

**The Supply General Terms and Conditions**  
**Česká letecká servisní a.s.**

**PREAMBLE**

Česká letecká servisní a.s., registered office: Mladoboleslavská 1081, 197 00 Prague 9 - Kbely, was established pursuant to the legal order of the Czech Republic on 21 January 1997. The company is registered in the Commercial Register kept at the Municipal Court in Prague, section B, insert 4510, business ID number: 251 01 137, tax ID number: CZ25101137.

Česká letecká servisní a.s. holds authorisations for aircraft maintenance and repair, No. CZ 145.003 pursuant to PART 145 procedures, production of aircraft parts and components, No. CZ.21G.0061 pursuant to PART 21 procedures, Title G, issued by the Civil Aviation Authority and a certificate for production and maintenance of military aviation products pursuant to EMAR 145 procedures; it is also certified by Lloyd's Register Quality Assurance pursuant to ISO 9001:2015 standards.

**I. EXPLANATION OF TERMS**

1. The Supply General Terms and Conditions are a part of the Contract or Order and, as terms and conditions within the meaning of Section 1751 of Act No. 89/2012 Coll., the Civil Code, as amended, they determine the Contracting Parties' rights and obligations. The T&C shall apply in full unless otherwise agreed between CLS and the Supplier.
2. For the purposes of these T&C, the term:
  - A. **"Price"** means the contractual consideration for which the Supplier transfers to CLS the title to the Goods or for which the Supplier provides the Service to CLS under the Contract or Order. The price is exclusive of VAT pursuant to the applicable legal regulations and other charges.
  - B. **"CLS"** means Česká letecká servisní a.s., registered office: Mladoboleslavská 1081, 197 00 Prague 9 - Kbely, doing business in the aviation industry.
  - C. **"Delivery Terms"** means the specific terms and conditions of delivery of the Goods used in the Contract or Order according to INCOTERMS 2020, issued by the International Chamber of Commerce (ICC) in Paris.
  - D. **"Electronic Delivery"** means a method of delivering documents in electronic form (by e-mail). If a document to be delivered is a written expression of a Contracting Party's will signed by a person authorised to act for the Contracting Party, the document must be sent in scanned form. An electronic signature is not required.
  - E. **"Supplier"** means a natural person, legal entity or subject that intends to enter into or has already entered into a contractual relationship with CLS and that is to provide CLS with Performance on the basis of the Contract or confirmed Order.
  - F. **"Order"** means a unilateral legal action taken by CLS regarding the Supplier to enter into a contractual relationship with a view to obtaining Performance from the Supplier. Unconditional acceptance of the Order by the Supplier constitutes the conclusion of the Contract. If the Supplier responds to the Order with a reservation or deviation, this shall not constitute acceptance of the offer and the Contract shall not be concluded; this shall not apply if such reservation or deviation is expressly accepted by CLS.
  - G. **"Performance"** means the Goods or Services supplied or provided by the Supplier to CLS in accordance with its objectives pursuant to the Contract or confirmed Order.
  - H. **"Service"** means an activity performed by the Supplier in accordance with its business authorisation for CLS under the Contract or confirmed Order.
  - I. **"Contract"** means a contractual arrangement in writing that is an expression of the Supplier's willingness to supply the Performance to CLS and an expression of CLS's willingness to accept the Performance from the Supplier and pay the agreed price for it on mutually agreed terms.
  - J. **"Parties"** means CLS and the Supplier, between whom the legal act of entering into the Contract was performed of their own free will.
  - K. **"Defective Performance"** means Performance exhibiting obvious or hidden defects or not meeting the parameters according to technical or quality standards or not meeting the specific requirements for Performance specified in the Contract or Order.
  - L. **"T&C"** means these CLS Supply General Terms and Conditions.
  - M. **"Goods"** means a thing clearly identified as to kind, quality and quantity.

**II. INTRODUCTORY PROVISIONS**

1. Anyone who enters into a Contract/Order with CLS that refers to the T&C or accepts an offer from CLS that includes a reference to the T&C accepts the applicable T&C without reservation.
2. Deviating provisions in the Contract/Order shall prevail over the T&C if they are agreed in writing or in any other manner that does not create any doubt as to the common will of the Parties to deviate from the T&C.

**III. ORDER**

1. In the Order, CLS shall specify such information as CLS deems relevant in connection with the Contract to which the Order relates in accordance with CLS' will.
2. The Order shall include basic details about the Supplier and other material requisites relating to the Supplier, unless previously submitted to CLS. The other necessary elements of the Order are

the specifications of the required Performance, Price, place and time of delivery of Performance.

3. CLS shall deliver the Order to the Supplier (by post or Electronic Delivery). The Supplier also has the right to reject an Order.
4. An Order confirmed by the Supplier becomes binding on both the Supplier and CLS and in this simplified form constitutes the Contract.
5. The Supplier is obliged to check the data in the Order. If the Supplier considers the data in the Order to be inaccurate, uncertain or insufficient to determine the content of the Contract or the acceptance of the Order, it shall immediately notify CLS and invite CLS to complete the required data. If the Supplier fails to do so, all costs and damages associated with incorrectly delivered Performance based on an incomplete Order, inaccurately defined Performance or incomplete, incorrect or inaccurate technical documents provided by the Supplier shall be borne by the Supplier.
6. If the Supplier does not expressly confirm or reject the Order within the time specified in the Order and delivers the Performance within a time period applicable for acceptance of the Order, the Supplier shall be deemed to have accepted the Order and thereby entered into the Contract with CLS.

**IV. AMENDMENT TO CONTRACT**

1. The Contracting Parties may agree on additional contractual arrangements or amendments to the original Contract during the term of the contractual relationship.
2. A change to the Contract must be made in the form of a mutually agreed written contractual arrangement - an amendment to the Contract/Order.
3. An amendment to the Contract must contain, in particular, the designation of the Contract to which the amendment relates, the subject of the amendment and the date of its signature.

**V. PRICE, PAYMENT TERMS**

1. The price for Performance includes delivery of Performance in accordance with the Delivery Terms to the destination specified in the Order or Contract.
2. The Price set out in the Order or Contract shall be stated in a specific currency and with the relevant tax amount.
3. The Price is payable on the basis of an invoice issued by the Supplier on the date specified in the Contract or by the invoice.
4. An invoice is a payment and tax document that contains:
  - a) Identification details of the Supplier and CLS including the tax ID number;
  - b) The serial number of the document, date of issue, date of taxable supplies and due date;
  - c) The designation and specifications of the Performance, quantity and unit price;
  - d) The total Price excluding VAT, the basic or reduced VAT rate or a statement of exemption;
  - e) An indication of the total amount to be paid, settlement of advances paid;
  - f) The numbers and specifications of the billing documents, if any (handover records, delivery notes, order sheets, etc.);
  - g) In the case of a Customer originating in the European Union, also the VAT No.
5. CLS shall have the right to return an invoice to the Supplier without any obligation to pay the invoiced Price if the invoice does not contain the particulars set out in paragraph 4 of this article of the T&C.
6. A monetary obligation is discharged on the date on which the relevant amount stated on the invoice is debited to CLS's bank account.
7. The price is binding and fixed for the Supplier. Any change to the price is only possible on the basis of a written amendment to the Contract/Order.
8. The Supplier shall be responsible for the accuracy and completeness of the documents and materials that it submits to CLS and that are necessary for the proper use of the Performance (in particular the accompanying technical documentation, bulletins, flight books and manuals). In the event that CLS incurs additional costs in connection with the Supplier's misconduct, e.g. the Supplier provided incorrect or incomplete technical documentation, CLS shall be entitled to require the Supplier to pay all additional costs in full, including related expenses.

**VI. DELIVERY AND HANDOVER OF PERFORMANCE**

1. The Supplier shall deliver to CLS the Performance in the quantity, design and quality specified in the Contract/Order, at the time and place specified in the Contract/Order, otherwise in the usual quality.
2. The Supplier shall hand over to CLS the documents necessary for the acceptance and use of the Performance, the documents stipulated by the Contract/Order and the documents that are usual in the given case with regard to the nature of the Performance (these are mainly certificates, packing slips, shipping documents and invoices). Unless the delivery of paper originals is necessary for legal reasons, the Supplier shall deliver the documents at the request of CLS in the form of Electronic Delivery.
3. The Supplier shall hand over the original delivery note to CLS together with the Performance or sign a handover report with CLS, generally containing the following information:
  - a) The name and complete address of CLS, including the telephone number of the responsible contact person, as specified in the Order or Contract;

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- b) The Supplier's name and complete address, including the name of the responsible person as specified in the Order or Contract;
  - c) The delivery note number, Order number or Contract number;
  - d) The exact specifications of Performance;
  - e) The identification numbers, quantities and serial numbers corresponding to the relevant item(s) in the Contract or Order;
  - f) The date of issue of the delivery note or handover record and the signature of the Contracting Parties' authorised persons;
  - g) Any other data specified in the relevant Contract or Order.
4. If export or import licenses are required for delivery of the Performance, the Supplier shall arrange a license corresponding to the contractual relationship and CLS shall provide the related certificates or licenses.
5. In the event that the Performance is the delivery of Goods, the Goods shall be delivered in packaging specified by the relevant standards for the agreed type of Goods and for the agreed Delivery Terms so as to prevent damage during transportation to the agreed destination. Unless otherwise specified in the relevant standard or Contract/Order, the packaging and method of packaging shall be determined by the Supplier, who shall also notify the carrier of any special transport arrangements, if required for the relevant Goods.
6. The Supplier is entitled to deliver the Performance before the time specified for delivery in the Contract or Order only with CLS' prior written consent. The Supplier shall notify CLS of its prior written consent to early delivery at least 5 days prior to the intended delivery of Performance. Partial deliveries of Performance shall not be permitted without CLS' prior written consent.
7. Unless otherwise specified in the Contract, the delivery of the Goods within the meaning of INCOTERMS 2020 is subject to the DAP/DPU clause Mladoboleslavská 1081, 197 00 Prague 9 - Kbely, Czech Republic.
8. CLS shall acquire title to the Goods upon CLS's acceptance of the Goods. Upon CLS's acceptance of the Goods, liability for accidental destruction, damage or loss of the Goods shall pass to CLS.

**VII. WARRANTY, LIABILITY FOR DEFECTS**

1. The Supplier provides CLS with a 24-month warranty for the quality of Performance, unless otherwise specified in the Contract or Order, on the following terms:
- a) The warranty term begins on the date of delivery of Performance pursuant to the Contract/Order. This date is marked on the relevant report, warranty certificate or similar document.
  - b) The warranty guarantees that the Performance has the agreed or usual characteristics, which it will retain throughout the warranty's duration.
  - c) For Performance for which a defect is claimed during the warranty term and for which transport to remove the defects would be impractical, the repair shall be carried out at the place where the Performance of the Contract/Order is located.
  - d) Claims of CLS, such as the correction of a defect in the Performance of the Contract/Order during the warranty term, shall usually be settled by the Supplier within 30 days of the date of a legitimate claim, unless the Contracting Parties agree otherwise or unless the nature of the Goods or Services does not allow it (particularly complex cases requiring independent or time-consuming expert assessment).
  - e) The warranty term is extended by any period when the Performance is under warranty and not fit for use for the agreed or usual purpose or does not have the agreed or usual characteristics. In the event that Defective Performance is replaced by new Performance, a new warranty term shall start to run.
2. If a defect occurs in the Performance during the warranty term, CLS is entitled to claim such defect at any time during the warranty term.
3. A written claim of a defect must include, at least, the identification of the Goods and a description of the defect. Electronic Delivery of a claim is allowed. The type of claim asserted due to Defective Performance shall be selected by CLS and notified to the Supplier. A claim asserted due to Defective Performance may be amended or modified by CLS until the Supplier accepts the complaint and the claim asserted.
4. CLS is entitled to make the following claims for Defective Performance or a combination thereof: repair of the Performance, delivery of new/replacement or missing Performance, reasonable discount on the Price, withdrawal from the Contract/Order.
5. The Supplier shall be liable for defects in the Performance at the time the risk of damage to the Performance passes to CLS, even if a defect in the Performance that exists during the warranty term becomes apparent later.
6. The Supplier shall also be liable for any defect arising during the warranty term, after the risk of damage to the Performance is transferred.
- The Supplier shall not be liable for damage to the Performance caused by improper use, defects caused by improper operation, improper handling, use and installation contrary to the user manual or technical regulations. In the event of an unjustified/unreasonable claim for Performance, CLS shall not bear the costs of transport by the Supplier and travel expenses to the place of inspection of the Performance complained about and back.

**VIII. PENALTIES**

1. Each Contracting Party shall have the right to withdraw from the Contract or similar contractual arrangement in cases where the

- other Contracting Party has materially breached its obligations under these T&C or the Contract/Order and a remedy was not effected even within a reasonable period of time.
2. A material breach of the Contract/Order shall, in particular, be deemed to occur if:
- a) The Supplier fails to deliver the Performance within the agreed timeframe and the delay in delivery of the Performance is longer than 30 days;
  - b) The Supplier unreasonably denies CLS' rights under the Supplier's liability for defects or warranty for the quality of Performance;
  - c) CLS is in arrears with the payment of a properly issued invoice or the acceptance of the Performance without defects, where the delay has lasted for more than 60 days;
  - d) The Supplier is in breach of its obligation as set out in Article XI(1) of the T&C.
3. The legal act of withdrawal from the Contract must be made in writing and demonstrably delivered to the other Party. Electronic Delivery of withdrawal under any provision of the Contract or T&C is permitted. Withdrawal from the Contract does not affect the right to compensation for damages or the right to reimbursement of contractual penalties under the Contract and/or the T&C.
4. In the event of a delay by the Supplier delivering the Performance, CLS shall be entitled to charge the Supplier a contractual penalty of 0.05% of the Price of the undelivered Performance for each day of delay.
5. If the Supplier delays removing claimed defects in the Performance delivered, CLS is entitled to demand a contractual penalty of 0.05% of the Price of the defective goods for each day of delay.
6. In the event of a delay by CLS paying a duly issued invoice, the Supplier shall be entitled to charge CLS default interest at the rate of 0.05% of the value of the unpaid invoice for each day of delay.
7. CLS shall be entitled to claim a contractual penalty of 50% of the total value of the specific Contract(s) and/or Order(s) to which the breach relates, if the Customer breaches an obligation under Article XI(1) of the T&C.

**IX. SPECIAL PROVISIONS**

1. The Supplier undertakes to notify CLS as soon as possible, but no later than after 48 hours, of any facts relating to Performance which have or may have any direct or indirect effect on the airworthiness certification of aircraft and related products, parts and/or equipment and/or environmental protection certification, as well as for the certification of design and manufacturing organisations, in particular, but not limited to Commission Regulation (EU) No 748/2012 of 3 August 2012.
2. If the Supplier's actions or omissions are in serious violation of applicable laws of the Czech Republic, EU and EASA, or if the Supplier fails to notify CLS of facts pursuant to Article IX(1) of the T&C, CLS is entitled to withdraw from the Contract.

**X. FORCE MAJEURE**

1. Force Majeure shall mean an extraordinary event that temporarily or permanently prevents the fulfilment of obligations under the Contract and which the obliged party could not have foreseen or averted with the care that can be required of it (including, but not limited to, measures by the relevant authorities, changes and modifications to legal standards related to Performance, failure to grant the relevant export/import licenses, etc.).
2. The Contracting Parties are entitled to suspend the performance of their obligations under the Contract/Order for as long as the circumstances excluding liability under paragraph 1 of this article continue to apply.
3. A Contracting Party claiming force majeure must immediately (if possible) notify the other Contracting Party in writing and take all possible measures to mitigate the consequences of the non-performance of the contractual obligations.
4. Force majeure shall preclude a claim for penalties against the Contracting Party affected by force majeure.
5. In the event of force majeure lasting for more than 45 days, both Contracting Parties shall be entitled to withdraw from the Contract.

**XI. FINAL PROVISIONS**

1. The Supplier undertakes to maintain confidentiality in relation to third parties with regard to facts of a tangible or intangible nature of which it becomes aware in connection with the Performance. Such facts are a trade secret of CLS. The Supplier shall not be entitled to use these facts for its own benefit or for the benefit of third parties, except for those legally entitled to do so, without CLS' express written consent.
2. The termination of the Contract/Order and/or the T&C or any of their provisions shall not extinguish claims for defects in the Goods and claims for a contractual penalty or damages. The Contracting Parties shall be obliged to perform everything agreed upon prior to the termination of the Contract/Order and/or T&C, unless otherwise agreed.
3. The legal regulations of the Czech Republic, in particular Act No. 89/2012 Coll., the Civil Code, as amended, shall apply to these T&C and all legal relations between CLS and the Customer, excluding the UN Convention on Contracts for the International Sale of Goods (MoFA Communication No. 160/1991 Coll.).
4. Disputes that may arise between the Contracting Parties in the performance of their contractual obligations shall be preferably resolved out of court. If no agreement is reached, the relevant court in the Czech Republic where CLS has its registered office shall have jurisdiction over a dispute.

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5. In the event that any provision of the T&C is or becomes invalid, ineffective or unenforceable, the validity, effectiveness and enforceability of the other provisions of the T&C shall not be affected thereby. To the extent that a provision is invalid, ineffective or unenforceable, the relationship between the Contracting Parties shall be governed by the general provisions of the applicable legal regulations.
6. These Supply General Terms and Conditions enter into force on 1 October 2022