

**These Terms and Conditions of Purchase for Goods contain the entire agreement in connection with and shall be applicable to all Purchase Orders provided by Magnetic MRO AS. No terms or conditions submitted at any time by the Supplier shall form any part of the Agreement. In the event of a conflict between these Terms and Conditions and any specific term or condition (whether in the contract or otherwise) referred to in the Purchase Order, the latter shall prevail.**

**The Agreement shall become binding and these Terms and Conditions shall be deemed to have been accepted by the Supplier on the acceptance of the Purchase Order by the Supplier (either verbally or in writing) or on delivery of the Goods, whichever is the earlier.**

## **1. Subject Matter**

- 1.1. Supplier agrees to supply and deliver the Goods (which may mean spare parts, components, materials and equipment (including tools, test equipment and ground support equipment)) specified in Purchase Orders, to Magnetic MRO on the terms set out in this Agreement.
- 1.2. Purchase Orders shall be sent to Supplier via email, EDI or Supplier's portal.
- 1.3. The Supplier shall deliver the Goods, which are free from any right or claim of a third party, including the right or claim based on industrial or other intellectual property. Customer's requirements for the supplied Goods: for standard parts EASA Form 1, FAA Form 8130-3 or manufacturer's and supplier Certificate of Conformity is required; EASA Form 1 or equivalent as per AMC145.A.42 (a) must accompany aircraft components in serviceable condition; for interior parts (used in A/C compartment occupied by crew and passengers) Certificate of Conformity with EASA CS25 / FAR 25 is required; full traceability is required; for life limited parts Shelf Life / life limit information is required; PMA parts are not acceptable, if not otherwise agreed with Magnetic MRO; DER repaired material is not accepted.
- 1.4. Supplier shall, at its own expense, pack, load, and deliver the Goods to Magnetic MRO and in accordance with the invoicing, delivery terms, shipping, packing, and other instructions provided to Supplier by Magnetic MRO in writing. All Goods shall be packed according to ATA300 standards. Supplier shall provide MSDS & TDS for all materials which are considered as hazardous material or may endanger health and its use requires special instructions or guidelines. No charges will be allowed for freight, transportation, insurance, shipping, storage, handling, demurrage, cartage, packaging or similar charges unless provided for in the applicable Purchase Order or otherwise agreed to in writing by Magnetic MRO.
- 1.5. Goods specified in the Purchase Order shall be shipped to Magnetic MRO in full. Partial shipments are not allowed, unless otherwise expressly stated in a Purchase Order.
- 1.6. Time is of the essence with respect to delivery of the Goods. Goods shall be delivered by the applicable delivery date specified in the Purchase Order. Supplier must immediately notify Magnetic MRO if Supplier is likely to be unable to meet a delivery date.
- 1.7. At any time prior to the delivery date, Magnetic MRO may, upon notice to Supplier, cancel or change a Purchase Order, or any portion thereof, for any reason, including, without limitation, for the convenience of Magnetic MRO or due to failure of Supplier to comply with this Agreement, unless otherwise noted.
- 1.8. Supplier shall transfer title to the Goods to Magnetic MRO on delivery, if not otherwise agreed in the Purchase Order.
- 1.9. Risk of loss, damage or destruction of the Goods shall pass to Magnetic MRO after delivery of the Goods to Magnetic MRO.
- 1.10. Supplier shall notify Magnetic Group in case any non-conformance or un-airworthy conditions found of supplied goods. Notification should be sent to [quality@magneticgroup.co](mailto:quality@magneticgroup.co).

## **2. Inspection, Acceptance and Rejection.**

- 2.1. All shipments of Goods shall be subject to Magnetic MRO's right of inspection. Magnetic MRO shall have thirty (30) days (the "Inspection Period") following the delivery of the Goods to Magnetic MRO to undertake such inspection, and upon such inspection Magnetic MRO shall either accept the Goods ("Acceptance") or reject them. Magnetic MRO shall have the right to reject any Goods that are delivered in excess of the quantity ordered or are damaged or defective. In addition, Magnetic MRO shall have the right to reject any Goods that are not in conformance with the Purchase Order or any term of this Agreement. Transfer of title to Magnetic MRO of Goods shall not constitute Magnetic MRO's Acceptance of those Goods. Magnetic MRO shall provide Supplier within the Inspection Period notice of any Goods that are rejected, together with the reasons for such rejection. If Magnetic MRO does not provide Supplier with any notice of rejection within the Inspection Period, then Magnetic MRO will be deemed to have provided Acceptance of such Goods. Magnetic MRO's inspection, testing, or Acceptance or use of the Goods hereunder shall not limit or otherwise affect Supplier's warranty obligations hereunder with respect to the Goods, and such warranties shall survive inspection, test, Acceptance and use of the Goods.
- 2.2. Magnetic MRO shall be entitled to return rejected Goods to Supplier at Supplier's expense and risk of loss for, at Magnetic MRO's option, either: (i) full credit or refund of all amounts paid by Magnetic MRO to Supplier for the rejected Goods; or (ii) replacement Goods to be received within the time period specified by Magnetic MRO. Title to rejected Goods that are returned to Supplier shall transfer to Supplier upon such delivery and such Goods shall not be replaced by Supplier except upon written instructions from Magnetic MRO. Supplier shall not deliver Goods that were previously rejected on grounds of non-compliance with this Agreement, unless delivery of such Goods is ap-

proved in advance by Magnetic MRO, and is accompanied by a written disclosure of Magnetic MRO's prior rejection(s).

### **3. Commercial Terms**

- 3.1. Prices and other commercial terms shall be specified in Purchase Order. Purchase Order accepted by the Supplier shall become binding. Price increases or charges not expressly set out in the Purchase Order shall not be effective unless agreed to in advance in writing by Magnetic MRO.
- 3.2. Taxes: Unless otherwise stated in a Purchase Order, all prices or other payments stated in the Purchase Order are exclusive of any taxes. Supplier shall separately itemize all applicable taxes each on each invoice and indicate on each invoice its applicable tax registration number(s). Magnetic MRO will pay all applicable taxes to Supplier when the applicable invoice is due. Supplier will remit all applicable taxes to the applicable government authority as required by applicable laws. Notwithstanding any other provision of this Agreement, Magnetic MRO may withhold from all amounts payable to Supplier all applicable withholding taxes and to remit those taxes to the applicable governmental authorities as required by applicable laws.
- 3.3. Payment conditions: Supplier will issue all invoices on a timely basis. All invoices delivered by Supplier must meet Magnetic MRO requirements, and at a minimum shall reference the applicable Purchase Order. If not otherwise stated in a Purchase Order, Magnetic MRO will pay the undisputed portion of properly rendered invoices within forty-five (45) days from the invoice date. Magnetic MRO shall have the right to withhold payment of any invoiced amounts that are disputed in good faith until the parties reach an agreement with respect to such disputed amounts and such withholding of disputed amounts shall not be deemed a breach of this Agreement nor shall any interest be charged on such amounts. Notwithstanding the foregoing, Magnetic MRO agrees to pay the balance of the undisputed amounts on any invoice that is the subject of any dispute within the time periods specified herein.
- 3.4. Invoices shall be sent to [invoicing@magneticgroup.co](mailto:invoicing@magneticgroup.co), any communication regarding financial statements or other finance related questions should be sent to [ap@magneticgroup.co](mailto:ap@magneticgroup.co). Originally printed (with color logo or seal) invoices with currency indicated, must accompany delivered Goods.
- 3.5. All payments will be made by bank transfer to the bank account of the Supplier provided in the Purchase Order or the invoice.
- 3.6. Supplier agrees to provide monthly sales performance overview to Magnetic MRO in the form mutually agreed by the Parties.

### **4. Warranty**

- 4.1. Supplier warrants to Magnetic MRO that during the warranty period, as stated in Clause 4.2, all Goods provided hereunder shall be: (i) of merchantable quality; (ii) fit for the purposes intended; (iii) unless otherwise agreed to by Magnetic MRO, new and in full conformity with the technical conditions and regulations that are set forth in Original Manufacturer regulations; (iv) free from defects in design, material and workmanship; (v) in strict compliance with the specifications and Purchase Order; (vi) free from any liens or encumbrances on title whatsoever; (vii) in conformance with any samples provided to Magnetic MRO; and (viii) compliant with all applicable laws, regulations, standards, and codes.
- 4.2. Supplier shall assign to Magnetic MRO all manufacturer's warranties for Goods not manufactured by or for Supplier, and shall take all necessary steps as required by such third party manufacturers to effect assignment of such warranties to Magnetic MRO. In no event warranty for (i) new Goods shall be less than 3 months; (ii) repaired Goods shall be less than 3 months / 500 FH (whichever occurs last) and for (iii) overhauled Goods – 6 months / 1000 FH (whichever occurs last).
- 4.3. Any and all expenses related to the warranted Goods transportation, test, inspection and repair during the warranty term provided by Supplier and assigned by Supplier to Magnetic MRO or end user of the Goods, shall be on Supplier. If Supplier fails to repair or replace the Goods within the time periods specified by Magnetic MRO, Magnetic MRO may repair or replace the Goods at Supplier's expense.
- 4.4. The warranty shall not be applicable in case of improper use, unqualified repairs or repairs in contradiction with repair instructions and operation and maintenance manuals, or in case warranted Goods have been subject to the misuse, mishandling or ingestion of foreign material.
- 4.5. Any defect material which requires on site scraping or administration due to Supplier's fault will be charged to Supplier according to Magnetic MRO standard pricelist.

### **5. Liability**

- 5.1. Supplier shall indemnify, defend and hold harmless Magnetic MRO, its affiliates, and their respective officers, directors, employees, consultants, and agents (the "Magnetic MRO Indemnified Parties") from and against any claims, fines, losses, actions, damages, expenses, legal fees and all other liabilities brought against or incurred by the Magnetic MRO Indemnified Parties or any of them arising out of: (a) death, bodily injury, or loss or damage to real or tangible personal property resulting from the use of or any actual or alleged defect in the Goods, or from the failure of the Goods to comply with the warranties hereunder; (b) any claim that the Goods infringe or violate the intellectual property rights or other rights of any person; (c) any intentional, wrongful or negligent act or omission of Sup-

plier or any of its affiliates or subcontractors; (d) Supplier's breach of any of its obligations under this Agreement; or (e) any liens or encumbrances relating to any Goods.

- 5.2. Except for Supplier's obligations under Clause 5.1, and except for damages that are the result of the gross negligence or wilful misconduct of a Party, in no event will either Party be liable to the other Party or any other person for any indirect, incidental, consequential, or punitive damages, including any lost profits, data, goodwill, or business opportunity for any matter relating to this Agreement.

## **6. Counterfeit parts**

- 6.1. Counterfeit parts are defined as parts / work that have been altered to resemble authentic parts / work with the intent to deliberately mislead, misrepresent or defraud.
- 6.2. Supplier shall not deliver counterfeit parts / work to Magnetic MRO under the Agreement.
- 6.3. Supplier represents and warrants that only new and authentic parts / work will be used in the performance of the Agreement.
- 6.4. Supplier shall immediately notify Magnetic MRO if Supplier becomes aware of or suspects that it has furnished counterfeit parts / work to Magnetic MRO, and shall assist Magnetic MRO in determining the extent and resolution of the matter, up to and including any and all expenses required to replace the counterfeit parts / work.

## **7. Compliance with Laws; Ethics**

- 7.1. Supplier, and any Goods supplied by Supplier, will comply with all applicable laws, including rules, regulations, orders, conventions, ordinances and standards, that relate to the manufacture, labeling, transport, import, export, licensing, approval or certification of the Goods, including laws relating to environmental matters, hiring, wages, hours and conditions of employment, subcontractor selection, discrimination, occupational health or safety and motor vehicle safety. The Purchase Order incorporates by reference all clauses required by these laws. All materials used by Supplier in the Goods or in their manufacture will satisfy current governmental and safety constraints on restricted, toxic and hazardous materials as well as environmental, electrical and electromagnetic considerations that apply to the country of manufacture, sale or destination.

## **8. Anti-Corruption**

- 8.1. The Parties shall comply with all applicable laws on the prevention of bribery and corruption when performing their duties under the Agreement. This includes the prohibition of illegal payments or the inducement of other inappropriate advantages towards public officials, business partners, their employees, family members or other close relationship.
- 8.2. The Parties agree to support each other in the prevention of bribery and corruption and will inform each other immediately as soon as they know or suspect a case of bribery in relation to the Agreement or the fulfilment of obligations under the Agreement and respective Purchase Order.
- 8.3. The Parties may terminate this Agreement with immediate effect if and when either Party learns that the other Party is in breach of any anti-corruption and bribery regulation.

## **9. Governing Law. Dispute Resolution. Other**

- 9.1. These Terms and Conditions will in all respects, including all matters of construction, validity and performance, be governed by, and construed in accordance with, the laws of the Republic of Estonia, without regard to rules governing conflicts of law.
- 9.2. For the exclusive benefit of Magnetic MRO, the Supplier irrevocably agrees that the courts of Tallinn are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with these Terms and Conditions and indemnity and that any proceedings may be brought in those courts. Nothing contained in this Clause shall limit the right of Magnetic MRO to commence any proceedings against the Supplier in any other court of competent jurisdiction nor shall the commencement of any proceedings against the Supplier in one or more jurisdictions preclude the commencement of any proceedings in any other jurisdiction, whether concurrently or not.
- 9.3. Supplier shall safeguard and keep confidential any and all information relating to Magnetic MRO obtained by it or provided to it by Magnetic MRO in connection with this Agreement, and shall use such information only for the purposes of carrying out its obligations under this Agreement.
- 9.4. Supplier represents and warrants to Magnetic MRO that it has in place with reputable insurers such insurance policies in coverage amounts that would be maintained by a prudent supplier of goods similar to the Goods provided hereunder, including, as applicable, professional errors and omissions liability insurance and comprehensive commercial general liability insurance (including product liability coverage, all-risk contractors' equipment insurance, and automobile liability insurance).
- 9.5. Upon Magnetic MRO request, Supplier shall grant the access to Magnetic MRO to perform inspections and surveys at the Supplier's facilities at Magnetic MRO cost. Supplier shall keep complete records of all Goods supplied under this Agreement. Such records shall be open for inspection, examination, audit, and copying by authorized Magnetic MRO personnel at all reasonable times.

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9.6. Any deviations from these Terms and Conditions need to be agreed in writing. Magnetic MRO reserves the right to change, modify, add or remove these Terms and Conditions at any time without prior notice.