

AVIALYA AVIATION INC.

STANDARD TERMS & CONDITIONS OF SALE

1. AGREEMENT

These Standard Terms & Conditions of Sale ("Terms") shall govern all quotations, sales, exchanges, loans, repairs, deliveries and related services supplied by AviAlya Aviation Inc. ("AviAlya"), unless otherwise expressly agreed in writing by an authorised representative of AviAlya.

By placing an Order with AviAlya, the Customer acknowledges that it has read, understood and accepted these Terms in their entirety. These Terms shall prevail over any terms and conditions submitted or referenced by the Customer unless expressly accepted by AviAlya in writing.

In the event of any inconsistency, the following order of precedence shall apply:

- (i) any written agreement executed by both Parties;
- (ii) any specific terms contained within the applicable Quotation, Exchange Order or Loan Order;
- (iii) these Standard Terms & Conditions of Sale.

2. DEFINITIONS

Unless the context otherwise requires, the following definitions shall apply:

"AviAlya" means AviAlya Aviation Inc.

"Customer" means the purchaser, borrower, exchange customer or recipient of any Product or Service supplied by AviAlya.

"Order" means any Purchase Order, Sales Order, Exchange Order, Loan Order, Repair Order or other written instruction accepted by AviAlya.

"Product" means any aircraft component, engine part, accessory, equipment, material or other aviation product supplied by AviAlya.

"Sale" means the outright sale of a Product by AviAlya.

"Exchange" means the supply of a Serviceable Unit by AviAlya in exchange for an Off Unit supplied by the Customer.

"Exchange Unit" means the serviceable Product supplied by AviAlya.

"Off Unit" or "Core Unit" means the unserviceable or removed component returned by the Customer to AviAlya in connection with an Exchange transaction.

"Exchange Fee" means the fee payable for an Exchange transaction as specified in the applicable quotation or Exchange Order.

"Late Fee" means the fee payable where the Off Unit is not returned within the applicable Off Unit Return Time.

"Off Unit Return Time" means the return period specified in the applicable Exchange Order, commencing on the shipment date of the Exchange Unit unless otherwise agreed in writing.

"Loan" means the temporary supply of a Product by AviAlya for a specified Loan Term.

"Loan Unit" means a Product supplied on loan by AviAlya.

"Loan Fee" means the applicable charge for a Loan transaction.

"Loan Term" means the agreed loan period specified in the applicable Loan Order.

"Repair" means any inspection, repair, overhaul, modification, testing or maintenance arranged or performed by AviAlya or its approved subcontractors.

"BER (Beyond Economical Repair)" means an Off Unit which, in AviAlya's reasonable technical opinion, is unsuitable or uneconomical to repair.

"Outright Price" means the outright purchase price applicable to the Exchange Unit as stated in the applicable quotation or Exchange Order.

"Serviceable" means a Product meeting the applicable airworthiness requirements and accompanied by acceptable release documentation.

"Unserviceable" means a Product requiring inspection, repair, overhaul, modification or testing before being considered Serviceable.

3. GENERAL

3.1 Unless otherwise agreed in writing, all Products supplied by AviAlya shall be released with the certification specified in the applicable quotation or Order.

3.2 Products specifically procured from third-party suppliers for a Customer may not be cancelled or returned unless otherwise agreed by AviAlya in writing.

3.3 Unless otherwise agreed in writing:

- * Serviceable Products shall be supplied with the warranty stated in the applicable quotation or Order;

- * Overhauled Products shall be supplied with the warranty specified by AviAlya or the repair facility.

3.4 Where AviAlya arranges Repair services through an approved maintenance organisation, AviAlya shall pass through the applicable repair warranty offered by the repair organisation unless otherwise agreed in writing.

4. QUOTATIONS

4.1 All quotations issued by AviAlya are non-binding until accepted in writing.

4.2 Unless otherwise stated, quotations remain valid for thirty (30) calendar days from the date of issue.

4.3 All quotations are subject to:

- * prior sale;
- * stock availability;
- * correction of typographical errors;
- * supplier confirmation;
- * export licence approval where applicable.

4.4 Prices are exclusive of VAT, customs duties, transportation, insurance, export fees and governmental charges unless expressly stated otherwise.

5. PAYMENT TERMS

5.1 Payment shall be made strictly in accordance with the payment terms stated on the applicable invoice.

5.2 Time shall be of the essence in respect of all payments due to AviAlya.

5.3 Any disputed invoice must be notified to AviAlya in writing within fourteen (14) calendar days from the invoice date. Any undisputed portion shall remain payable in accordance with the agreed payment terms.

5.4 AviAlya reserves the right to suspend any current or future Orders where payment obligations have not been satisfied.

5.5 AviAlya may require advance payment, full payment or a Security Deposit before shipment of any Product, Exchange Unit or Loan Unit.

5.6 Any Security Deposit may be applied by AviAlya against any outstanding:

- * Exchange Fees;

- * Loan Fees;
- * Repair Charges;
- * BER Charges;
- * Outright Price;
- * freight charges
- * customs charges;
- * storage charges;
- * handling charges; or
- * any other sums owed by the Customer.

6. DELIVERY

Unless otherwise expressly agreed in writing, all Products shall be supplied **EX WORKS (EXW) AviAlya Aviation Inc. facility, Incoterms® 2020.**

Risk of loss or damage shall pass to the customer upon delivery in accordance with the applicable Incoterms® 2020.

The customer shall be solely responsible for export customs clearance, import customs clearance, transportation, insurance, duties, taxes and all costs arising after delivery EX WORKS.

Any shipment arranged by AviAlya on behalf of the Buyer shall be solely as the customer's forwarding agent and shall not modify the applicable Incoterms® or transfer any additional responsibility or liability to AviAlya.

Delivery dates are estimates only and shall not constitute a guarantee. AviAlya shall not be liable for delays caused by carriers, customs authorities or events beyond its reasonable control.

7. EXCHANGE TRANSACTIONS

7.1 General

Where AviAlya supplies an Exchange Unit, the Customer agrees to return an acceptable Off Unit in accordance with these Terms.

The Exchange Fee is payable irrespective of whether the Exchange Unit is installed, utilised or subsequently returned unused.

7.2 Off Unit Return Time

Unless otherwise agreed in writing, the Off Unit must arrive at the location nominated by AviAlya within the Off Unit Return Time stated on the Exchange Order.

The Off Unit Return Time shall commence on the shipment date of the Exchange Unit.

Failure to return the Off Unit within the agreed period shall constitute a Late Return.

7.3 Late Fee

Where an Off Unit is returned late, AviAlya may charge a Late Fee for each commenced thirty (30) day period until:

- * the Off Unit is received and accepted by AviAlya; or
- * the transaction is converted into an Outright Sale.

Payment of any Late Fee shall not prevent AviAlya from exercising any other contractual rights.

7.4 Core Acceptance Requirements

An Off Unit shall only be accepted where it:

- * is the correct Part Number unless otherwise agreed;
- * bears an acceptable Serial Number;
- * has not suffered abnormal damage after removal;
- * has not been dismantled, cannibalised or modified without AviAlya's written approval;
- * is capable of economic repair unless sold on a BER basis;
- * is accompanied by the required documentation.

AviAlya reserves the right to reject any Off Unit failing these requirements.

7.5 Documentation Requirements

Unless otherwise agreed, each Off Unit shall be accompanied by:

- * Removal Tag;

- * Shop Finding Report (where available);
- * Non Incident Statement (if requested);
- * Operator identification;
- * Aircraft MSN and registration (where applicable);
- * all documentation reasonably required to establish traceability.

Failure to provide documentation may result in additional charges or rejection of the Off Unit.

7.6 Inspection

All returned Off Units shall remain subject to technical inspection by AviAlya or its nominated repair organisation.

Acceptance upon receipt shall not constitute final acceptance.

AviAlya reserves the right to revise any preliminary assessment following teardown inspection.

7.7 Beyond Economical Repair (BER)

If an Off Unit is determined to be Beyond Economical Repair, AviAlya may:

- a) reject the Off Unit;
- b) require payment of BER Charges;
- c) convert the transaction into an Outright Sale;
- d) agree an alternative commercial settlement.

The technical determination of BER by AviAlya or its approved repair facility shall be final unless a manifest error is demonstrated.

7.8 Additional Repair Charges

AviAlya shall charge the Customer the cost of Repair plus a handling fee equal to ten percent (10%) of the Repair cost. AviAlya reserves the right to charge any additional workshop costs including, but not limited to, parts, material, labour, inspection, teardown, recertification, freight, customs, storage and any other reasonable costs incurred in connection with the Repair or Exchange transaction, in addition to the quoted Exchange Fee.

7.9 Outright Conversion

If:

- * no Off Unit is returned;
- * the Off Unit is rejected;
- * the Off Unit is BER;
- * the Customer fails to comply with these Terms,

AviAlya may, by written notice, convert the Exchange transaction into an Outright Sale.

Upon conversion:

- * the Outright Price shall immediately become payable;
- * all Late Fees shall remain payable;
- * all freight, storage and handling costs shall remain payable;
- * title to the Exchange Unit shall permanently transfer to the Customer upon full payment.

7.10 Unused Exchange Units

The return of an unused Exchange Unit shall not automatically cancel the Exchange transaction.

Unless otherwise agreed in writing:

- * the Exchange Fee remains payable;
- * freight charges remain payable;
- * inspection costs remain payable;
- * handling charges remain payable.

Acceptance of any unused Exchange Unit shall be entirely at AviAlya's discretion.

8. LOAN TRANSACTIONS

8.1 General

Where AviAlya supplies a Product on a Loan basis, the Customer shall return the Loan Unit in the same Part Number, complete condition and with normal wear and tear only, no later than the expiry of the agreed Loan Term.

The Loan Term shall commence on the shipment date of the Loan Unit unless otherwise agreed in writing.

8.2 Loan Fees

The Customer shall pay the Loan Fee specified in the applicable Loan Order.

If the Loan Unit is not returned within the agreed Loan Term, AviAlya may charge additional Loan Fees for each commenced day, week or month (as specified in the Loan Order) until:

- the Loan Unit has been returned, inspected, recertified (where required) and accepted back into AviAlya's available stock;
- or the transaction is converted into an Outright Sale.

The Loan Term shall not be deemed to have ended upon physical receipt of the Loan Unit. It shall continue until the Loan Unit has successfully completed AviAlya's incoming inspection and any required recertification process and has been returned to available stock.

8.3 Condition of Returned Loan Unit

The returned Loan Unit shall:

- * be complete;
- * not be cannibalised;
- * not contain substitute parts without AviAlya's written approval;
- * not have suffered abnormal damage;
- * be accompanied by all required documentation.

Any missing parts, damage, repairs or restoration costs shall be invoiced to the Customer.

8.4 Loss or Destruction

If a Loan Unit is lost, destroyed, seized, confiscated or cannot be returned for any reason, the Customer shall immediately pay:

- * the Outright Price of the Loan Unit;
- * all accrued Loan Fees;
- * freight, insurance and handling charges; and
- * any other costs reasonably incurred by AviAlya.

9. WARRANTY

9.1 General Warranty

Unless otherwise stated in writing, AviAlya warrants that Serviceable Products supplied under an Outright Sale shall, at the time of shipment, conform to the description stated in the applicable quotation or Order and be accompanied by the agreed release documentation.

9.2 Warranty Period

The applicable warranty period shall be that stated on AviAlya's quotation, invoice or release documentation.

Where no warranty period is stated, no additional warranty shall be implied. Warranty shall only apply where the Product has been installed, operated, maintained and stored in accordance with the applicable OEM manuals and aviation industry standards.

9.3 Warranty Claims

The Customer shall notify AviAlya in writing immediately upon discovery of any alleged warranty defect and, in any event, before the expiry of the applicable warranty period.

The Customer shall not repair, dismantle or modify the Product without AviAlya's prior written approval.

Failure to comply shall invalidate any warranty claim.

9.4 Warranty Remedy

Where a valid warranty claim is accepted, AviAlya may, at its sole discretion:

- * repair the Product;
- * replace the Product;

- * provide an equivalent Product;
- * issue a credit note; or
- * refund the purchase price actually paid.

These remedies shall constitute the Customer's exclusive remedy.

9.5 Warranty Exclusions

The warranty shall not apply where the Product has been subjected to:

- * improper installation;
- * misuse;
- * accident;
- * foreign object damage;
- * corrosion;
- * contamination;
- * improper storage;
- * incorrect maintenance;
- * unauthorised repair;
- * modification;
- * normal wear and tear;
- * operation outside the manufacturer's approved limits.

10. LIMITATION OF LIABILITY

To the fullest extent permitted by applicable law:

AviAlya shall not be liable for any:

- * indirect loss;
- * consequential loss;
- * loss of profit;
- * loss of revenue;
- * loss of business;

- * loss of opportunity;
- * loss of use;
- * loss of goodwill;
- * aircraft grounding costs;
- * replacement aircraft costs;
- * passenger compensation;
- * delay damages;
- * punitive or exemplary damages.

10.2 Maximum Liability

Except in cases of fraud or wilful misconduct, AviAlya's total aggregate liability arising out of any Order shall not exceed the amount actually paid by the Customer for the relevant Product or Service.

10.3 No Airworthiness Responsibility

The Customer shall be solely responsible for determining the suitability, airworthiness and regulatory compliance of any Product prior to installation or use.

Nothing supplied by AviAlya shall relieve the Customer of its obligations under applicable aviation regulations.

11. FORCE MAJEURE

AviAlya shall not be liable for any delay or failure to perform caused directly or indirectly by circumstances beyond its reasonable control, including but not limited to:

- * acts of God;
- * war;
- * terrorism;
- * riots;
- * strikes;
- * labour shortages;
- * pandemics;

- * governmental action;
- * sanctions;
- * export licence refusal;
- * customs delays;
- * transportation disruption;
- * fire;
- * flood;
- * earthquake;
- * cyberattack;
- * supplier failure;
- * utility interruption.

Where a Force Majeure Event continues for more than ninety (90) consecutive days, AviAlya may terminate the affected Order without liability.

12. EXPORT CONTROL & SANCTIONS

The Customer represents and warrants that it shall comply with all applicable export control laws, sanctions regulations and trade restrictions.

The Customer shall not directly or indirectly:

- * export;
- * re-export;
- * transfer;
- * resell; or
- * otherwise make available

any Product supplied by AviAlya in violation of applicable export control or sanctions laws.

AviAlya reserves the right to refuse, suspend or cancel any Order where it reasonably believes that the transaction may violate any applicable export control or sanctions regulations.

13. CONFIDENTIALITY

13.1

Each Party shall keep confidential all commercial, technical, financial and operational information received from the other Party which is designated as confidential or would reasonably be understood to be confidential.

13.2

Neither Party shall disclose such information to any third party except:

- * where required by law;
- * to its professional advisers;
- * to insurers;
- * to approved repair organisations;
- * to freight forwarders;
- * to regulatory authorities where necessary.

13.3

This obligation shall survive termination of any Order for a period of five (5) years.

14. COMPLIANCE

The Customer represents and warrants that it shall at all times comply with all applicable:

- * aviation regulations;
- * anti-bribery legislation;
- * anti-money laundering legislation;
- * export control laws;
- * sanctions regulations;
- * customs regulations;
- * environmental legislation.

AviAlya reserves the right to suspend or terminate any Order where it reasonably believes the Customer has breached any applicable law.

15. INTELLECTUAL PROPERTY

All trademarks, trade names, logos, technical documentation, quotations, photographs, drawings and other intellectual property supplied by AviAlya shall remain the exclusive property of AviAlya or its licensors.

Nothing contained within these Terms grants the Customer any ownership or licence rights except as strictly necessary for the use of the purchased Product.

16. DEFAULT

Each of the following shall constitute an Event of Default:

- * failure to make payment when due;
- * insolvency;
- * bankruptcy;
- * liquidation;
- * appointment of a receiver or administrator;
- * breach of these Terms;
- * breach of applicable export control laws;
- * failure to return an Exchange Unit or Loan Unit;
- * fraudulent conduct;
- * material misrepresentation.

Upon an Event of Default AviAlya may immediately, without prejudice to any other rights:

- * suspend performance;
- * cancel any outstanding Orders;
- * accelerate all outstanding invoices;
- * retain any Security Deposit;
- * recover any Products still owned by AviAlya;
- * convert Exchange or Loan transactions into Outright Sales where applicable.

17. TERMINATION

AviAlya may terminate any Order immediately by written notice where:

- * the Customer commits a material breach;
- * the Customer becomes insolvent;
- * payment remains overdue;
- * export authorisations are refused;

* sanctions prevent performance;

* continued performance would expose AviAlya to legal or regulatory risk.

Termination shall not affect any rights or liabilities accrued prior to termination.

18. DATA PROTECTION

Each Party shall comply with all applicable data protection and privacy laws.

Where personal data is exchanged in connection with an Order, each Party shall process such data only for legitimate business purposes and in accordance with applicable legislation.

19. GOVERNING LAW & JURISDICTION

These Terms and any dispute arising out of or in connection with them shall be governed exclusively by the laws of the Republic of Türkiye.

The Parties irrevocably agree that the Courts and Enforcement Offices of Istanbul (Çağlayan) shall have exclusive jurisdiction unless otherwise agreed in writing.

20. ENTIRE AGREEMENT

These Terms, together with the applicable Quotation, Order and any written agreement executed by the Parties, constitute the entire agreement between AviAlya and the Customer.

No amendment or variation shall be effective unless made in writing and signed by authorised representatives of both Parties.

Failure by AviAlya to enforce any provision of these Terms shall not constitute a waiver of any right.

If any provision is found to be invalid or unenforceable, the remaining provisions shall remain in full force and effect.

21. NOTICES

Any notice required under these Terms shall be made in writing and sent by:

* email;

* internationally recognised courier;

* registered mail; or

- * hand delivery.

Notice shall be deemed received:

- * immediately upon confirmed email transmission;

- * upon signed courier delivery;

- * upon personal delivery;

- * or three (3) Business Days after registered posting.

22. SURVIVAL

The following provisions shall survive completion, cancellation or termination of any Order:

- * Payment Obligations

- * Confidentiality

- * Warranty Claims

- * Limitation of Liability

- * Export Control

- * Compliance

- * Governing Law

- * Jurisdiction

- * Indemnities

- * Outstanding Exchange Fees

- * Outstanding Loan Fees

- * BER Charges

- * Outright Conversion Rights