

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 or any of its subsidiaries, branches, other Magnetic MRO's associated undertakings (hereinafter – "Magnetic Group"). 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. Acceptance of a Purchase Order by Supplier, whether by written acknowledgement, commencement of manufacture, shipment, or delivery of any Goods, shall constitute Supplier's unconditional acceptance of these Terms and Conditions to the exclusion of all other terms, including any terms and conditions of sale or supply that Supplier may purport to apply. Magnetic Group's proceeding with any transaction following receipt of Supplier's terms shall not constitute acceptance of those terms, nor shall any course of dealing or conduct be construed as varying these Terms and Conditions. Any purported counter-offer or modification by Supplier shall be of no effect unless expressly accepted in writing by an authorised representative of Magnetic Group.

### 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 Group 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 Group; DER repaired material is not accepted; a part known to have been subjected to conditions of extreme stress, heat or environment must be so identified; all Airworthiness Directives (AD's) that are represented as having been accomplished must be documented; items identified as overhauled, repaired or modified must have the appropriate signed and dated documentation to substantiate the condition of the part.
- 1.4. Supplier shall, at its own expense, pack, load, and deliver the Goods to Magnetic Group and in accordance with the invoicing, delivery terms, shipping, packing, and other instructions provided to Supplier by Magnetic Group in writing. All Goods shall be packed according to ATA300 standards. Supplier shall provide MSDS & TDS (European Safety Data Sheet for Goods shipped to Europe) 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 Group.
- 1.5. Goods specified in the Purchase Order shall be shipped to Magnetic Group 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 Group if Supplier is likely to be unable to meet a delivery date. In the event of a delivery delay attributable to Supplier, Supplier shall pay Magnetic Group liquidated damages at a rate of 0.5% of the affected Purchase Order value per calendar day of delay, up to a maximum of 10% of the applicable Purchase Order value. The Parties acknowledge that such liquidated damages represent a genuine pre-estimate of loss and are not a penalty. Without prejudice to the foregoing, where Supplier fails to deliver a safety-critical or Aircraft on Ground (AOG) item within forty-eight (48) hours of the agreed delivery date, Magnetic Group may source such item from an alternative supplier and charge any incremental cost difference to Supplier.
- 1.7. At any time prior to the delivery date, Magnetic Group 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 Group 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 Group on delivery, if not otherwise agreed in the Purchase Order. Risk of loss, damage or destruction of the Goods shall pass to Magnetic Group after delivery of the Goods to Magnetic Group.
- 1.9. 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 Group's right of inspection. Magnetic Group shall have sixty (60) days (the "Inspection Period") following the delivery of the Goods to Magnetic Group to undertake such inspection, and upon such inspection Magnetic Group shall either accept the Goods ("Acceptance") or reject them. Magnetic Group 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 Group 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 Group of Goods shall not constitute Magnetic Group's Acceptance of those Goods. Magnetic Group shall provide Supplier within the Inspection Period notice of any Goods that are rejected, together with the reasons for such rejection. If Magnetic Group does not provide Supplier with any notice of rejection within the Inspection Period, then Magnetic Group will be deemed to have provided Acceptance of such Goods. Magnetic Group'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. The Inspection Period shall be tolled (paused) for any period during which Magnetic Group is awaiting documentation or information from Supplier necessary to complete inspection. Notwithstanding Acceptance, Magnetic Group reserves the right to reject any Good in which a latent defect is discovered after the Inspection Period where such defect was not reasonably detectable by visual or functional inspection at the time of delivery.
- 2.2. Magnetic Group shall be entitled to return rejected Goods to Supplier at Supplier's expense and risk of loss for, at Magnetic Group's option, either: (i) full credit or refund of all amounts paid by Magnetic Group to Supplier for the rejected Goods; or (ii) replacement Goods to be received within the time period specified by Magnetic Group. 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 Group. Supplier shall not deliver Goods that were previously rejected on grounds of non-compliance with this Agreement, unless delivery of such Goods is approved in advance by Magnetic Group, and is accompanied by a written disclosure of Magnetic Group'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 Group.

Supplier shall hold any price quoted to Magnetic Group firm and open for acceptance for a minimum period of thirty (30) calendar days from the date of quotation.

- 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 Group 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 Group 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 Group requirements, and at a minimum shall reference the applicable Purchase Order. If not otherwise stated in a Purchase Order, Magnetic Group will pay the undisputed portion of properly rendered invoices within forty-five (45) days from the invoice date. Magnetic Group 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 Group 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 Group in the form mutually agreed by the Parties.

#### 4. Warranty

- 4.1. Supplier warrants to Magnetic Group 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 Group, 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 Group; and (viii) compliant with all applicable laws, regulations, standards, and codes.
- 4.2. Supplier shall assign to Magnetic Group 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 Group. In no event shall the warranty period, commencing from the date of Acceptance by Magnetic Group, be less than: (i) new Goods – 6 months or 500 FH (whichever occurs last); (ii) repaired Goods – 6 months or 500 FH (whichever occurs last); and (iii) overhauled Goods – 12 months or 2000 FH (whichever occurs last). Where a warranted Good is repaired or replaced under warranty, the full applicable warranty period shall restart from the date of re-delivery of the repaired or replacement Good to Magnetic Group.
- 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 Group 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 Group, Magnetic Group 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 Group standard pricelist.

#### 5. Liability

- 5.1. Supplier shall indemnify, defend and hold harmless Magnetic Group, its affiliates, and their respective officers, directors, employees, consultants, and agents (the "Magnetic Group 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 Group 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 Supplier 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. Notwithstanding the foregoing, the limitation on indirect, incidental, consequential, or punitive damages shall not apply to losses arising from: (i) an aviation safety incident or accident involving Goods supplied under this Agreement; (ii) a mandatory Airworthiness Directive (AD) action necessitated by a defect in the Goods; (iii) an aircraft grounding (AOG) event directly caused by a defect in the Goods; or (iv) Supplier's supply or concealment of counterfeit Goods.

#### 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 Group under the Agreement. Supplier represents and warrants that only new and authentic parts / work will be used in the performance of the Agreement.
- 6.3. Supplier shall immediately notify Magnetic Group if Supplier becomes aware of or suspects that it has furnished counterfeit parts / work to Magnetic Group, and shall assist Magnetic Group 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, labelling, 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.
- 7.2. Supplier shall: (i) communicate and enforce within their teams the importance of each individual's role in maintaining the quality and conformity of Goods and services supplied to Magnetic Group; (ii) emphasize to their employees the importance of their contributions to the safety of the Goods

and services they deliver to Magnetic Group; (iii) ensure that their employees understand and adhere to ethical principles and behavior in all interactions with Magnetic Group.

## 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. Regulatory Compliance Undertakings

- 9.1. Trade Sanctions and Export Controls. Supplier warrants that it, and all parties in its supply chain, comply with all applicable trade sanctions and export control laws and regulations, including those of the UN, EU, UK and U.S. Supplier confirms that neither it nor any party in its supply chain is designated, blocked or otherwise targeted under any such sanctions, and that no Goods supplied hereunder are subject to sanctions restrictions. Supplier shall immediately notify Magnetic Group in writing of any material change to this warranty, any sanctions-related legal proceedings affecting Supplier or its supply chain, or any actual or suspected violation. Supplier shall not act in any manner that would place Magnetic Group in violation of applicable sanctions. Supplier agrees to cooperate with Magnetic Group's compliance efforts, including providing ownership structure, product classification and other due diligence information upon request. Supplier shall indemnify and hold Magnetic Group harmless against any losses, damages, fines or penalties arising from Supplier's failure to comply with applicable sanctions or from any inaccuracy in the foregoing warranties. Magnetic Group may terminate all ongoing Purchase Orders and agreements with immediate effect and without liability if Supplier is in breach of this Clause. This warranty shall survive the termination, cancellation or expiration of any Purchase Order or agreement.
- 9.2. Country of Origin – Iron and Steel. Where Goods supplied hereunder include iron or steel products, Supplier certifies that such products are not subject to import prohibitions under Council Regulation (EU) No 833/2014 (as amended), and in particular that they do not originate from, and have not been exported from, Russia after 30 September 2023, nor incorporate Russian-origin iron or steel inputs processed in a third country after that date. Supplier shall provide Magnetic Group with evidence of country of origin upon request, which may include a Mill Test Certificate, technical documentation, quality certificate or other documentation acceptable to competent EU Member State authorities. Supplier shall immediately notify Magnetic Group in writing of any material change to this certification and shall cooperate fully with any investigation of actual or suspected non-compliance. This certification shall survive termination or expiry of any Purchase Order or agreement.
- 9.3. Deforestation and Forest Degradation (EUDR). Where Goods supplied hereunder are within the scope of Regulation (EU) 2023/1115 (the "EUDR"), Supplier warrants that such Goods do not originate from land subject to deforestation or forest degradation after 31 December 2020 and are produced in compliance with the applicable laws of the country of production. Supplier shall maintain a due diligence system ensuring full traceability of relevant commodities to their geolocation of production in accordance with Articles 9–10 of the EUDR, and shall retain supporting records and evidence of compliance for a minimum of five (5) years, making such information available to Magnetic Group upon request. Supplier shall immediately notify Magnetic Group in writing upon becoming aware of any non-compliance or risk of non-compliance affecting Goods supplied hereunder, and shall cooperate to remedy such situation. Supplier shall indemnify and hold Magnetic Group harmless from any claims, penalties, damages or losses arising from Supplier's failure to comply with the EUDR or from inaccurate information provided under this warranty.

## 10. Governing Law. Dispute Resolution. Other

- 10.1. 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.
- 10.2. For the exclusive benefit of Magnetic Group, 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 Group 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.
- 10.3. Supplier shall safeguard and keep confidential any and all information relating to Magnetic Group obtained by it or provided to it by Magnetic Group in connection with this Agreement, and shall use such information only for the purposes of carrying out its obligations under this Agreement.
- 10.4. Supplier represents and warrants to Magnetic Group 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). Such policies shall provide minimum coverage of EUR 5,000,000 per occurrence for product liability and EUR 2,000,000 per occurrence for professional indemnity. Supplier shall provide Magnetic Group with a certificate of insurance evidencing the required coverage on an annual basis and promptly upon request.
- 10.5. Upon Magnetic Group request, Supplier shall grant the access to Magnetic Group, its customer and regulatory authorities to perform inspections and surveys at the Supplier's facilities at any level of the supply chain at Magnetic Group cost. Supplier shall keep complete records of all Goods and its documentation supplied under this Agreement for a minimum period of ten (10) years from the date of delivery of the relevant Goods. Such records shall be open for inspection, examination, audit, and copying by authorized Magnetic Group personnel, its customer and regulatory authorities at all reasonable times. In the event Magnetic Group suspects or identifies a counterfeit parts incident involving Goods supplied by Supplier, Magnetic Group shall have the right to conduct, or appoint a third party to conduct, a forensic audit of Supplier's relevant supply chain and procurement records, at Supplier's cost.
- 10.6. Suspension Right: Magnetic Group may, at its sole discretion and without cancelling a Purchase Order, suspend performance of any Purchase Order with immediate written notice to Supplier, for a period not exceeding sixty (60) days, in the event that: (i) Supplier is the subject of regulatory investigation, certification suspension, or enforcement action by any aviation authority; (ii) Magnetic Group has reasonable grounds to suspect Supplier has supplied or may supply counterfeit Goods; (iii) Supplier enters or is at risk of entering insolvency, administration, or similar proceedings; or (iv) Supplier is in material breach of this Agreement. During any suspension period, Magnetic Group shall have no obligation to pay for Goods not yet delivered. If the grounds for suspension are not remedied within the suspension period, Magnetic Group may cancel the affected Purchase Order(s) without liability.
- 10.7. Any deviations from these Terms and Conditions need to be agreed in writing. Magnetic Group reserves the right to change, modify, add or remove these Terms and Conditions at any time without prior notice.