

TERMS AND CONDITIONS OF PURCHASE

TMG AVIA PRIVATE LIMITED LIABILITY COMPANY

PACELLISTR. 5, 80333 MUNICH, GERMANY | TILTO STR. 12B, 01101 VILNIUS, LITHUANIA

The following terms and conditions govern the purchase of merchandise by TMG AVIA Ltd. and their subsidiaries and affiliated companies (“Purchaser” or “TMG Avia”) from third parties (each a “Supplier”).

ACCEPTANCE: Acceptance by Supplier of the Purchase Order and these additional terms and conditions as set forth below shall be deemed to occur upon Supplier’s commencement of performance of its obligations hereunder.

QUALITY: All products ordered by specific part numbers must be delivered as ordered and with all applicable trace paperwork and with no substitutions without Purchaser's specific prior written approval. Supplier must notify Purchaser of any nonconforming product part included in an order or used incorporated within any repairs performed on behalf of Purchaser, and obtain nonconforming product disposition approval. Supplier must notify Purchaser of any changes in product and/or process definition, changes of suppliers, changes of manufacturing facility location, and where required obtain Purchaser’s prior written approval. Purchaser, its customers, and applicable regulatory authorities have right of access to all supplier's facilities involved in TMG Avia purchase/repair orders and all applicable records. Supplier must flow down to sub-tier suppliers and vendors all applicable requirements of TMG Avia purchase/repair order[s]. TMG Avia requires Supplier to promptly report defects and un-airworthy conditions to TMG Avia and to all applicable regulatory authorities. All work must be accomplished in accordance with the latest revision of the manufacturer's publications, manuals, recommendations and requirements. Supplier must comply with all applicable manufacturer's requirements and aviation authority regulations, including but not limited to compliance with all applicable FAA airworthy directives. TMG Avia requires all applicable release documentation, which might include teardown reports, work-scope packages, proof that product is non incident related, FAA/EASA/CAAC (as applicable) certifications and all applicable trace paperwork to be included with product and maintained by supplier for a minimum retention period as defined by applicable statutory and regulatory requirements, or seven years, whichever is longer.

Quality Management System Requirements: TMG Avia is certified under various Quality Management Systems (QMS). Being an approved vendor and/or supplier to TMG Avia you are subject to the flow down requirements of the QMS including but not limited to vendor/supplier personal being competent, trained in identification of suspected unapproved and counterfeit parts and personnel are aware of their contribution to product or service conformity, product safety and the importance of ethical behavior.

SHIPPING INSTRUCTIONS: Notice of shipment shall be sent to Purchaser at the time of shipment, which shall state the number of the Purchase Order, the kind and amount of merchandise and the route by which the shipment is being made. All merchandise shall be suitably packed, marked and shipped in accordance with shipping instructions specified herein and the requirements of common carriers in manner to secure the lowest transportation cost. Supplier shall be liable for any difference in freight charges arising from its failure to: (a) follow the shipping instructions specified herein or (b) properly describe the shipment. Purchaser and Supplier mutually agree to assist each other in obtaining documents and other information necessary for the prosecution of claims against carriers. Supplier shall forward to Purchaser, with the invoice, the express receipt or bill of lading, signed by the carrier, evidencing the fact

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that shipment has been made. Any losses accruing from deviation from the Purchaser's routing instructions shall be the sole responsibility of the Supplier.

INVOICING: Supplier shall render a separate invoice for each shipment. Original bills of lading or other shipping documents must accompany invoice. No charges for packing or cartage will be accepted or paid unless otherwise specified on this order.

SHIPMENT AND TRANSPORTATION CHARGES: Where prepaid transportation charges are chargeable to TMG Avia, the amount of such charges and any paid tax paid thereon shall be set forth as separate items on the invoice. The carrier's original receipt showing payment of such charges shall be attached to the invoice. If, in order to comply with Purchaser's required delivery, it becomes necessary for Supplier to ship by a more expensive means than specified in the Purchase Order, any increased transportation costs resulting there from shall be paid for by Supplier unless the necessity for such rerouting or expedited handling has been caused by Purchaser.

DISCOUNTS: Time for allowance of discounts will be computed from date of receipt of invoices and/or merchandise, whichever is later, together with all required supporting documents in proper form in accordance with these instructions.

DELIVERY: Timely deliveries are of the essence for this order. In the event of Supplier's failure to deliver the merchandise as and when specified, or to perform as and when specified, Purchaser reserves the right to cancel this order, or any part thereof, without prejudice to its other rights, and Supplier agrees that Purchaser may return part of any shipment so made and may charge Supplier with any loss expense sustained as a result of such failure to deliver or to perform. If goods are not timely shipped and/or delivered to Purchaser, then Purchaser shall not be liable for payment of merchandise if Purchaser elects to refuse or return the goods. If Supplier determines for any reason that Supplier cannot meet the delivery date specified on the face of the Purchase Order, Supplier shall promptly notify Purchaser in writing of such delay and the expected duration of the same.

INSPECTION: All goods and/or services specified in this order are subject to Purchaser's inspection within a reasonable time after arrival at the ultimate destination. If, upon inspection, any merchandise is found to be non-conforming, defective, of inferior quality or workmanship, or fails to meet the specifications of any other requirements of this order (hereinafter "Non-Conforming Goods"), then Purchaser may reject same and return the Non-Conforming Goods to Supplier at Supplier's expense. Payment for Non-Conforming Goods shall not be an acceptance of such goods and/or services. Upon the return of Non-Conforming Goods Supplier shall reimburse Purchaser for: (a) any amounts paid by Purchaser on account of the purchase price of such goods and/or services and (b) any costs incurred by Purchaser in connection with the delivery or return of such goods and/or services. Such expenses include, but are not limited to, expenses related to unpacking, examining, handling, repacking and re-shipping. Alternatively, Purchaser may require Supplier, at Supplier's expense, to remove from the premises of Purchase defective or non-conforming merchandise, or merchandise supplied in excess of the quantities called for. In the event that Purchaser receives merchandise whose defects or non conformity are not immediately apparent on examination, Purchase reserves the right to require replacement, as well as

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payment of any applicable damages, within a reasonable time following discovery of any defect or non-conformity.

TITLE AND RISK OF LOSS: Except as otherwise provided in the Purchase Order, title passes to Purchaser upon delivery of the merchandise at Purchaser's premises. The risk of loss of and damage to the merchandise which are the subject of this Purchase Order, regardless of the F.O.B. point, shall be and remain with the Supplier until the merchandise is delivered to the destination set forth in the order and accepted by the Purchaser or Purchaser's nominee.

CANCELLATION: Purchaser may at its option cancel any unshipped merchandise. If this order covers standard stock merchandise, Purchaser's only obligation shall be to pay for and accept merchandise shipped prior to the date of cancellation. If this order covers merchandise manufactured or fabricated to Purchaser's (as apposed to Supplier's) specifications, (a) Supplier shall stop all performances hereunder immediately upon receipt of notice of and (b) provided that Supplier is not in default, Purchaser shall reimburse Supplier for (i) the direct cost per item of merchandise incurred by Supplier on all items of merchandise which have been wholly or partially manufactured in connection with this order prior to the receipt of notice of cancellation Upon payment, title to all materials or partially complete merchandise shall pass to Purchaser. Supplier agrees that it will not manufacture (and Purchaser will not be responsible for payment of) items in reserve more than equal the number of manufactured items that it has shipped to Purchaser at any one time. Purchase shall not be responsible for any costs incurred for work done after receipt by Supplier of notice of cancellation, nor for any costs incurred by Supplier's suppliers or subcontractor, if such costs could have been reasonable avoided by Supplier.

TERMINATION FOR CAUSE: Purchaser may terminate the Purchase Order, or any part thereof, at any time for cause by delivering to Supplier a written notice to such effect and stating that it is a notice of termination. Such termination shall be effective upon Supplier's receipt of such notice. For the purposes of this Section, "cause" shall exist if Supplier defaults in the observance or performance of any of the terms, covenants or conditions of the Purchase Order which are required to be observed or performed by Supplier, or otherwise fails to comply with or breaches any of the terms, covenants or conditions of the Purchase Order. In addition, "cause" shall also exist in the event that there are late deliveries, or deliveries of merchandise or provisions of services which are defective or which do not conform to the Purchase Order, or in the event that Supplier, for whatever reason, fails to provide Purchaser, upon request, with adequate assurance of due performance by Supplier. In the event of such termination for cause, Supplier shall be liable to Purchaser for any and all damages sustained by Purchaser by reason of the default which gave rise to such termination.

TAXES: Excise, Sales or Use tax, VAT or any other governmental tax, where applicable, shall be billed as a separate item on same invoice as the merchandise to which it is related.

WARRANTY: In addition to any other written warranties, Supplier warrants that the merchandise and/or services to be furnished under this order shall fully conform to the specifications, drawings, samples or other description furnished or adopted by Purchaser and shall be fit and sufficient for the purpose intended, merchantable, of first grade quality and workmanship and free from defects. Purchaser's inspection, test, acceptance or use of, or payment for, the goods and/or services furnished hereunder shall

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not affect the Supplier's obligation under this warranty, and the warranties made herein shall survive any inspection, test, acceptance, use and payment by Purchaser. Supplier's warranty shall be applicable to Purchaser, its successors, assigns and customers, and to users of products or services sold by Purchaser to the extent that they incorporate the merchandise and/or services that are the subject of the Purchase Order. Supplier agrees to replace or correct defects of any merchandise and/or services not conforming to the foregoing warranty promptly, without expense to Purchaser, when notified of such non-conformity by Purchaser, provided Purchaser elects to provide Supplier with the opportunity to do so. In the event of failure of Supplier to so correct defects in or replace non-conforming goods and/or services promptly, Purchaser, after reasonable notice to Supplier, may make such corrections or replace such merchandise and/or services and charge Supplier for the cost incurred by Purchaser in so doing. There shall be available to Purchaser, in addition to and not in lieu of the foregoing warranties, any rights, remedies and warranties available at law or in equity.

INDEMNITY: Supplier will indemnify Purchaser and shall hold Purchaser harmless from any loss, liability, damage, or expense (including attorney's fees), arising from infringement or claimed infringement of any patent, trademark or copyright arising out of the use or possession of the goods furnished by Supplier. In the event that any material sold and delivered hereunder shall be defective in any respect whatsoever, Supplier will indemnify and save harmless Purchaser from all loss and/or expenses incurred by reason of all accidents, injuries, or damages to person or property that may occur in connection with the use or sale of such material and are contributed to by said defective condition, except when due to Purchaser's gross negligence or willful misconduct. Supplier further agrees to defend at Supplier's sole expense any and all suits charging such infringement. Supplier further agrees to indemnify and hold Purchaser harmless from any and all claims, demands causes of actions, costs and expenses (including attorney's fees) arising out of or in any manner related to Supplier's acts, omissions or negligence ("Conduct") as well as for the Conduct of Supplier's agents, employees or contractors.

LIENS: All merchandise furnished hereunder shall be free of all liens, claims, encumbrances and retained title contracts. Supplier agrees to discharge any lien, claim or encumbrance, within (10) days after Purchaser receives notice of such lien, or any claim of lien is recorded, whichever occurs earlier.

INSURANCE: Supplier shall maintain Workman's Compensation Insurance as required by law and shall maintain comprehensive general liability Insurance in the minimum amount of One Million Dollars (\$1,000,000).

NO ASSIGNMENT: Any purchase order and/or money due thereunder may not be assigned without written authorization by an officer of the Purchaser and any attempted assignment without such written consent shall be void. Supplier shall be prohibited from delegating any duties under or assigning the Purchase Order or any rights or claims under the Purchase Order, unless Supplier obtains the prior written consent of Purchaser, and any such attempted delegation or assignment without first obtaining such consent shall be null and void. Purchaser is under no obligation to consent to any request for such delegation or assignment. In the event that Purchaser does so consent, the assignee must agree to assume all of Supplier's responsibilities hereunder, and Supplier must remain liable to Purchaser in the event such permitted assignee fails to perform pursuant to the Purchase Order. In the event of any assignment, all claims for monies due or to become due from Purchaser hereunder shall be subject to deduction by

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Purchaser for any set-off or claim arising out of this or any other of Purchaser's transactions with the Supplier, whether such set-off or claim arose before or after any such assignment by the Supplier.

RESPONSIBILITY PRIOR TO ACCEPTANCE: Responsibility for damage or injury to material to be furnished under this order from any cause whatsoever shall rest with Supplier until final receipt and acceptance thereof by Purchaser, and in case of materials to be installed, until completion of installation and acceptance thereof by Purchaser.

SET-OFF: All claims for monies due or to become due from Purchaser hereunder shall be subject to deduction or set-off by the Purchaser by reason of any claim arising out of the Purchase Order or any other transaction with Supplier. Supplier hereby irrevocably and unconditionally waives all right of set-off that it may have under contract (including the Purchase Order), applicable law or otherwise with respect to any property, funds or monies of Purchaser at any time held by or in the possession of Supplier.

CHANGES: Purchaser shall have the right to make, from time to time and without notice to any sureties, factors or permitted assignees, changes as to packing, testing, destinations, specifications, designs, and delivery schedules. Supplier shall immediately notify Purchaser of any increases or decreases in costs caused by such changes, and an equitable adjustment in prices or other terms hereof shall be agreed upon in a written amendment to the Purchase Order.

NO WAIVER: No act or omission on the part of Purchaser in connection with the transaction which is the subject of the Purchase Order, including, but not limited to, payment for any goods or services, the failure of Purchaser to assert any right or remedy available to it in the Purchase Order or delay in exercising any right there under shall affect, or constitute a waiver of, any right or remedy of Purchaser contained in the Purchase Order or otherwise available to Purchaser at law or in equity.

NOTICES: Except as otherwise provided herein, any notice, invoice or other communication which is required by the Purchase Order shall be copied, transmitted by electronic mail, or sent by certified or registered mail, return receipt requested, addressed to the respective parties at their addresses as set forth on the Purchase Order.

SEVERABILITY CLAUSE: Any provisions of the Purchase Order that are prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability and shall not invalidate the remaining provisions thereof.

ENTIRE AGREEMENT: Any Purchase Order when signed by Purchaser shall be the only purchase order that shall be recognized by Purchaser as authority for charging goods and/or services to its account, and shall supersede all previous communication and negotiation and constitutes the sole and entire agreement between the parties unless there is also a formal written agreement related thereto and signed by the parties. If there is a conflict between the terms of such Purchase Order and the Supplier's Invoice, the terms of this Purchase Order will control absent a written agreement between the parties that provides otherwise.

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BREACH: If Supplier fails to make delivery of all or any of the items or perform all or any of the goods and/or services specified in this order within the time specified or shall otherwise fail to perform all or any of the terms of this order, then Purchaser may, at its option and without prejudice of any of its other rights, cancel this purchase order in whole or in part.

FORCE MAJEURE: Either party hereto may reasonably delay performance for causes beyond its reasonable control. In that regard, Supplier may delay delivery of the goods and/or performance of the services hereunder and Purchaser may delay delivery or acceptance of the same. In the event of any such delay by Purchaser, upon notice by Purchaser to Supplier, Supplier shall hold such goods at the direction of Purchaser and shall deliver them when the cause affecting the delay has been removed. In the event Supplier so holds and delivers said goods, Purchaser shall be responsible only for Supplier's direct additional cost in holding the goods or delaying performance of this Purchase Order at Purchaser's request. Causes beyond a party's control shall include, but not be limited to, government action or failure of the government to act where such action is required, strike or other labor trouble, fire or other casualty, acts of terrorism or war, or acts of God.

INDEPENDENT CONTRACTOR: In the event that any purchase order requires or contemplates performance of work to be done by Supplier's employees, or persons under contract to Supplier, on Purchaser's property, or the property of Purchaser's customers, Supplier agrees that all such work shall be performed as an independent contractor, and that the persons doing such work shall all be independent contractors and shall not be considered employees of the Purchaser. Supplier shall indemnify and save harmless and defend Purchaser, and its directors, officers, employees, agents and customers, from and against any and all claims, costs (including attorney's fees) and liabilities ensuing out of any performance of work hereunder on Purchaser's property or that of its customers, except to the extent caused by Purchaser's gross negligence or willful misconduct.

WARRANTY AS TO REBATE: Supplier hereby warrants that it has not and will not pay any rebate, commission, salary or any remuneration or reward, indirectly or in any form whatsoever to any officer, employee, agent, or representative employed by or on behalf of Purchaser for such person's personal use and/or benefit, rather all Rebates shall be for the sole benefit of and shall directly benefit Purchaser.

GOVERNING LAW AND GOVERNMENTAL REGULATIONS: All of Supplier's services and work product shall comply with all applicable laws, codes and regulations in effect at the time such services or work product are performed or delivered by Supplier or then enacted and to become effective at a later time. This Purchase Order shall be governed by and construed in accordance with the substantive laws of the State of Bayern, without regard to the conflict of law principles thereof, and the terms set forth above shall not be construed to limit any rights that Purchaser may have pursuant to the Uniform Commercial Code or other similar laws governing the relationship between the Purchaser and the Supplier. Any legal action or proceeding with respect to the Purchase Order or any document related thereto shall be brought in the courts of Bayern, and, by execution and delivery of the Purchase Order, Supplier and Purchaser each hereby accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts. Supplier and Purchaser each hereby irrevocably waives any objection, including, without limitation, any objection to the laying of venue or based on the grounds of forum non-convenience, which it may now or hereafter have to the bringing of any such action

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or proceeding in such jurisdiction. Supplier and Purchaser agree to accept service of process by certified or registered mail, return receipt requested, for any claim arising hereunder.

LIMITATION OF LIABILITY In no event shall either party be liable to the other for loss of anticipated profits or for incidental or consequential damages. Purchaser's liability on any claim of any kind for any loss or damage arising out of or in connection with or resulting from the Purchase Order or from the performance or breach thereof shall in no case exceed the price allocable to the goods or services, or the unit thereof which gives rise to the claim.

BINDING EFFECT: These terms and conditions shall be binding upon and inure to the benefit of Supplier and Purchaser, and their respective successors and permitted assigns.

SAFETY AND HEALTH: The Supplier of the merchandise provided under the Purchase Order certifies that said merchandise is provided in compliance with all applicable federal, state, and local occupational safety and health requirements.