

GENERAL TERMS AND CONDITIONS OF SERVICES

Preamble

These General Conditions for Services (“**General Conditions**”) shall apply to the Services provided by NanoAvionika LLC, company registration No. 303353414, registered at Mokslininkų str. 2A, LT-08412 Vilnius Lithuania (“**NanoAvionics**” or „**Service Provider**“) to any buyer (“**Client**”)

(NanoAvionics and the Client collectively referred to as the “**Parties**” and individually a “**Party**”)

Services

1. Subject to the terms agreed in a separate contract and/or purchase offer approved by the Client (“**Contract**”), NanoAvionics shall provide the services (“**Services**”) to the Client.
2. Provision of the Services and any related activities shall not be construed to create or imply any agency, partnership, joint venture, employment, rent of employees or any other similar relationships between the Client and the Service Provider. The Service Provider will not be eligible for any rights or benefits related to agency, joint venture, partnership, rent of employees and especially employment, or any other similar relationships under any laws of any jurisdiction. The Client accordingly will not make any deductions from payments made to the Service Provider for social contributions or income taxes, all of which will be the responsibility of the Service Provider, and will not grant vacations or sick pay.

Service provision

3. Once the Client approves the Offer, the Service Provider shall commence the work. In case there are any amendments to the scope of Services, the Parties shall agree on a new budget. In case the Parties do not agree on a new budget, Service Provider has the right to terminate the work and receive payment for the work done until the termination. In case the Client orders the Service Provider to terminate the work, the Client shall pay to the Service Provider for the work done until the termination notification.
4. The Service Provider is obliged to provide the particular Services and reach the result requested by the Client, however, is free to decide on how the result should be achieved and choose the most efficient ways or methods according to which the particular Services would be performed.

Service fee

5. The Parties agree that the remuneration for the provided Services will be paid by hourly fees i.e. the final fee that the Client shall pay depends on the number of hours spent on certain tasks (**Service fee**). Hourly fees may differ for the specialists depending on their education, expertise and experience. All the specialists of the Service Provider and their hourly fee rates are indicated in the Offer. The Client shall pay the Service fee in EUR.
6. Additional direct expenses which may occur during the provision of the agreed services are being covered by the Client and coordinated before bearing the costs.

Payment conditions

7. The Client 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 unless other payment conditions are set by the Offer or Contract.
8. The Client shall pay the final payment within fifteen (15) calendar days after the Services are provided unless other payment conditions are set by the Offer or Contract.
9. If the Client does not settle the invoices within the set term, the Service Provider shall be entitled to claim for and the Client shall pay to the Service Provider the default interest at the rate of 0,05 % of the due invoice for each day of delay.

Warranties relating to the Services

10. Service Provider warrants and represents that it has the requisite qualifications, knowledge and experience to render the services of engineering design, engineering consulting services, design reviews, any other related engineering services or coordination of such projects, trainings, which will be requested by the Client and accepted by the Service Provider.
11. The Service Provider shall provide all Services expeditiously, in compliance with high quality standards and best market practices in the area of such services. When performing a particular task, Service Provider shall always act in the best interests of the Client.

Assignment and subcontracting

12. The Service Provider is not entitled to assign or otherwise transfer any rights or obligations stipulated in this Agreement to any third party without a prior written consent of the Client.
13. The Service Provider may not subcontract or otherwise involve any other persons or entities in provision of the Services without a prior express consent of the Client.

Termination

14. 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.
15. In a case of a breach of contract according to Article 14, 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.
16. A declaration of termination of the contract is effective only if made by notice to the other party.

Consequences of termination

17. Termination of the contract releases Parties from their obligation to effect and to receive future performance, subject to any damages that may be due.
18. Termination of the contract does not preclude a claim for damages for non-performance.
19. 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.

Damages and liability

20. 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.
21. 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 total Service fee.
22. Damages are to be assessed in the currency in which the monetary obligation was expressed.
23. The Service Provider's liability for any potential damages under this Agreement shall be limited to the total Service fee, except for the cases where such limitation of liability is excluded under the laws applicable.
24. In no event will either of the Party be liable pursuant to this Agreement for any indirect, incidental, punitive, special or consequential damages, incurred by the other Party or any third party, except cases where the damage is caused by deliberate actions or gross negligence of the Party.

Confidentiality

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

Force majeure – excuse for non-performance

26. 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.
27. 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 writing without undue delay. The time for performance of that obligation shall be extended accordingly.
28. 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.
29. 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.

Entire agreement

30. 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.

31. General Conditions may not be varied except by an agreement of the Parties in writing (which may include e-mail).

Notices

32. 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.

Effect of invalid or unenforceable provisions

33. 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.

Applicable law and guiding principles

34. Questions relating to General Conditions that are not settled by the provisions contained in this document shall be governed by reference to the laws of Lithuania.

Dispute resolution

35. All disputes arising in connection with the Agreement, including its conclusion, interpretation, performance, breach, termination or invalidity, shall be settled by the competent courts of Lithuania.

Language of the contract

36. 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.