.2. The remaining part of the contractual purchase price has to be paid in total at least 10 days before the agreed delivery date.
- 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 debiting the 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 0,05% of the outstanding amount for each day of delay.
- 4.6. For purchasing spare parts the buyer shall settle the whole payment immediately after receipt of the invoice before the spare parts dispatch.
- 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, unless agreed otherwise in writing (cash transactions).
- 4.8. The goods 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.

5. DELIVERY TERMS

- 5.1. Unless otherwise agreed, the goods are delivered under the delivery terms „EXW INCOTERMS 2010 factory Olomouc“.

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 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/her order by sending a registered letter 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 0,05% of the entire sum for each day of delay; if not agreed otherwise in writing in the Purchase Contract.
- 6.5. In any case, the delivery is made possible only after the buyer has met all his/her financial liabilities with the Seller.
- 6.6. In case the buyer does not take possession of the fully paid goods 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 40% of the purchase price as a penalty, to sell the goods and thus to cover the penalty and storage fees, the balance however is given back to the buyer, if not agreed otherwise in writing in the Purchase Contract.
- 6.8. In case the buyer bankrupts or dies before the envisaged delivery and does not overtake the fully paid goods, the paid sum, deducted by the 40% 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

- 7.1. By accepting the goods, the buyer also assumes the responsibility for their assembly and control of their operation.
- 7.2. In the case of visible defects or incompatibility of the delivered goods with the confirmed Purchase Contract or Purchase Order, the buyer may send a letter of complaint. It has to be sent as a registered letter within 7 days after the acceptance of the goods. If the buyer might have detected the visible defects already during the delivery, he has to claim the defects with the carrier and has no right to complain about such defects later on.
- 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.
- 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 and in case these defects have been already present at that time, the buyer is required to send a letter of complaint 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).
- 7.6. The buyer shall present a detailed description of all the defects, that have been detected on the goods, 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 opportunities to survey 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 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

- 8.1. In case of any return of goods, the official written document has to be composed and signed by the Seller or its authorised representative as well as by the buyer. Without such a document, any returned goods 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, neither for the expenses related to the shipment.
- 8.2. Any return of goods, if approved by the Seller in writing, may after the verification of the qualitative and quantitative status of the returned goods 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 have visible defects, or in case the delivered goods are not corresponding to the confirmed purchase order, the buyer has the right and is entitled to the cost free substitution of the goods.
- 8.4. In case the complaint is legitimate, the warranty period is interrupted until the deficiency is rectified.

9. GUARANTEE

- 9.1. The buyer residing in the European Union has the right to the quality guarantee according to the legal regulations being in force in the European Union for all range of goods.
- 9.2. The buyer has the right to the quality guarantee for ordered products, as confirmed by the Seller, for a period of 24 months from the date of delivery or 200 hours of operation (whichever expires first). For the buyers who are physical persons from EU countries the warranty is in accordance with EU rules.
- 9.3. The quality guarantee is unconditionally valid from the moment the buyer takes possession of the goods.
- 9.4. If the Seller's goods turn out to have defects, the Seller is entitled to rectify the deficiency or to offer the substitution goods 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 complaint until the defect is repaired, wherein the aircraft is non-functional.
- 9.6. Cases that exclude the Seller's guarantee obligations:
 - 9.6.1. The quality guarantee applies only to individual components and parts.
 - 9.6.2. The guarantee does not apply to damages, resulting from the inappropriate use of the goods.
 - 9.6.3. The Seller is not responsible for losses of profit or some other financial or non-financial damages to the buyer or to any third party.
- 9.7. The right to the quality guarantee is excluded in the following cases connected with the handling of the goods:
 - 9.7.1. The goods are not used according to the Seller's instructions or according to the simulator's related documents; in particular **Maintenance Logbook, Operation Logbook, Operation Manual, Technical Documentation**.
 - 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 and its individual parts or components in inadequate operation conditions or it is due to the prolonged use of the goods, caused by over-strain, even when it is only of a short duration, or it is due to the fact that the buyer does not carry out regular check outs and service/maintenance by the Seller nor by its authorised expert;
 - 9.7.5. The parts that get worn out by normal use, e.g. the covers, pneumatics, electric instruments, electric installation, bonds and bindings, cables, motion elements, condensers, cooling devices, electrical wiring and installation etc.;
 - 9.7.6. The buyer has not ensured a regular maintenance. Some maintenance works that are required by the manufacturer must be carried out at the authorised service centres.

- 9.8. The buyer's claims under the right of recourse shall never exceed the amount of the purchase price.

10. LIABILITY

- 10.1. By accepting the goods 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 flight simulator, nor his relatives or his legal representatives would introduce any compensation claim due to the use of the Seller's goods. The buyer undertakes that the damage caused to the third party 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 the eventual compensation claims, that the Seller would be obliged to pay or which it already paid, are to be fully reimbursed to the Seller by the buyer.
- 10.2. 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.
- 10.3. 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 at issue.

11. GOVERNING LAW

- 11.1. By accepting the GTC, the buyer accepts that the judicial arbitration, concerning the contractual relationship with the Seller, as outlined in Purchase Contract or Purchase Order, is governed by judicial regulations and substantive law of the Czech Republic.
- 11.2. The applicability of the UN Convention on the International Sale of Goods ("UNCISG", "Vienna Convention") is expressly excluded.

12. EXTRAJUDICIAL SETTLEMENT OF CONSUMER DISPUTES

- 12.1. In accordance with art. 1820 sec. 1 subsec. j) of the Civil Code, the customer may, if he is also a consumer, demand from the buyer an extrajudicial settlement to settle a complaint about the practice of the buyer of any of his employees. Furthermore, the consumer has the right to use other extrajudicial legal protection for his rights and complaint submissions. These legal remedies are the mediation, pursuant to law No. 202/2012 Coll. Act on Mediation, proceedings pursuant to the Consumer Protection Law at the Czech Trade Inspection Authority, with its seat at Štěpánská 567/15, 120 00 Praha 2, company registration number: 000 20 869, website: <http://www.coi.cz>. In case of personal data protection and the sending of commercial notifications, which have not been approved or the consumer did not give approval for, the consumer may refer to the Office for Personal Data Protection.