

TERMS AND CONDITIONS OF SALE

These terms and conditions of sale (the "**Terms**") govern the sale of Items (as defined below) by, as the case may be **Eftec (UK) Limited**, a company registered under the laws of England and Wales with its company number 06937302 and its registered address at 1 Beauchamp Court, Victors Way, Barnet, Hertfordshire, EN5 5TZ or **Eftec USA, LLC**, a corporation registered under the laws of the State of Nevada, with its registered address at 2905 Lake East Drive, Suite 150, Las Vegas, NV 89117, USA (each an "**Eftec Entity**" or "**Supplier**") to its customers (each a "**Customer**", and together with the Supplier, the "**Parties**"). These Terms shall govern the supply of Items to the Customer by the relevant Supplier unless expressly agreed otherwise by the Parties in writing.

1. SALE OF ITEMS

- 1.1. The Supplier shall deliver spare parts required for maintenance and repair of aircraft, including, but not limited to, components, standard parts, materials and consumables, etc. (the "**Items**") and the Customer shall accept and pay for such Items in accordance these Terms.
- 1.2. The Customer shall direct written purchase orders containing the part number, serial number (if applicable), quantity, condition, purchase price and the delivery terms of the Items. The Supplier may:
 - (a) reject such order;
 - (b) request that such order is amended and re-directed by the Customer; or
 - (c) accept that order by issuing an invoice (the "**Invoice**") with reference to such order.
- 1.3. The orders accepted by the Supplier in accordance with Clause 1.2(c) above (the "**Orders**") shall each form a sales contract between the Parties in respect of the Items referred therein incorporating the provisions of these Terms to the extent such provisions are not expressly amended by the relevant Order.
- 1.4. These Terms shall also apply between
- 1.5. The purchase price for the Items shall be specified in the Invoices.

2. DELIVERY TERMS

- 2.1. For the purposes of the present Clause 2 all Items that are subject to transportation are referred as "**Cargo**".
- 2.2. The Cargo will be delivered to the Customer EXW (in accordance with Incoterms 2010) Supplier's warehouse unless agreed otherwise in the Order.
- 2.3. Partial delivery shall be allowed unless agreed otherwise with the Customer in writing.
- 2.4. The Supplier shall issue a cargo invoice in respect of each Cargo.
- 2.5. A third party could act as a shipper of the Cargo.
- 2.6. Title to and risk of accidental loss or damage of the Item shall pass to the Customer from the moment of performance by the Supplier of his obligations in accordance with the

delivery terms determined in accordance with Clause 2.2 above.

3. WARRANTY

3.1. Unless expressly agreed otherwise, the warranty periods shall be:

- (a) three hundred (300) flight hours or three (3) months from the date of delivery whichever occurs first for serviceable (SV), tested (TE) or inspected (INSP), modified (MOD) or repaired (RP) Items; and
- (b) seven hundred (700) flight hours or six (6) months from the date of delivery whichever occurs first for new (NE) and overhauled (OH) Items.

3.2. The Customer shall direct a warranty claim (the "**Warranty Claim**") in respect of each Item considered to be defective (the "**Defective Item**") accompanied with:

- (a) a defect report in English describing the relevant malfunction;
- (b) photo and video materials evidencing the defect; and
- (c) complete copies of the pages from the technical/flight book evidencing the installation and removal of the Defective Item containing the indication of hours and cycles of installation and removal

by email to sales@eftecltd.com no later than within five (5) calendar days after the detection of the defect and provide all documents and data requested by the Supplier in relation to the Warranty Claim and the Defective Item within five (5) calendar days after the date of such request of the Supplier.

3.3. The Customer shall deliver the Defective Item accompanied by:

- (a) a non-incident statement;
- (b) a packing slip;
- (c) removal tag;
- (d) ATA-106 form (if applicable);
- (e) for LLP components, a certificate signed by the authorised representative of the Customer evidencing the number of flight hours and cycles worked by the Defective Item;
- (f) originals of any other documents which had been supplied together with the Defective Item; and
- (g) the originals of the documents listed in Clause 3.2 above;

in the condition required for shipping by the relevant OEM and by ATA-300 to an address advised by Supplier within thirty (30) calendar days after the date of the Warranty Claim.

3.4. Warranty Claim shall be rejected:

- (a) if directed after the expiration of the relevant warranty period; or
- (b) if the Customer has failed to comply with Clauses 3.2 and 3.3 above.

- 3.5. The Supplier shall send the Defective Item to the repair shop (the "**Repair Shop**") which has issued a certificate confirming that the Defective Item has been inspected/tested, repaired or overhauled.
- 3.6. The Supplier shall accept the Warranty Claim if the Repair Shop confirms warranty in relation to the Defective Item.
- 3.7. The Warranty Claim shall be rejected by the Supplier if following the inspection the Repair Shop rejects the Supplier's warranty claim in relation to the Defective Item (including cases where there is no defect found in respect of the Defective Item).
- 3.8. If the Supplier rejects the Warranty Claim under Clause 3.7 above following the inspection by the Repair Shop, the Customer shall have the right to request that the Defective Item is sent for inspection to a repair shop agreed by the Supplier and the Customer ("**Independent Shop**") at the Customer's expense. If the Independent Shop finds the Defective Item to be covered by this warranty, the Supplier shall accept the Warranty Claim in respect of such Defective Item.
- 3.9. If the Supplier accepts the Warranty Claim, the Supplier shall at its own discretion:
- (a) rectify at its own cost the defects by means of repair to such an extent that the Item is returned to serviceable condition; or
 - (b) replace the Defective Item with the Item of the same or alternative part number as the Defective Item; or
 - (c) refund the purchase price paid by the Customer for the Defective Item; and
- refund the costs of the shipping the Defective Item to, and inspection at, the Independent Shop incurred by the Customer.
- The provisions of this Clause 3.9 represent the maximum possible responsibility of the Supplier concerning Defective Items, and the warranty provided hereunder shall be exclusive and in lieu of all other warranties, whether express, implied, statutory or otherwise. Under no circumstances shall the Supplier be liable for any incidental, consequential, special or indirect damages, even if informed of the possibility of such damages.
- In cases referred to in paragraphs (b) and (c) above the title to the Defective Item shall transfer to the Supplier.
- 3.10. The Supplier shall not be liable under the warranty provided herein if the Item has been subject to any:
- (a) maintenance, repair, installation, handling, packing, shipping, storage, operation or use that is improper or otherwise not in compliance with the original manufacturer of such Item or the Supplier's instruction or authorisation;
 - (b) alteration, modification or repair without the Supplier's prior written consent;
 - (c) accident, contamination, foreign object damage, abuse, neglect or negligence after shipment to Customer; or
 - (d) use of counterfeit parts and/or consumables or parts and/or consumables that are neither manufactured nor approved by the original manufacturer of the Defective Item for use with the Items.
- 3.11. The provisions of this warranty shall be for the benefit of the Customer only, and shall not

be assigned to any third parties, including the Customer's assignees, successors, customers or any other third parties.

3.12. If the Supplier rejects the Warranty Claim, the Customer shall:

- (a) reimburse the Supplier all inspection and repair costs associated with the Defective Item and the costs associated with shipping of the Defective Item from the Supplier's warehouse to the Repair Shop;
- (b) and either:
 - (i)
 - (A) pay a restocking fee of twenty per cent (20%) of the purchase price (for outright sales) or of the core value (for exchanges); and
 - (B) compensate the difference between (i) the purchase price (for outright sales) or the core value (for exchanges) of the Defective Item and (ii) the market price of an item with the same part number with the level of certificate which the Repair Shop (or the Independent Shop) has issued in respect of the Defective Item,

and the Supplier shall refund the purchase price (for outright sales) or the core value (for exchanges) of the Defective Item minus the amounts set-off against the Customer's obligations set out in this Clause 3.12.
 - (ii) if so agreed by the Parties, purchase the Defective Item at the price equal to purchase price (for outright sales) or the core value (for exchanges).

3.13. The Supplier may prior to the Inspection, provided that the Customer has complied with the provisions of Clause 3.2 above and if so agreed by the Parties, deliver an Item with the same or alternative part number of the Defective Item to the Customer ("**Replacement Item**"), and Customer shall pay:

- (a) for outright sales: the difference between (i) the price of the Replacement Item and (ii) the purchase price of the Defective Item; or
- (b) for exchanges: the difference between (i) the sum of the price of the Replacement Item and the relevant exchange fee and (ii) the core value of the Defective Item plus the relevant exchange fee,

unless agreed otherwise by the Parties.

3.14. For exchanges, the Replacement Item shall be considered as replacing the Exchange Unit (as defined in the relevant exchange agreement).

3.15. The provisions of this Clause 3 shall apply to exchanges whereby the Supplier provides Items to the Customer under a separate exchange agreement.

4. ACCEPTANCE OF PRODUCTS

4.1. The acceptance of the Products, including that in relation to their quantity and exterior, as well as visible defects, shall be performed by the Customer within two (2) calendar days (the "**Acceptance Period**") after the day of delivery of such Products to the address specified in the relevant Order, and upon the expiration of the Acceptance Period no claims relating to the quantity or quality of the Products shall be accepted, unless such

claims relate to the defects which have been discovered during the operation of the Products.

- 4.2. Any damage to the package in which the Products are shipped to the Customer shall exclude the liability of the Supplier for any defects of Products other than defects which can only be discovered during the operation of the Products.

5. PAYMENT TERMS

- 5.1. Payment shall be effected in US dollars or another currency indicated in an Invoice by a bank transfer in accordance with the payment terms identified in such Invoice within a period of thirty (30) days unless another period is stated in the Invoice.
- 5.2. If any amount payable to the Supplier is not paid by the Customer on its due date, interest shall accrue at the rate of eighteen per cent per annum until such amount is paid to the Supplier.
- 5.3. All bank charges including bank commission levied beyond the Customer's territory to be charged to the Customer.
- 5.4. Interest at the rate of eighteen per cent. (18%) per annum shall accrue on all amounts not paid by the Customer on the due date in accordance with these Terms until such amounts are received by the Supplier.
- 5.5. Each Eftec Entity may direct the Customer that any amount due and not paid to such Eftec Entity is paid to another Eftec Entity provided that such direction is in writing and is received by the Customer prior to the payment of that amount by the Customer.

6. FORCE MAJEURE

- 6.1. Neither party shall bear responsibility for the complete or partial non-performance of any of its obligations if non-performance results from such circumstances as strike, flood, fire, earthquake or other natural calamities as well as war or military calamities as well as war or military operations.
- 6.2. If any of such circumstances directly affected the performance of obligations hereunder, this time period is extended correspondingly for the period during which such circumstances last.
- 6.3. The party for which the performance of obligations became impossible shall to notify the other party in written form of the beginning, expected time of duration and cessation of the above circumstances immediately, however, not later than ten (10) business days from the time of their beginning and cessation.

The facts contained, in the notification should be confirmed by a Chamber of Commerce (Commerce and Industry) or other such competent authority or organization of the respective country. Failure to notify or untimely notification deprives the Suppliers of the right to refer to any of the above circumstances as a reason relieving from liability for non-performance of an obligation.

7. GOVERNING LAW AND ARBITRATION

- 7.1. Any dispute, controversy or claim arising out of or in connection with these Terms, or the breach thereof shall be finally settled by arbitration in accordance with the Arbitration

Rules of the Arbitration Institute of the Stockholm Chamber of Commerce.

- 7.2. The arbitral tribunal shall be composed of three arbitrators.
- 7.3. The seat of arbitration shall be Stockholm.
- 7.4. The language to be used in the arbitral proceedings shall be English.
- 7.5. These Terms shall be governed by the substantive law of England and Wales.