

1. GENERAL TERMS

- 1.1. These General Terms of Total Technical Support (hereinafter – “Ts&Cs”) are applicable to services provided / goods supplied by Magnetic Group entities (Magnetic MRO AS¹, Magnetic Trading OÜ², MAGNETIC GROUP USA CORP³, Magnetic MRO Malaysia Sdn. Bhd⁴ and their subsidiaries / affiliates) to its customers (hereinafter – the “Customer”).
- 1.2. These Ts&Cs shall constitute an inseparable part of Magnetic Group Proposal, Quotation, Invoice or any other similar document, as applicable (hereinafter – the “Proposal”) and Customer’s Purchase Order (hereinafter collectively – the “Agreement”). No terms or conditions endorsed on, delivered with or contained in the Customer’s purchase order, confirmation of order, specification or other document shall form part of the Agreement and be applicable simply as a result of such document being referred to by the Customer. Deviations from these Ts&Cs must be agreed in writing. In the event of any conflict between the provisions of these Ts&Cs and the provisions of any other agreement entered into by Magnetic Group and Customer in respect of any particular services, the more specific provisions of the mutual agreement shall prevail over the more general provisions listed herein.
- 1.3. The version of these Ts&Cs valid at the time of issuance of Magnetic Group’s invoice shall apply to the Agreement. Magnetic Group reserves the right to amend these Ts&Cs from time to time at its sole discretion without prior notice to the Customer, and the amended Ts&Cs shall automatically apply to all Proposals, invoices, Services and/or deliveries issued after such amendment.
- 1.4. These Ts&Cs apply to aircraft maintenance services, spare parts sale, exchange, repair and lease services, design and production services, painting services provided by Magnetic Group (hereinafter – the “Services”), specific conditions of which (if any) are listed in Exhibits hereto. In the event of any conflict between the provisions of these General Terms and provisions of any Exhibit, the more specific provisions of the Exhibit for particular services shall prevail. Conditions of Standard Ground Handling Agreement for Line Maintenance as published by the International Air Transport Association shall be applicable for Line maintenance services to the extent they do not contradict to these Ts&Cs.
- 1.5. Magnetic Group may subcontract (and subcontracting shall be deemed to mean subcontracting and contracting, whichever may be applicable, in accordance with EASA regulations) the Services to any other EASA / NAA-approved facility. The Services may also be subcontracted to any other facility provided that Magnetic Group’s quality assurance system is extended to such facility.

2. TURNAROUND TIME, EXCUSABLE DELAY, FORCE MAJEURE

- 2.1. From time to time the Parties may agree upon Turnaround Times or other performance dates and time limits.
- 2.2. The Parties agree that it will be deemed not to be Magnetic Group’s fault and Magnetic Group will not be held liable if such Turnaround Times, performance dates or other agreed upon time limits are not met for reasons such as but not limited to (Excusable Delay):
 - (i) Force majeure as defined in Clause 2.3;
 - (ii) Major defects on airframe, systems, engines or components which were unforeseen and which could not have been expected and which have an impact on the Services to be performed;
 - (iii) An aircraft, material, documentation, insurance certificates or securities to be supplied by the Customer not being available or being supplied late or the Customer not accepting suitable material offered by Magnetic Group;
 - (iv) Material ordered in a timely manner from suppliers not being delivered to Magnetic Group on time or not being delivered at all;
 - (v) The Customer withholding or delaying its consent where such consent is required;
 - (vi) Additional tasks which were not part of the contracted work scope being carried out by Magnetic Group upon the Customer’s request;
 - (vii) Delays in receipt of the Original Equipment Manufacturer (OEM)’s approval where such requests are submitted by Magnetic Group with due diligence;
 - (viii) Delays or failure of Customer to comply with the payment terms;
 - (ix) Shortages of skilled labor or qualified personnel;
 - (x) Inspections, audits or investigations conducted by regulatory authorities;
 - (xi) Strikes, lockouts, or labor disputes at suppliers, subcontractors or other third parties;
 - (xii) Changes in applicable laws, regulations, directives, or requirements of any governmental or regulatory authority;
 - (xiii) Magnetic Group rightfully stopping or refusing the performance of Services.
- 2.3. The International Chamber of Commerce (ICC) Force Majeure Clause (Long Form) is hereby incorporated in these Ts&Cs.

- 2.4. In the event of any Excusable Delay, the agreed Turnaround Time or performance dates shall be automatically extended by the duration of such Excusable Delay, without liability of any kind to Magnetic Group.

3. COMMERCIAL TERMS

- 3.1. The applicable prices for the Services and materials shall be specified in the Proposal and invoice.
- 3.2. Taxes: all rates prescribed in the Agreement or addendums hereto do not include VAT (if such applies). In addition to the price for the Services, the Customer shall pay any taxes (including value added taxes, excise, import and export duties and etc.), any levies and any other fees related to the Agreement (including withholding taxes). All payments to be made by the Customer hereunder shall be made without setoff or counterclaim, free and clear of and without deduction for or on account of any present or future taxes, charges, levies, imposts, duties or Withholdings (hereinafter – the “Withholding”). If the Customer is compelled by law to make a Withholding the Customer will ensure that the deduction does not exceed the minimum legal liability therefore and the Customer shall pay to Magnetic Group such additional amounts as may be necessary to ensure that Magnetic Group receives a net amount equal to the full amount that would have been received had the payment not been made subject to such Withholding. Magnetic Group shall not be liable for any VAT or any taxes, duties or similar charges which arise in any jurisdiction other than country / state of incorporation of respective Magnetic Group entity the Agreement is concluded with and these will be covered by the Customer. Should any taxes be levied by any government or any tax authority against any payment by Customer to Magnetic Group under the Agreement, and should Magnetic Group not actually receive on due time a net amount equal to the full amount provided for under the Agreement, Customer shall pay all necessary additional amounts to ensure receipt by Magnetic Group of the full amount so provided.
- 3.3. All payments in connection with the Agreement shall be made in currency specified in the invoice to the bank amount specified in the invoice. Any fees charged by a bank in connection with the transfer of funds from Customer to Magnetic Group will be borne by Customer.
- 3.4. If payment terms were not individually agreed, Customer shall be obliged to make payment within ten (10) calendar days from the issuance date of copy of the Invoice. Copies of invoices shall be sent to the Customer via email. Time for payment shall be of the essence.
- 3.5. Customer shall notify Magnetic Group of any disputed amount within five (5) Days from the invoice issuance date, accompanied with all relevant justifications. Customer shall not withhold the payment of any amount of any invoice nor shall Customer set off any amount against invoices. After settlement of the dispute, the eventual adjustment of the invoice (and late payment charge) will be made.
- 3.6. All invoices shall become due and payable immediately upon the occurrence of a breach by Customer to perform its obligations as agreed under the Agreement. In case of repeated late payments, Magnetic Group reserves its right to request other payment terms to Customer (such as but not limited to letter of credit or cash before delivery), or to immediately terminate without legal notice the Agreement or any part thereof without prejudice to any other rights that Magnetic Group may have under the Agreement or at law.
- 3.7. Any amount overdue for payment by the Customer shall incur a daily simple interest charge of zero point one percent (0,1%) until actual payment is received in cleared funds. Interest shall be immediately payable on demand. Additionally, Magnetic Group shall be entitled to increase the amount owed by adding collection, court and other recovery costs, including the costs of a lawyer, in terms of which such costs shall amount to at least 15% of the principal sum with a minimum of € 125.00, all amounts exclusive of VAT.
- 3.8. In the event that any sum is not paid by the Customer as provided for under the Agreement Magnetic Group shall be entitled on twenty-four (24) hours’ notice to suspend further performance of the services and/or the provision of any warranty support until all outstanding amounts have been received by Magnetic Group in cleared funds and the time for performance of such services shall, at Magnetic Group option, either be extended by a period equal to the duration of the suspension plus twenty four (24) hours or shall be re-scheduled.
- 3.9. Magnetic Group may, at its sole discretion, set off or apply any amounts owed by any entity of the Magnetic Group to the Customer against any amounts owed by the Customer (or its affiliates) to any entity of the Magnetic Group, irrespective of the legal entity or agreement under which such obligations arise, even if such amounts are not yet due, liquid or payable.
- 3.10. Magnetic Group shall retain ownership and title to the items delivered to the Customer by Magnetic Group (including the right to repossess any property of Magnetic Group in Customer’s possession) until the Customer has made full and final payment of all amounts due. In case of non-payment by Customer, Magnetic Group has by virtue of its Services rendered a contractual right of retention and a contractual lien over the subject matter in its custody. The contractual lien shall entitle Magnetic Group to publicly offer the object for sale. To the extent allowed under applicable laws, these rights shall also apply in case respective items are mixed with other goods or are used in the

¹ Magnetic MRO AS, commercial register code 10865988, VAT payer’s code EE100764615, having its registered office at Väike-Sõjamäe 1A, Tallinn 11415, the Republic of Estonia

² Magnetic Trading OÜ, commercial register code 17260461, having its registered office at Väike-Sõjamäe 1A, Tallinn 11415, the Republic of Estonia

³ MAGNETIC GROUP USA CORP, EIN 36-5024413; RT 3898279, having its registered office at 5512 NW 72nd Ave, Unit 5512, Miami, FL 33166 USA

⁴ Magnetic MRO Malaysia Sdn. Bhd, company code 1323429-X, Tax number C02593821607, having its registered office at 10th floor, Menara Hap Seng no 18/3, Jalan P. Ramlee, 50250 Kuala Lumpur W.P. Kuala Lumpur, Malaysia

manufacture of another product; where such items cannot be removed without material damage to the product to which they are attached, right of retention and lien shall extend to the whole product. The retention of title shall not affect the passing of risk in accordance with the respective applicable INCOTERM. The Customer hereby grants Magnetic Group irrevocable authority to take any measures necessary to effect the above rights. These rights as well as a set-off right may also be claimed for Services rendered or items supplied previously.

- 3.11. In case any payment cannot be allocated to a specific Service, Magnetic Group is entitled to balance the respective amount against any other outstanding amount owed by the Customer to Magnetic Group and will inform the Customer accordingly.

4. QUALITY AND WARRANTY

- 4.1. Magnetic Group will provide all Services in accordance with Magnetic Group's quality system approved by the airworthiness Authority of the country of aircraft registration. The Customer at any time will have the right to perform quality surveillance and quality audits of Magnetic Group.
- 4.2. Magnetic Group warrants that all Services and all material under the Agreement will be free from defects in workmanship. Non-compliance of Services or material with the quality system described in 4.1 above will also be considered a defect.
- 4.3. The warranty is limited as follows:
- 4.3.1. If other warranty periods are not specified in the Proposal or below, a defect will only be regarded as subject to warranty if it arises within nine (9) months or within one thousand (1000) flight hours after Redelivery, whichever may occur first. (i) In case base maintenance services have been performed on the Aircraft, a defect will be regarded as subject to warranty if it arises within twelve (12) months or within three thousand (3000) flight hours after Redelivery, whichever may occur first; (ii) in case line maintenance services have been performed on the Aircraft: before performance of next scheduled (in accordance with Aircraft Maintenance Program) line maintenance services; (iii) in case design changes services have been performed on the Aircraft: within sixty (60) calendar days from completion of Services; (iv) in case refurbishment, engineering or CAMO services have been performed on the Aircraft: within one hundred eighty (180) calendar days or within one thousand (1000) flight hours, whichever may occur first, after completion of Services; (v) for produced items – within twelve (12) months; (vi) in case painting services have been performed on the Aircraft: within twenty-four (24) months after Redelivery.
- 4.3.2. A warranty claim must be raised by the Customer within seven (7) days after the defect has become apparent and Magnetic Group must be provided with the defective part for inspection and repair within an additional thirty (30) days after the warranty claim has been raised. If a defect arises on an irremovable part of an aircraft the Parties will agree upon arrangements by which such defect will be remedied at the Customer's best convenience as well as at conditions reasonable for Magnetic Group.
- 4.3.3. The cause of the defect must be related to Material manufactured by Magnetic Group and / or its subcontractors or to Services rendered by Magnetic Group and / or its subcontractors. Magnetic Group does not warrant supplier material or services. For such material or services any assignable rights to warranty granted to Magnetic Group by its suppliers will be assigned to the Customer. Magnetic Group will support the Customer in pursuing such warranty claim.
- 4.3.4. The defective part must not have been serviced, repaired, overhauled, maintained or modified by anyone other than Magnetic Group or its subcontractors. The warranty shall not apply if the Customer makes any further use of the item after noticing the defect.
- 4.3.5. If upon the Customer's special request Magnetic Group or its subcontractors perform a provisional repair the material installed and the services rendered during such repair are not subject to warranty.
- 4.3.6. Material must at all times have been stored, handled and operated in accordance with manufacturer's recommendations.
- 4.3.7. Magnetic Group will correct any defect under warranty at its own cost and expense at one of its technical facilities or at any other place the Customer and Magnetic Group may agree upon from time to time except that the Customer will arrange at its own risk and expense for the removal and the transport of the defective parts to and from the location where the repair will be made and for the reinstallation of the defective parts. Magnetic Group obligations with respect to the foregoing shall only require Magnetic Group to correct defects, replace or restore the defective item to a serviceable condition equivalent to that at the time the defect occurred. In case of a remedial action, the initial warranty period shall continue for the remaining period of the warranty as set forth in Clause 4.3.1 above.
- 4.3.8. Magnetic Group warranty shall not extend to any claim, failure or damage which results from defects, non-conformity, failure or not normal wear and tear which are in whole or in part attributable to or the result of, FOD, IOD, abnormal, incorrect, inaccurate or improper use, operation, maintenance, handling, storage, transportation, packing or installation, OEM's design deficiencies, misuse, abuse or accidents, Force Majeure or incidents and taking into consideration the specific use and design of such Aircraft and / or Item, which has not been anticipated by the standards, regulations, procedures and / or requirements issued by the relevant manufacturer, the relevant Airworthiness Authorities and / or Magnetic Group.
- 4.4. THE WARRANTIES AND OBLIGATIONS OF MAGNETIC GROUP AND REMEDIES OF CUSTOMER SET FORTH IN THIS CLAUSE ARE EXCLUSIVE AND IN

SUBSTITUTION FOR, AND CUSTOMER HEREBY WAIVES, RELEASES AND RENOUNCES ALL OTHER WARRANTIES, OBLIGATIONS AND LIABILITIES OF MAGNETIC GROUP AND ALL OTHER RIGHTS, CLAIMS OR REMEDIES OF CUSTOMER AGAINST MAGNETIC GROUP AND / OR ITS INSURERS, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, WITH RESPECT TO ANY NON-CONFORMITY OR DEFECT IN ANY DATA, PART OR PRODUCT DELIVERED OR SERVICE PERFORMED IN RELATION TO OR UNDER THE AGREEMENT INCLUDING BUT NOT LIMITED TO (I) ANY WARRANTY AGAINST HIDDEN DEFECTS, (II) ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR INTENDED USE, (III) ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE, (IV) ANY WARRANTY AGAINST INFRINGEMENT INCLUDING INTELLECTUAL PROPERTY INFRINGEMENT, (V) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY (WHETHER IN CONTRACT, IN TORT OR OTHERWISE). IN NO EVENT WILL MAGNETIC GROUP BE LIABLE FOR INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, MULTIPLE OR PUNITIVE DAMAGES, LOST PROFITS, LOSS OF PROSPECTIVE ECONOMIC ADVANTAGE, OR OPPORTUNITY COSTS SUFFERED DIRECTLY OR INDIRECTLY IN CONNECTION WITH THE AGREEMENT. UNDER NO CIRCUMSTANCES MAGNETIC GROUP TOTAL LIABILITY CONNECTED WITH OR RESULTING FROM THIS WARRANTY WILL NOT EXCEED THE COST OF CORRECTING THE DEFECT OR PRICE OF REPLACING MATERIAL.

- 4.5. Should the warranty claim be rejected, the Services provided by Magnetic Group, including shipping costs, material or inspections costs and/or specialists assignment (if applicable), will be charged to Customer on a time-and-material basis.

5. LIABILITY AND INDEMNIFICATION

- 5.1. Magnetic Group, its personnel and its subcontractors shall not be liable for any damage to, or loss of, property of Customer including the aircraft, or injury or death or any other damage directly or indirectly caused to Customer's or its' directors, officers, employees, agents, servants or third parties during or after, due to, or in connection with, or in consequence of the performance or non-performance of the Agreement (including third parties' claims), unless caused solely by wilful misconduct or gross negligence of Magnetic Group or its Subcontractors, and Customer shall defend, indemnify and hold harmless Magnetic Group, its directors, officers, employees, agents, servants and subcontractors against any and all such claims including costs and expenses incident thereto.
- 5.2. Customer, its personnel and its subcontractors shall be liable for any damage to, or loss of, property of Magnetic Group including any facility where the aircraft or any part may be situated, or injury or death or any other damage directly or indirectly caused to Magnetic Group or its directors, officers, employees, agents, servants during or after, due to, or in connection with, or in consequence of the performance or non-performance of the Agreement (including third parties' claims), unless caused solely by wilful misconduct or gross negligence of Magnetic Group.
- 5.3. NOTWITHSTANDING ANYTHING TO THE CONTRARY, MAGNETIC GROUP SHALL NEVER BE LIABLE FOR AND CUSTOMER HEREBY WAIVES, RELEASES AND RENOUNCES ALL RIGHTS AND CLAIMS AGAINST MAGNETIC GROUP TO THE FULLEST EXTENT PERMITTED BY LAW FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL, MULTIPLE, PUNITIVE OR INDIRECT LOSSES OR DAMAGES OF ANY KIND WHATSOEVER (INCLUDING WITHOUT LIMITATION LOSS OF USE, REVENUE OR PROFIT, LOSS OF PROSPECTIVE ECONOMIC ADVANTAGE, LOSS OF CUSTOMERS, LOSS OF DATA, COSTS INCURRED AS A RESULT OF THE LEASE OF A SPARE AIRCRAFT OR ITEM OR OTHER COSTS RESULTING FROM THE UNAVAILABILITY OF AN AIRCRAFT OR ITEM, ACCOMMODATION AND COMPENSATION OF PASSENGERS, OR IMMATERIAL DAMAGE), FOR ANY REASON WHATSOEVER AND WHETHER ARISING IN CONTRACT (INCLUDING WARRANTY), STRICT LIABILITY, EQUITY, TORT, STATUTE OR OTHERWISE.
- 5.4. NOTWITHSTANDING ANYTHING TO THE CONTRARY, MAGNETIC GROUP'S TOTAL AGGREGATE LIABILITY, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE, ARISING OUT OF OR IN CONNECTION WITH THE AGREEMENT SHALL NOT EXCEED THE LESSER OF: (I) THE TOTAL AMOUNT ACTUALLY PAID BY THE CUSTOMER TO MAGNETIC GROUP UNDER THE AGREEMENT GIVING RISE TO THE CLAIM, OR (II) THE DIRECT COSTS OF CORRECTING THE DEFECT OR REPLACING THE AFFECTED SERVICES OR MATERIALS.
- 5.5. The Customer's indemnity obligations under this Agreement, including but not limited to indemnification for breaches of export control, trade compliance or sanctions obligations, shall survive the completion, termination, cancellation or expiry of the Agreement, and shall remain in full force and effect until all potential claims, liabilities or proceedings have become time-barred under the applicable statute of limitations.
- #### 6. INSURANCE
- 6.1. Throughout the provision of Services (and for two (2) years thereafter or up to the next major check whichever is the later) Customer shall procure and maintain and will provide Magnetic Group with a certificate of the following insurances in a combined single limit of not less than seven hundred and fifty million United States dollars (USD 750,000,000.00) for each occurrence:
- 6.1.1. Insurance to cover its indemnity and liability obligations under the Agreement, including but not limited to coverage for passenger claims, third-party liability, environmental liability, and regulatory fines to the extent insurable;
- 6.1.2. Hull "All Risks" insurance (including War and Allied Perils Liability Insurance in accordance with AVN52E); and

- 6.1.3. "All Risks" Insurance (including War and Allied Perils Insurance) in respect of Spare Parts, Engines and Equipment when not installed on the aircraft (including any of the Customer's or third party spare parts or components in the possession of Magnetic Group), for not less than the replacement value of such spare parts, engines and equipment.
- 6.2. The insurance referred above will include the following provisions where applicable:
- 6.2.1. Magnetic Group, its directors, officers, employees, servants, agents and subcontractors will be included as additional assured under all required liability insurance;
- 6.2.2. In case of lease, the Customer shall insure the Lease Part at its full replacement value with reputable insurers, naming Magnetic Group as sole loss payee and additional insured;
- 6.2.3. waiver of Underwriter's rights of subrogation against Magnetic Group, its directors, officers, employees, agents, servants and subcontractors under all required Hull / Hull war insurance;
- 6.2.4. provide that in the interests of the additional assured, the insurance will not be invalidated by any action or inaction of the Customer regardless of any breach or violation of any warranty of the policy;
- 6.2.5. the geographical limits, if any, shall include at the minimum all territories, to, from or over which the Aircraft / Engine to be maintained hereunder will be operated;
- 6.2.6. include a severability of interests section under the liability coverage, which provides that the insurance shall operate to give each Insured the same protection as if there were a separate policy, issued to each Insured;
- 6.2.7. a thirty (30) days written notice-period of cancellation or material change in favor of Magnetic Group (seven (7) days or such lesser period as may be available for war risks cover).
- 6.3. The Customer shall be responsible for any deductible payable under their Insurance policies.
- 6.4. The Customer will, at least three (3) days prior to the commencement of the Services and from time to time as Magnetic Group may reasonably request, furnish to Magnetic Group certificates of insurance evidencing that the forgoing insurances are in full force and effect. In the event the Customer fails to perform obligations set out under Section 6, Magnetic Group shall be released of all liability under the Agreement.
- 7. TRADE COMPLIANCE**
- 7.1. **Trade Compliance Obligations.** The Customer shall comply with any and all applicable export, re-export, import and sanctions laws, regulations, orders and authorizations of the United States, European Union, United Kingdom and other jurisdictions applicable to the Customer's activities and obligations under the Agreement (collectively, the "Trade Compliance Laws"). The Customer acknowledges that such obligations apply to the purchase, use, resale, export, re-export, transfer, diversion, disposal or other handling of Magnetic Group goods, software, technical data (including products derived from or based on such technical data), and services received directly or indirectly from Magnetic Group.
- 7.2. **End Use and End User Compliance.** The Customer represents, warrants and undertakes that (i) the goods and services supplied under or in connection with the Agreement will be used, sold, exported, re-exported, incorporated into other items, or otherwise handled solely for civil and commercial end use unless expressly agreed otherwise in writing and all required licenses or authorizations have been obtained in advance, (ii) the Customer shall not directly or indirectly use, sell, export or re-export any such goods or services for the design, development, production, stockpiling or use of chemical or biological weapons, nuclear programs (including activities related to nuclear explosive devices, nuclear reactors and nuclear fuel-cycle activities), missile programs (including cruise and ballistic missile systems, space launch vehicles, sounding rockets, target drones, remotely piloted vehicles and reconnaissance drones), or maritime nuclear propulsion projects except as authorized under applicable laws and regulations, (iii) the Customer shall not directly or indirectly use, sell, export, re-export, transfer, divert or otherwise make available such goods or services in countries or to persons and/or organizations subject to applicable international sanctions or embargoes or to support regional instability or terrorism activities, and (iv) the Customer shall not directly or indirectly supply such goods or services to military end users or for military end use without all applicable authorizations, including full compliance with the U.S. Export Administration Regulations (EAR), including Part 744 restrictions, where applicable.
- 7.3. **Prohibited Parties.** The Customer shall not, directly or indirectly, sell, export, re-export, transfer, divert, or otherwise dispose of any Magnetic Group goods, software, technical data (including products derived from or based on such technical data), or services received directly or indirectly from Magnetic Group to, for use by, or for the benefit of any Prohibited Party without obtaining prior authorization from the relevant government authorities as required pursuant to Trade Compliance Laws. "Prohibited Parties" means, collectively, (i) those countries on which applicable governments maintain an embargo or sanctions, and (ii) those individuals and entities identified on restricted or denied party lists, including the U.S. Department of the Treasury Specially Designated Nationals and Blocked Persons (SDN) List, the U.S. Department of Commerce Entity List, the U.S. Military End User (MEU) List, the EU Consolidated Sanctions List, and the UK OFSI Consolidated List, as amended from time to time.
- 7.4. **No-Russia / No-Belarus Clause.** The Customer shall not sell, export or re-export, directly or indirectly, (i) to the Russian Federation or for use in the Russian Federation any goods supplied under or in connection with the Agreement that fall under the scope of Article 12g of Council Regulation (EU) No 833/2014, or (ii) to Belarus or for use in Belarus any goods supplied under or in connection with the Agreement that fall under the scope of Article 8g of Council Regulation (EU) No 765/2006. The Customer undertakes that (i) it shall use its best efforts to ensure that the purpose of the foregoing restrictions is not frustrated by any third parties further down the commercial chain, including possible resellers, (ii) it shall set up and maintain an adequate monitoring mechanism to detect conduct by any such third parties that would frustrate the purpose of the foregoing restrictions, (iii) any violation of the foregoing obligations shall constitute a material breach of an essential element of the Agreement entitling Magnetic Group to seek appropriate remedies including, without limitation, termination of the Agreement, (iv) the Customer shall immediately inform Magnetic Group about any problems in applying the foregoing obligations, including any relevant activities by third parties that could frustrate the purpose of the foregoing restrictions, and (v) the Customer shall make available to Magnetic Group information concerning compliance with the obligations under this clause within three (3) business days of a simple request for such information.
- 7.5. **End Use / End User Statement; Information and Documentation.** Upon Magnetic Group request, the Customer shall execute the End Use / End User Statement and shall provide supporting information and documentation reasonably requested by Magnetic Group within three (3) business days of a simple request. Such information and documentation may include, without limitation, (i) end use and end user details, (ii) ownership and control information, (iii) export classification (ECCN), (iv) Harmonized System (HS) tariff number, (v) customs value, (vi) country of origin (non-preferential), (vii) shipment and delivery records, (viii) resale or transfer records, and (ix) sanctions screening or compliance records to the extent legally shareable with due respect to business confidentiality.
- 7.6. **Audit and Verification Rights.** Magnetic Group shall have the right, upon reasonable notice and during normal business hours, to verify the Customer's compliance with this Clause 7 and applicable Trade Compliance Laws. Verification may be conducted by (i) reviewing documentation and records provided by the Customer, (ii) performing remote compliance checks, and/or (iii) conducting an on-site audit of relevant records and processes to the extent reasonably necessary to confirm compliance. The Customer shall cooperate in good faith and ensure access to relevant personnel and records. If (i) the Customer fails to provide requested information within the required timeframe, (ii) the Customer provides incomplete, inaccurate or misleading information, or (iii) Magnetic Group reasonably determines that compliance cannot be verified, Magnetic Group may suspend performance or refuse delivery or provision of services without liability until compliance is confirmed.
- 7.7. **Licences and Authorizations.** Where applicable, the Customer shall assist Magnetic Group in a timely manner with all relevant information and/or documentation to enable Magnetic Group to apply for and receive any export licenses or other authorizations required at Magnetic Group location or otherwise. Upon receipt of the appropriate documentation, Magnetic Group may apply for the required export license; however, no obligation shall fall on Magnetic Group should such export licenses or authorizations fail to be issued, are delayed, denied, revoked, restricted or otherwise not available, or where compliance cannot reasonably be verified. The Customer waives any claims or demands against Magnetic Group in relation to any damages, expenses or loss (direct or indirect) incurred by the Customer if issuance of required export licenses was delayed or if such export licenses were not issued at all, to the extent permitted by law.
- 7.8. **Notifications and Cooperation.** The Customer shall immediately notify Magnetic Group in writing if (i) any representation, declaration or undertaking under this Clause 7 or the End Use / End User Statement becomes inaccurate, (ii) the Customer becomes subject to any legal proceedings relating to sanctions laws, or (iii) the Customer becomes aware of any actual or suspected breach of Trade Compliance Laws or this Clause 7. The Customer shall provide such information as reasonably requested by Magnetic Group in such a situation, including a description of mitigating steps taken to rectify the situation, and shall fully cooperate with any investigation.
- 7.9. **Indemnity; Remedies; Survival.** The Customer shall indemnify and hold harmless Magnetic Group from and against any and all claims, losses, damages, expenses, costs, demands, liabilities and proceedings suffered or incurred by Magnetic Group arising from or in respect of (i) any breach of this Clause 7, (ii) any breach of the End Use / End User Statement, or (iii) any violation of applicable Trade Compliance Laws by the Customer or parties acting on its behalf. Any violation of this Clause 7 shall constitute a material breach of an essential element of the Agreement, and Magnetic Group shall be entitled to seek appropriate remedies, including, without limitation, (i) suspension of performance, (ii) refusal to deliver or provide services, and/or (iii) termination of the Agreement and any ongoing transactions with immediate effect and without incurring liability, where (a) the Customer is in breach of Trade Compliance Laws, (b) the Customer breaches any representation or undertaking in this Clause 7 or the End Use / End User Statement, or (c) Magnetic Group reasonably determines that compliance cannot be verified. This Clause 7 shall survive the completion, early termination, cancellation or expiration of the Agreement.

8. EVENT OF DEFAULT

- 8.1. The occurrence of any of the following will constitute an Event of Default and material breach of the Agreement: (i) any Party fails to make any payment due hereunder in the manner and by the date provided herein and fails to make such payment within twenty (20) Business Days after such payment is due; (ii) any Party fails to make any payment due under any other agreement between the Parties or otherwise (iii) any Party (a) suspends payment on its debts or other obligations, (b) is unable to or admits its inability to pay its debts or other obligations as they fall due, (c) is adjudicated or becomes bankrupt or insolvent or (d) proposes or enters into any composition or other arrangement for the benefit of its creditors generally; (vi) any proceedings, resolutions, filings or other steps are instituted or threatened with respect to the Party relating to the bankruptcy, liquidation, reorganization or protection from creditors of the Party or a substantial part of the Party's property.
- 8.2. In addition to the events of default listed above, any default, breach or event of default by the Customer (or its affiliates) under any other agreement, contract or arrangement with any entity of the Magnetic Group shall constitute an Event of Default under this Agreement, entitling Magnetic Group to exercise all rights and remedies available hereunder.
- 8.3. In the Event of default by the Customer, Magnetic Group may, upon written notice to the Customer, (1) suspend its performance in whole or in part, (2) terminate the Agreement and/or (3) declare all sums owing to Magnetic Group immediately due and payable. Exercise of any of the foregoing remedies by Magnetic Group shall not preclude exercise of any of the others, and neither the existence nor exercise of such remedies shall be construed as limiting, in any manner, any of the rights or remedies available to Magnetic Group under the applicable law (including, without limitation, cancellation fees, storage fees, parking charges, etc.).

9. GOVERNING LAW AND DISPUTE RESOLUTION

- 9.1. The Agreement will in all respects, including all matters of construction, validity and performance, be governed by, and construed in accordance with, the laws of the country / state of incorporation of respective Magnetic Group entity the Agreement is concluded with, without regard to rules governing conflicts of law.
- 9.2. For the exclusive benefit of Magnetic Group, the Customer irrevocably agrees that the courts of country / state of incorporation of respective Magnetic Group entity the Agreement is concluded with are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Agreement and indemnity and that any proceedings may be brought in those courts. Nothing contained in this Clause shall limit the right of Magnetic Group to commence any proceedings against the Customer in any other court of competent jurisdiction nor shall the commencement of any proceedings against the Customer in one or more jurisdictions preclude the commencement of any proceedings in any other jurisdiction, whether concurrently or not.
- 9.3. EACH PARTY HERETO HEREBY EXPRESSLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A JURY TRIAL IN RESPECT OF ANY CLAIM OR LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THE AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY.

10. CONFIDENTIALITY

- 10.1. Any specifications, plans, drawings, patterns, designs or any other information, supplied by Magnetic Group to Customer in connection with provision of Services, including all and any IPRs, shall remain the property of Magnetic Group, and any information derived therefrom or otherwise communicated to Customer in connection with the provision of Services shall be regarded by Customer as secret and strictly confidential and shall not, without consent in writing of Magnetic Group, be published or disclosed to any third party, or made use of by Customer except for the purpose of implementing the Agreement.

EXHIBIT A. AIRCRAFT MAINTENANCE SERVICES

A.1. GENERAL TERMS

- 1.1. All maintenance activities in accordance will be performed under Magnetic MRO's EASA Part-145 maintenance organization approval EE.145.0102 or the approval number of Magnetic MRO's EASA Part-145 approved subcontractors or other maintenance organization approval if explicitly required by the Customer's authority, depending on the aircraft registration.
- 1.2. Customer shall supply Magnetic Group in advance with current (updated) aircraft documentation required for Service performance.
- 1.3. The Customer warrants that at the date of the delivery of the aircraft to Magnetic Group / its subcontractor's facility it will have obtained any relevant authorizations required from the appropriate authority to allow Magnetic Group / its subcontractor to perform the Services and shall provide copy of such authorization.
- 1.4. The Customer shall grant / make the aircraft possessor and/or the owner grant Magnetic Group's personnel unrestricted access (either remote or direct) to the aircraft and records/documentations in a timely manner. The Customer is responsible for acquiring (and for negotiation of the terms for such acquisition) all necessary permits such as, *inter alia*, permissions allowing taking pictures of the aircraft or entry into the airport premises.
- 1.5. Unless otherwise agreed in writing, delivery of material or an aircraft will be at Customer's risk and expense unless otherwise agreed in writing. Redelivery of material or an aircraft will be EXW (INCOTERM 2020) at the Magnetic Group facility, if not stated otherwise by Magnetic Group.

- 1.6. The performance by Magnetic Group of the Services shall not constitute in any way a transfer of title or any right of use to Customer, of all or part of the Intellectual Property Rights owned by Magnetic Group or licensed to Magnetic Group by any third party. Should the performance of the Services by Magnetic Group result in the creation and development of any Intellectual Property Right, Magnetic Group shall be the sole owner and shall have full title and interest in such right upon its creation, including all rights relating to such Intellectual Property Right.

A.2. COMMERCIAL TERMS

- 2.1. Performance of the base maintenance services might be subject to the Deposit for each aircraft, which shall be agreed by the Parties individually. Deposit shall be applied towards the final invoice.
- 2.2. The Customer shall be responsible at its sole expense for, including but not limited to: (i) all charges relating to the positioning of the aircraft to and from the Magnetic Group facility; (ii) all charges arising from the defueling, storage / disposal of fuel and refuelling of the aircraft; (iii) all hotel, travel or accommodation requirements of Customers' employees, servants, agents or sub-contractors; (iv) all Customer computer requirements; (v) all international, local call charges for telephone (including mobile phones), fax, and the Internet usage.
- 2.3. The Price excludes daily allowance, lodging in the hotel, visa costs, travel expenses, and other Services related communication expenses and shall be borne by the Customer when Services are performed outside of the Magnetic Group facility.
- 2.4. If the Customer for any reason, including the exercise of a Magnetic Group Lien should not collect any aircraft/materials from Magnetic Group Maintenance facility on completion of the Services, Magnetic Group shall no longer be responsible for the aircraft/materials and shall be entitled to charge the Customer parking/storage charges at the following rates: EUR 5000 per day plus downtime charge equal to 50 times standard manhour rate valid at the time of performance of Services per day. Customer shall be charged for parking/storage until such time that the aircraft/material is removed from Magnetic Group premises. Any maintenance on and insurance of the aircraft shall be the responsibility of the Customer for so long as the aircraft shall remain at Magnetic Group premises.

A.3. CANCELLATION

- 3.1. In case of Customer's cancelation of maintenance services or Magnetic Group's termination due to Customer's default, Magnetic Group shall be entitled to charge a sum of chargeable labor, Parts and Materials for services for the affected Airframe or Engine performed as of the date of cancellation. In addition to that, Magnetic Group shall be entitled to charge the Customer for following compensation as liquidated damages for lost slot:
 - a) If cancelled 90 days or more before Delivery Date – no compensation;
 - b) If cancelled between 89 and 60 days before Delivery Date – compensation of 15% from total fixed / estimated price;
 - c) If cancelled between 59 and 40 days before Delivery Date – compensation of 25% from total fixed / estimated price;
 - d) If cancelled between 39 and 20 days before Delivery Date – compensation of 35% from total fixed / estimated price;
 - e) If cancelled between 19 days and 1 day before Delivery Date – compensation of 45% from total fixed / purchase order price;
 - f) If cancelled on or after Delivery Date – compensation of 55% from total fixed / purchase order price.
- 3.2. Notwithstanding provisions of points a) – f) above, peculiar materials purchased by Magnetic Group specifically for the cancelled services as seats spares, carpets, decorative laminates (Tedlar), paints, mod. kits for SBs, special tooling for SB, shall be compensated by the Customer in full. Such materials shall be sent to the Customer by Magnetic Group.
- 3.3. Upon termination / cancellation of services, Deposit paid by the Customer shall be applied towards the relevant compensation amount, as specified in Clause 3.1.

EXHIBIT B. SPARE PARTS SALE, EXCHANGE, REPAIR AND LEASE

B.1. GENERAL TERMS

- 1.1. These Ts&Cs contain the entire agreement in connection with and shall be applicable, *inter alia*, to all offers and deliveries of spare parts, components, materials and equipment (including tools, test equipment and ground support equipment) (hereinafter collectively – the "Spare Parts") on sale, exchange, repair and lease basis.
- 1.2. All Spare Parts quoted are subject to prior sale. Magnetic Group shall provide the Customer with Spare Parts as detailed in Customer's Purchase Order (accepted by Magnetic Group in written form) and Magnetic Group Quotation.
- 1.3. If not stated otherwise, Customer may make changes in the quantity, character, specifications, delivery and other terms of the Purchase Order by a written change order, subject to written acceptance by Magnetic Group. Change fee will correspond to fifteen percent (15 %) of the total Purchase Order value for each change. If Customer cancels Purchase Order or Magnetic Group cancels Purchase Order due to Customer's fault, Magnetic Group shall charge restocking fee up to fifteen percent (15%) of total price of Purchase Order. Customer shall also cover and pay Magnetic Group costs incurred up to the date of Purchase Order change or cancellation.
- 1.4. Magnetic Group shall send the Spare Parts to Customer EXW (INCOTERM

2020) Magnetic Group facilities, unless otherwise specified in the Quotation.

- 1.5. **Prices.** Unless the contract states price(s) to be fixed, Magnetic Group may increase prices for undelivered balances in accordance with increases in Magnetic Group's costs and/or general price list increases occurring after the date of acceptance of Purchase Order but before dispatch and/or performance. Customer shall pay any increases in delivery costs after the date of acceptance of order.
- 1.6. **Warranty.** The quality of the Services and Parts to be delivered shall be in full conformity with the technical conditions stipulated by the manufacturer's specification and with FAA or EASA requirements. Magnetic Group is not the manufacturer of the Spare Parts. Where Magnetic Group procures on behalf of, or sells Spare Parts to the Customer, Magnetic Group shall use reasonable endeavours to transfer or assign any warranty made available to Magnetic Group by any manufacturer or other third-party supplier, to the extent that any such warranty shall be capable of transfer or assignment to the Customer. The warranty shall not be applied until the Customer has paid full price for the Spare Part / Service according to the Purchase Order and the terms specified in the invoice.

B.2. SALE

- 2.1. Magnetic Group will sell the Spare Parts, if available, to the Customer from Magnetic Group's or its partners' stock (hereinafter "Sale").
- 2.2. In case the Spare Parts requested by the Customer are not available in Magnetic Group's or its partners' stock, Magnetic Group may order the Spare Parts from the manufacturer listed as the Approved Supplier.
- 2.3. SPARE PARTS SHALL BE SOLD "AS IS WHERE IS", UNLESS OTHERWISE AGREED. MAGNETIC GROUP DOES NOT WARRANT THAT SPARE PARTS ARE MERCHANTABLE, FIT FOR ANY PARTICULAR PURPOSE OR AN INTENDED USE BY CUSTOMER AND CUSTOMER SHALL SATISFY ITSELF THAT SPARE PARTS ARE SO FIT.
- 2.4. The Sale Price shall be agreed by the Parties in each particular case.
- 2.5. Payment of the Sale Price must be performed before delivery of the Spare Part, unless agreed otherwise.
- 2.6. The title of Parts sold to the Customer shall pass from Magnetic Group to the Customer when the payment has been in full received by Magnetic Group and Parts are delivered to the Customer, whichever occurs later.

B.3. LEASE

- 3.1. Magnetic Group shall lease the Customer the Spare Parts available in Magnetic Group's or its partners' stock on the terms set forth herein (hereinafter "Lease").
- 3.2. Spare Parts provided on Lease (hereinafter "Lease Part") remain the property of Magnetic Group / its partner. Customer shall redeliver Lease Parts free from any liens, right or claim of a third party or the Customer.
- 3.3. Whenever a Lease Part has left Magnetic Group or its partners' stock, Customer bears risk of loss until it is redelivered to Magnetic Group.
- 3.4. PARTS SHALL BE LEASED "AS IS WHERE IS", UNLESS OTHERWISE AGREED. MAGNETIC GROUP DOES NOT WARRANT THAT LEASE PARTS ARE MERCHANTABLE, FIT FOR ANY PARTICULAR PURPOSE OR AN INTENDED USE BY CUSTOMER AND CUSTOMER SHALL SATISFY ITSELF THAT SPARE PARTS ARE SO FIT.
- 3.5. Lease Part must be returned to Magnetic Group by the Customer at the expiry of the Lease Term in the same condition or serviceable condition (EASA Form 1) as delivered, standard wear and tear accepted.
- 3.6. The Lease Fees shall be agreed by the Parties in each particular case.
- 3.7. In addition to the Lease Fee, Magnetic Group reserves the right to charge the Customer the following additional charges: (i) If the Lease Part is not returned to Magnetic Group with release documentation of the standard and level of completeness of that of the Lease Part when it was supplied – re-certification charges; (ii) Should the Lease Part be returned to Magnetic Group in an unserviceable condition – inspection charges and either: (a) repair charges, in the event that the Lease Part is repaired by the Workshop in accordance with the CMM; or (b) the Outright Price of the Lease Part, should the Lease Part be deemed BER by the Workshop; (iii) any transportation costs Magnetic Group may incur for the inspection, re-certification or repair of the Lease Part. Any Disbursements made by Magnetic Group due to inspection, certification, re-certification or repair of the Lease Part will be charged at cost price plus a ten percent (10%) administrative fee mark-up.
- 3.8. Customer shall pay Lease Fee for the Lease Term and the Deposit (if applicable) three (3) calendar days before commencement of the Lease. After the end of the Lease as defined in Clause B 3.12 Magnetic Group shall issue final invoice for remaining lease amounts and additional expenses (if any) and such invoice is to be paid by the Customer in ten (10) calendar days.
- 3.9. The Lease Term shall be agreed by the Parties in each particular case.
- 3.10. The Lease Term shall commence on agreed date.
- 3.11. In case the Customer fails to return the Lease Part at expiry of the Lease Term, Magnetic Group shall have the right to charge the Customer at double the rate of the Lease Fee until Lease end as defined in Clause B 3.12 without prejudice to Customer's obligation to return the Lease Part. During such delayed delivery Magnetic Group shall be entitled to convert Lease into Sale for Outright Price which shall be charged in addition to Lease Fees charged previously.
- 3.12. The Lease shall end on the later of: (i) the day the Lease Part is returned to Magnetic Group; (ii) if the Lease Part requires re-certification (due to it being

returned to Magnetic Group with incomplete records) the day on which the Lease Part is re-certified; (iii) if the Lease Part is returned in an unserviceable condition, the day on which the Lease Part is either returned to a serviceable condition or determined to be BER by the Workshop.

B.4. EXCHANGE

- 4.1. Magnetic Group will, for an agreed Exchange Fee, exchange an unserviceable Spare Part (hereinafter "Core Unit") of the Customer for a serviceable Spare Part, pursuant to the terms and conditions described herein (hereinafter "Exchange").
- 4.2. The Customer shall pay the Exchange Fee, and cover all transportation (including freight, customs fees and charges for the serviceable Part, the Core Unit, and the freight incurred sending the Core unit to re-pair organization and back to Magnetic Group), recertification, and / or modification, and / or overhaul and / or test costs incurred and reimburse the relevant costs borne by Magnetic Group plus ten percent (10%) handling fee.
- 4.3. The cost of repair, overhaul, testing, and recertification of the Core Unit shall be specified by Magnetic Group in each particular case and shall be invoiced to the Customer.
- 4.4. The Customer must deliver a Core Unit acceptable to Magnetic Group within fourteen (14) calendar days after the shipment of the serviceable Spare Part. Core Unit returned to Magnetic Group must be repairable and of the same part number, dash number, and modification level as the Serviceable Part. Any deviation must be approved in writing by Magnetic Group prior to delivery of the Core Unit to Magnetic Group by the Customer. If the Core Unit does not comply with the preceding requirements it will be returned to Customer at Customer's expense and any and all charges incurred associated with the Core Unit will be charged to and payable by the Customer.
- 4.5. If Magnetic Group has not received an acceptable Core Unit including its documentation within fourteen (14) calendar days from the date of the shipment of serviceable Spare Part, then the Customer will be charged an additional amount equal to the Exchange Fee and the terms of these Terms and Conditions will continue to apply. If an acceptable Core Unit has not been received by Magnetic Group within twenty eight (28) calendar days from the date of the shipment, the exchanged unit will be considered to have been sold to Customer at its outright value, plus the Exchange Fee and any additional amounts already charged to the Customer. Alternatively, Magnetic Group may elect to invoice additional Exchange Fees every fourteen (14) calendar days until an acceptable Core Unit is received.
- 4.6. The Core Unit returned to Magnetic Group will not be accepted by Magnetic Group unless it is accompanied by the following Documentation: (i) unserviceable tags, containing reason for removal information; (ii) non-incident statement from the Customer and the airline from which part is removed, proof of trace from the airline via packing slip or a signed statement from the operator indicating part number and serial number; (iii) records for life-limited parts (i.e.: vanes, disk, etc.); (iv) cargo customs declaration (the component must be released to free circulation) for Magnetic Group review shall be supplied in advance; (v) previous EASA/FAA certificate. The Core Unit will not be considered received until all of the required documentation has been provided to Magnetic Group.
- 4.7. In the event (i) the Core Unit is unacceptable for Magnetic Group; or (ii) the repair cost of the Core Unit exceeds sixty five percent (65%) of the agreed outright value of the Core Unit, i.e. the Core Unit is deemed BER by the re-pair station, then the Customer shall be invoiced the aforementioned outright value as well as the original Exchange Fee, transportation and assessment fees of the Core Unit by Magnetic Group. Upon the Customer's request Magnetic Group will return such Parts to the Customer on Customer's expense with complete shop report (hereinafter "Shop Report").
- 4.8. In the event the Core Unit is deemed BER, Magnetic Group has the right to refuse to repair the Core Unit.
- 4.9. In the event that unmodified Parts are removed from the aircraft due to unserviceability or by FAR / JAR / EASA or OEM directive and Magnetic Group has supplied modified Parts, the Customer agrees to incur the costs arising from the modification of Core Unit, to modify the Parts to the appropriate standard. The modifications in the meaning of this Clause are, but not only, differences in modification level, difference in Part numbers, submission of an alternative Part.
- 4.10. Life Limited Parts i.e. Core Units subject to life time limitations must be accompanied by TSO / TSN, CSN / CSO & date of manufacture.
- 4.11. The Customer shall perform incoming inspection of all delivered serviceable Spare Parts. Defect claim must be raised in writing within seven (7) calendar days of receipt of the serviceable Spare Part, prior to returning a failed and / or warranty Spare Part, otherwise the returned Spare Part will be processed as a normal Core Unit and the Customer will be liable for any and all re-certification, modification and / or overhaul costs. If the Exchange Unit is under warranty coverage, delivery of such failed Exchange Unit shall be proceeded in accordance with Paragraph 4.
- 4.12. The Customer agrees and warrants, that title to and ownership of the serviceable Spare Part shall remain with and be vested in Magnetic Group without encumbrances, until the Customer returns a Core Unit acceptable to Magnetic Group as described above and until payment in full to Magnetic Group is received from the Customer. Simultaneously, title to and ownership of the Core Unit will vest, without encumbrances, with Magnetic Group.

B.5. REPAIR

- 5.1. Magnetic Group will, for an agreed fee, make a Part serviceable by replacing or processing failed or damaged parts and return the repaired Spare Part to the Customer (hereinafter "Repair").
- 5.2. Magnetic Group shall perform Services within its capability certified by EE CAA iaw EASA Part-145 requirements. For Spare Parts that do not fall within Magnetic Group's capabilities or capacity, Magnetic Group shall be entitled to locate and utilise subcontractors, including, but not limited to, other entities within Magnetic Group.
- 5.3. Magnetic Group shall release all repaired / overhauled, inspected and tested Spare Parts in ready to service condition (no additional work such as testing, recharging, putting to service or other to be carried out), accompanied with the Certificate for Release to Service (e.g. EASA Form 1) as requested by the Customer. All repaired / overhauled and tested Spare Parts will be accompanied with a full Shop Report.
- 5.4. Any claims related to Repair must be raised in writing within seven (7) calendar days of receipt of the repaired Spare Part, otherwise the repaired Spare Part will be considered accepted by the Customer.
- 5.5. In case the repair cost exceeds ten percent (10%) the Spare Part price, Magnetic Group must inform the Customer in advance to make the decision regarding expediency of this repair.
- 5.6. In the event of an AOG / IOR request by the Customer for a unit that is within the agreed TAT, Magnetic Group reserves the right to charge the Customer an additional fifteen percent (15%) charge as a result of the additional costs incurred.
- 5.7. The guaranteed TAT relate to standard Maintenance (i.e. initial inspection and test stipulated in the relevant CMM, replacement of a defective component that has failed during the normal operation of the Part, and its subsequent final test). The non-standard Maintenance (i.e. Customer mishandling or misconduct, Part received physically damaged or supplied to Magnetic Group as incomplete, Part with unusual damage or wear, Spare Part with results of damage due to improper installation or removal, improper or unauthorized maintenance outside of established Part-145 providers or as a result of an incident not arising out of normal aircraft operation, etc.) and cases of Excusable Delay will not be covered by agreed TAT.
- 5.8. Magnetic Group warrants that the Repair performed by Magnetic Group shall be free from fault due to defective workmanship for a period as stated below from the date the Certificate for Release to Service has been issued:
 - Wheels – three (3) months or three hundred (300) FC (whichever comes first);
 - Brakes – twelve (12) months or one thousand (1000) FC (whichever comes first);
 - Batteries – three (3) months or three hundred (300) FC (whichever comes first);
 - Spare Parts where FC is not applicable – three (3) months from the date the Certificate for Release to Service has been issued.

EXHIBIT C. DESIGN AND PRODUCTION SERVICES

C.1. SERVICES

- 1.1. Magnetic Group shall perform EASA Part 21J DOA services for Airframe, Cabin, Avionics and Structure for the aircraft types in Customer's fleet as detailed in Magnetic Group proposal. Aircraft affected: B737NG; A320 family; A330; A340; A350; ATR 72-6000; CRJ1000 ER; CRJ 900 E.
- 1.2. The services to be provided (on separate Purchase Order basis):
 - 1.2.1. Design Change Services
 - A. Interior layout alteration (LOPA drawings)
 - B. Interior project management
 - 1.2.2. Refurbishment Services
 - A. Complete aircraft cabin refurbishment (pre-development, service bulletin development, and implementation)
 - B. Services by passenger and crew seats shop, Curtains shop, Side panels shop, Lighting upgrades, Carpeting solutions
 - C. Recommendations with regard to carpet upgrades and design
 - D. Livery change solutions
 - 1.2.3. Other Services agreed by the Parties.
- 1.3. Subject to Magnetic Group Quotation Customer shall issue Purchase Orders indicating purchased service, prices, performance dates and Aircraft to be serviced and shall refer to the Quotation. No Purchase Order placed by the Customer shall be deemed to be accepted by Magnetic Group until a written acknowledgement of Purchase Order is issued by Magnetic Group or (if earlier) Magnetic Group delivers the goods / Services to the Customer. All goods quoted are subject to prior sale.
- 1.4. All samples, drawings, descriptive matter, specifications and advertising issued by Magnetic Group and any descriptions or illustrations contained in Magnetic Group's catalogues or brochures are issued or published for the sole purpose of giving an approximate idea of the goods described in them. They shall not form part of the Agreement and this is not a sale by sample.
- 1.5. If not stated otherwise, the Customer may make changes in the quantity, character, specifications, delivery and other terms of the Purchase Order by a written change order, subject to written acceptance by Magnetic Group. Cancellation of stock items: If accepted by Magnetic Group, change fee will correspond to twenty percent (20%) of the total Purchase Order value for each change. If

the Customer cancels Purchase Order for the goods, Magnetic Group shall charge restocking fee up to twenty percent (20%) of total price of Purchase Order. The Customer shall also cover Magnetic Group costs incurred up to the date of Purchase Order change or cancellation. Cancellation of non-stock items: not allowed, unless separately agreed by the Parties. Cancellation of Services: cancellation fee depends on the time of receipt of the cancellation notice, and is subject to Services stage and costs incurred prior to such cancellation notice. If cancellation notice is received by Magnetic Group more than eight (8) weeks prior to Services start date – fifty percent (50%) of Services price shall be applicable as cancellation fee; if notice received less than eight (8) weeks prior to Services start date – one hundred percent (100%) of Services price shall be applicable as cancellation fee. The Customer shall also cover Magnetic Group costs incurred up to the date of cancellation of Services.

C.2. DELIVERY

- 2.1. Unless otherwise agreed in writing by Magnetic Group, delivery of the goods shall take place at the Magnetic Group's place of business on EXW (INCOTERM 2020) conditions.
- 2.2. The Customer shall take delivery of the goods within twenty eight (28) days of Magnetic Group giving it notice that the goods are ready for delivery.
- 2.3. Any dates specified by Magnetic Group for delivery of the goods / performance of Services are intended to be an estimate and time for delivery shall not be made of the essence by notice. If no dates are so specified, delivery / performance shall be within a reasonable time.
- 2.4. Subject to the other provisions of these Terms and Conditions Magnetic Group shall not be liable for any direct, indirect or consequential loss (all three of which terms include, without limitation, pure economic loss, loss of profits, loss of business, depletion of goodwill and similar loss), costs, damages, charges or expenses caused directly or indirectly by any delay in the delivery of the goods / Services, nor shall any delay entitle the Customer to terminate or rescind the Agreement unless such delay exceeds one hundred eighty (180) days.
- 2.5. Any liability of Magnetic Group for non-delivery of the goods shall be limited to replacing the goods within a reasonable time or issuing a credit note at the pro rata basis rate against any invoice raised for such goods.
- 2.6. If for any reason the Customer fails to accept delivery of any of the goods when they are ready for delivery, or Magnetic Group is unable to deliver the goods on time because the Customer has not provided appropriate instructions, documents, licenses or authorisations:
 - 2.6.1. risk in the goods shall pass to the Customer (including for loss or damage caused by Magnetic Group's negligence);
 - 2.6.2. the goods shall be deemed to have been delivered; and
 - 2.6.3. Magnetic Group may store the goods until delivery, whereupon the Customer shall be liable for all related costs and expenses (including, without limitation, storage and insurance).
- 2.7. The Customer shall provide at the Delivery Point and at its expense adequate and appropriate equipment and manual labour for loading the goods.

C.3. PRICE

- 3.1. Unless otherwise agreed by Magnetic Group in writing, the price for the goods / Services shall be the price set out in the Magnetic Group's quotation and/or in the specification.
- 3.2. Unless the contract states price(s) to be fixed, Magnetic Group may increase prices for undelivered balances in accordance with increases in Magnetic Group's costs and/or general price list increases occurring after the date of acceptance of purchase order but before despatch and/or performance. The Customer shall pay any increases in delivery costs after the date of acceptance of order.

EXHIBIT D. PAINTING SERVICES

D.1. GENERAL

- 1.1. Magnetic Group will provide painting services, subject to the terms and conditions set forth herein and in the respective Proposal.

D.2. LATE DELIVERY, RESCHEDULING AND CANCELLATION

- 2.1. The Customer should use its best endeavours to deliver the Aircraft to Magnetic Group on the agreed input dates in accordance with the agreed timeframe. However, late delivery of the Aircraft to Magnetic Group facilities will incur the following costs that Magnetic Group will need to recover, starting from the first day of delay:
 - 2.1.1. Hangar Rental: EUR 1800 per day (24 hours);
 - 2.1.2. The costs incurred by Magnetic Group for any additional charge for the rental of specialist docking and access equipment.
- 2.2. The Customer should use its best endeavours to avoid cancellation of any agreed aircraft input in accordance with the agreed timeframe. However, in case of Customer's cancellation of painting services or Magnetic Group's termination due to Customer's default, Magnetic Group shall be entitled to charge the Customer for following compensation as liquidated damages for lost slot:
 - 2.2.1. If cancelled at any time before 60 days prior to the agreed input date – no compensation;
 - 2.2.2. If cancelled between 60 and 31 days prior to the agreed input date – compensation of paint material price which was ordered for cancelled paint project;
 - 2.2.3. If cancelled between 30 and 15 days prior to the agreed input date – compensation of hangar rental in full: agreed down time multiplied by the

- daily rental charge as per Clause 2.1.1, plus paint material price which was ordered for cancelled paint project;
- 2.2.4. If cancelled between 14 and 1 day prior to the agreed input date – compensation of 45% of total fixed / purchase order price;
- 2.2.5. If cancelled on or after agreed input date – compensation of 55% from total fixed / purchase order price.
- 2.3. Upon termination / cancellation of services, deposit paid by the Customer shall be applied towards the relevant compensation amount, as specified in Clause 2.2.
- 2.4. The Customer reserves the right to reschedule aircraft painting to another mutually agreed time given that notice is provided at least 31 days before the initially agreed-upon painting input date. However, rescheduling aircraft input to Magnetic Group facilities will incur the following costs that Magnetic Group will need to recover:
- 2.4.1. Should notification of a slot change be provided by the Customer 31 days or more ahead of the originally agreed-upon input date and result in the expiration of ordered paint material prior to the subsequent mutually agreed painting date, the Customer shall assume responsibility for covering the costs incurred by the expired material and any relevant storage charges, as directed by Magnetic Group;
- 2.4.2. In the event of notification of a slot change occurring between 30 and 15 days before the initial agreed-upon input date, Magnetic Group shall levy an amount equal to 40% of the total fixed / purchase order price plus costs incurred by the expired material and any relevant storage charges.
- 2.4.3. If notification of a slot change is provided within 14 days or less of the agreed input date, Magnetic Group shall be entitled to compensation of 45% of the total fixed / purchase order price plus costs incurred by the expired material and any relevant storage charges.

D.3. WARRANTY

- 3.1. In addition to Warranty terms outlined in Clause 4 of these Ts&Cs, the particular warranty terms related to painting services, as described herein, will be in effect:
- 3.1.1. Magnetic Group undertakes to carry out as soon as reasonably practical, remedial actions, if any of the following defects are reported by the Customer:
- 3.1.1.1. Poor adhesion to bare metal on area of the Aircraft where paint strip and painting work has been performed by Magnetic Group resulting from Magnetic Group negligent workmanship;
- 3.1.1.2. Intercoat adhesion of the system applied on any area of the Aircraft where rub down and painting work has been performed by Magnetic Group resulting from Magnetic Group bad workmanship.