

GENERAL TERMS AND CONDITIONS OF SALE

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23 May 2019

1. Preamble

- 1.1. These General Conditions for Supply (“General Conditions”) shall apply to all supplies of goods (“Products”) from NanoAvionika LLC, company registration no. 303353414, registered in Mokslininkų str. 2A, LT-08412 Vilnius Lithuania (“NanoAvionics”) to any buyer (“Buyer”) (NanoAvionics and the Buyer collectively referred to as the “Parties” and individually a “Party”). Modifications of or deviations from these General Conditions must be agreed upon in writing between the Parties.

2. Goods

- 2.1. Subject to the terms agreed in a separate contract and/or purchase order (“Contract”), NanoAvionics shall deliver the goods (“the Goods”) to the Buyer.
- 2.2. Packing. The Goods must be packed in strong cartons or containers, suitable for long distance air freight transportation and change of climate, well protected against moisture and shocks. NanoAvionics shall mark on each package the package number, gross weight, net weight, measurement and the wordings: “Keep away from moisture”, “HANDLE WITH CARE”, “This side up” etc. NanoAvionics shall be liable for any damage of the Goods and expenses incurred on account of improper packing and for any rust attributable to inadequate or improper protective measures taken by NanoAvionics in regard to the packing.

3. Delivery

- 3.1. Terms and conditions concerning the delivery of the Goods that are not provided for by General Conditions shall be understood in accordance with provisions of International Chamber of Commerce (“ICC”) Incoterms 2010, CIP.
- 3.2. The Goods shall be delivered within a period specified in writing between the Parties, after NanoAvionics receives advance payment which shall be, unless otherwise agreed upon between the Parties, stipulated in clause 4 of this agreement.

4. Payment conditions

- 4.1. The Buyer is obliged to pay in advance eighty (80) % of the overall amount. The advance payment must be paid within fifteen (15) calendar days after the effective date of Contract.
- 4.2. The Buyer shall pay the final payment within fifteen (15) calendar days after the delivery of the Goods.

- 4.3. All payments shall be made by transfer to a bank account specified by NanoAvionics in the ending of General Conditions, without any set-off, deduction or withholding except for any tax that the Buyer is required by law to deduct or withhold.

5. Shipping

- 5.1. NanoAvionics shall, within four (4) days before the date of shipment stipulated inform the Buyer by email of quantity and value of the Goods and date of readiness at the place of shipment. Partial shipment is allowed. NanoAvionics shall, within 48 hours after the completion of loading, provide parcel tracking number.
- 5.2. NanoAvionics shall pay any taxes, custom duties and fees as well as charges levied in respect of the exportation of the Goods and bear all risks before the Goods have been delivered to air carrier at the place of shipment. The air freight and insurance premium in respect of exportation of the Goods shall be borne by NanoAvionics.

6. Warranties relating to the Goods

- 6.1. NanoAvionics warrants that for a period of twelve (12) months from the date of delivery or date of launch (whichever comes first), the Goods shall be of the quality required by the Contract and free from defects in design, workmanship or materials, brand new and unused. NanoAvionics guarantees that the Goods are made of the materials set forth in the Datasheet or Specifications as agreed upon between the Parties and conforms in all respects with the specification and performance stipulated in above mentioned datasheet and technical manual.
- 6.2. Within the warranty period, in case of defect, the Buyer shall submit a written notice giving full particulars of the defect. After receiving the written notification from the Buyer, NanoAvionics shall submit the written recovery plan within fifteen (15) calendar days to repair or replace the defective item or part thereof. The decision as to whether the defective item should be repaired or replaced shall be at the disposition of NanoAvionics, after consultation with the Buyer.
- 6.3. After receiving the written recovery plan from NanoAvionics, The Buyer shall return the defective item for inspection to determine the validity of the warranty claim.
- 6.4. The warranty shall cover the costs of repair or replacement and re-testing (if available) of the item which have been found defective. Transportation and insurance costs for the defective item shall be borne by NanoAvionics.
- 6.5. NanoAvionics shall be under no liability in respect of any defect in the Goods arising from fair wear and tear, or any wilful damage, negligence, subjection to abnormal working conditions, failure to follow NanoAvionics's written instructions, misuse or alteration or repair of the Goods without NanoAvionics's approval, or any other act or omission on the part of the Buyer.
- 6.6. The warranty shall not apply to any of the Goods or part of the Goods, in case the Buyer:
- 6.6.1. Does not properly store, install, use or maintain the Goods;
 - 6.6.2. Modifies the Goods, other than pursuant to any instruction issued or approved by NanoAvionics, or subjects to testing not approved in writing by NanoAvionics;
 - 6.6.3. Subjects the Goods to misuse or detrimental exposure of any kind;
 - 6.6.4. Uses the Goods in a manner inconsistent with or beyond its intended purpose.

In the events mentioned above, the Goods shall be repaired or replaced by Seller at the Buyer's expense.

6.7. NanoAvionics's sole obligation and liability shall be limited to the repair or replacement of the defective item, and the transportation and insurance costs. For the Goods that are used in space or in launches, the warranty period shall expire within the twelve-month period stated above or upon launch, whichever comes first.

7. Non-performance of the Buyer's obligation to pay the price at the agreed time

7.1. If the Buyer fails to pay the price at the agreed time, NanoAvionics shall fix to the Buyer an additional period of time of fourteen (14) days for performance of payment. If the Buyer fails to pay the price at the expiration of the additional period, NanoAvionics may terminate Contract in accordance with Article 11 of General Conditions.

7.2. If the Buyer fails to pay the price at the agreed time, NanoAvionics shall in any event be entitled, without limiting any other rights it may have, to charge interest on the outstanding amount (both before and after any judgment) at the rate of 0.5% for every seven days.

8. Non-performance of NanoAvionics's obligation to deliver the Goods at the agreed time

8.1. If NanoAvionics fails to deliver the Goods at the agreed time, the Buyer shall fix to NanoAvionics an additional period of time of fourteen (14) days for performance of delivery. If NanoAvionics fails to deliver the Goods at the expiration of the additional period, the Buyer may terminate the purchase in accordance with Article 11 of General Conditions.

8.2. If NanoAvionics is in delay in delivery of the Goods as provided in Contract, the Buyer is entitled to claim liquidated damages equal to 0.5% of the price of those goods for every seven days, provided the Buyer notifies NanoAvionics in writing of the delay.

8.3. Liquidated damages will run from the date of notification. Liquidated damages for delay shall not exceed 5 % of the price of the delayed Goods. Liquidated damages for delay do not preclude termination of Contract in accordance with Article 11.

9. Lack of conformity

9.1. There is a lack of conformity where NanoAvionics has delivered:

9.1.1. Partial delivery of the Goods;

9.1.2. The Goods which are not those to which Contract relates or goods of a different kind;

9.1.3. The Goods which were damaged during the transportation.

9.2. NanoAvionics shall be liable under paragraph 9.1 of this Article for any lack of conformity that exists at the time when the risk passes to the Buyer, even though the lack of conformity becomes apparent only after that time.

- 9.3. NanoAvionics shall not be liable under paragraph 9.1 of this Article for any lack of conformity if, at the time of the conclusion Contract, the Buyer knew or could not have been unaware of such a lack of conformity.
- 9.4. The Buyer shall examine the Goods, or cause them to be examined, within a period of seven (7) days from the date on which the Goods were actually handed over to the Buyer. Buyer shall notify NanoAvionics of any lack of conformity of the Goods in writing, specifying the nature of the lack of conformity, within seven (7) days after the Buyer has discovered or ought to have discovered the lack of conformity. In any event, the Buyer loses the right to rely on a lack of conformity if he fails to notify NanoAvionics thereof at the latest within a period of fifteen (15) calendar days from the date on which the Goods were actually handed over to the Buyer.
- 9.5. Where the Buyer has given due notice of non-conformity to NanoAvionics, the Buyer may at his option:
- 9.5.1. Require NanoAvionics to deliver any missing quantity of the Goods, without any additional expense to the Buyer;
 - 9.5.2. Require NanoAvionics to replace the Goods with conforming goods, without any additional expense to the Buyer.

10. Transfer of property

- 10.1. The property in the Goods specified in Contract shall not pass to the Buyer until NanoAvionics has received payment in full of the price of the Goods.

11. Termination of contract

- 11.1. There is a breach of contract where a party fails to perform any of its obligations under this contract, including defective, partial or late performance.
- 11.2. In a case of a breach of contract according to paragraph 11.1 of this Article, the aggrieved party shall, by notice to the other party, fix an additional period of fourteen (14) days for performance. During the additional period of time the aggrieved party may withhold performance of its own reciprocal obligations and may claim damages but may not declare the contract terminated. If the other party fails to perform its obligation within the additional period of time, the aggrieved party may declare the contract terminated.
- 11.3. A declaration of termination of the contract is effective only if made by notice to the other party.

12. Consequences of termination

- 12.1. Termination of the contract releases Parties from their obligation to effect and to receive future performance, subject to any damages that may be due.
- 12.2. Termination of the contract does not preclude a claim for damages for non-performance.
- 12.3. Termination of the contract does not affect any provision in the contract for the settlement of disputes or any other term of the contract that is to operate even after termination.

13. Restitution

- 13.1. Upon termination of the contract either party may claim restitution of whatever it has supplied, provided that such party concurrently makes restitution of whatever it has received.
- 13.2. If both parties are required to make restitution, they shall do so concurrently.
- 13.3. The Buyer shall be liable to account to NanoAvionics for all the benefits which he has derived from the Goods or part of them, as the case may be:
- 13.3.1. Where he is under an obligation to return the Goods or part of them;
- 13.3.2. Where it is impossible for them to return the Goods or part of them, but the contract is nevertheless terminated.

14. Damages

- 14.1. Any non-performance gives the aggrieved party a right to damages either exclusively or in conjunction with any other remedies except where the non-performance is excused under force majeure.
- 14.2. Where the contract is not terminated, damages for a breach of the contract by one party shall consist of a sum equal to the loss, including loss of profit, suffered by the other party. Such damages shall not exceed the loss which the Party in breach ought to have foreseen at the time of the conclusion of the contract, in the light of the facts and matters which then were known or ought to have been known to it, as a possible consequence of the breach of the contract. In any case, total accrued damages could not exceed agreed upon in the Contract.
- 14.3. Damages are to be assessed in the currency in which the monetary obligation was expressed.

15. Confidentiality

- 15.1. Parties agree to keep all data or information relating to the Parties or to these Terms and Conditions as confidential following the terms and conditions of Non-Disclosure Agreement signed between the Parties in the beginning of communications.

16. Force majeure – excuse for non-performance

- 16.1. Force majeure means war, emergency, accident, fire, earthquake, flood, storm, industrial strike or other impediment which the affected party proves was beyond its control and that it could not reasonably be expected to have taken the impediment into account at the time of the conclusion of General Conditions or to have avoided or overcome it or its consequences.
- 16.2. A party affected by force majeure shall not be deemed to be in breach of General Conditions, or otherwise be liable to the other, by reason of any delay in performance, or the non-performance, of any of its obligations under General Conditions to the extent that the delay or non-performance is due to any force majeure of which it has notified the other party in accordance with Article 15.3. The time for performance of that obligation shall be extended accordingly, subject to Article 15.4.
- 16.3. If any force majeure occurs in relation to either party which affects or is likely to affect the performance of any of its obligations under General Conditions, it shall notify the other party

within a reasonable time as to the nature and extent of the circumstances in question and their effect on its ability to perform.

- 16.4. If the performance by either party of any of its obligations under General Conditions is prevented or delayed by force majeure for a continuous period in excess of three months, the Parties shall negotiate in good faith, and use their best endeavours to agree upon such amendments to General Conditions or alternative arrangements as may be fair and reasonable with a view to alleviating its effects, but if they do not agree upon such amendments or arrangements within a further period of thirty (30) days, the other party shall be entitled to terminate the Contract by giving written notice to the Party affected by the force majeure.

17. Entire agreement

- 17.1. General Conditions sets out the entire agreement between the Parties. Neither party has entered into the Contract in reliance upon any representation, warranty or undertaking of the other party that is not expressly set out or referred to in General Conditions. This Article shall not exclude any liability for fraudulent misrepresentation.
- 17.2. General Conditions may not be varied except by an agreement of the Parties in writing (which may include e-mail).

18. Notices

- 18.1. Any notice under General Conditions shall be in writing (which may include e-mail) and may be served by leaving it or sending it to the address of the other party in a manner that ensures receipt of the notice can be proved.

19. Effect of invalid or unenforceable provisions

- 19.1. If any provision of General Conditions is held by any court or other competent authority to be invalid or unenforceable in whole or in part, General Conditions shall continue to be valid as to its other provisions and the remainder of the affected provision, unless it can be concluded from the circumstances that, in the absence of the provision found to be null and void, the Parties would not have concluded the Contract. The Parties shall use all reasonable efforts to replace all provisions found to be null and void by provisions that are valid under the applicable law and come closest to their original intention.

20. Applicable law and guiding principles

- 20.1. Questions relating to General Conditions that are not settled by the provisions contained in this document shall be governed by the United Nations Convention on Contracts for the International Sale of Goods (Vienna Sales Convention of 1980, hereafter referred to as CISG).
- 20.2. Questions not covered by the CISG shall be governed by the UNIDROIT Principles of International Commercial Contracts (hereafter referred to as UNIDROIT Principles), and to the

extent that such questions are not covered by the UNIDROIT Principles, by reference to the laws of The Netherlands.

21. Dispute resolution

21.1. All disputes arising in connection with the Agreement, including its conclusion, interpretation, performance, breach, termination or invalidity, shall be settled in accordance with the Arbitration Rules of the Netherlands Arbitration Institute. The arbitral tribunal shall be composed of one arbitrator. The arbitral tribunal shall be appointed according to the list procedure. The proceedings shall be conducted in the English.

22. Language of the contract

22.1. The Contract has been negotiated and concluded in English. It may be translated into any other language for practical purposes, but the English version shall prevail in the event of any doubt.