 AUSTRALIAN AEROSPACE EUROCOPTER. AN EADS COMPANY	Australian Aerospace Business Manual Form	
	No: 62.5.124	Rev: 1
	CHBU AA Group Terms and Conditions for Spare Parts	
THIS DOCUMENT SUPERSEDES CHBU FORM 238. ALL REFERENCES TO SUPERSEDED DOCUMENTS MUST NOW BE READ AS THIS DOCUMENT NUMBER.		

AUSTRALIAN AEROSPACE GROUP TERMS AND CONDITIONS FOR SPARE PARTS

These Terms and Conditions for Spare Parts apply to the supply of Spare Parts, the repair and overhaul of Customer Parts and the Standard Exchange Service.

Definitions

Company means whichever of Australian Aerospace Limited (AA) ABN 68003035470 or Eurocopter International Pacific (NZ) Pty. Limited (EIP NZ) ABN 71050050756 is the party to the Contract.

AOG means Aircraft-on-Ground.

Contract means the contract between the Company and the Customer of which these Terms and Conditions for Spare Parts form part.

Core means the Customer Part delivered by the Customer to the Company in exchange for an overhauled or repaired Spare Part under the Standard Exchange Service.

Customer means the company or person who is the party to the Contract as customer.

Customer Parts means parts owned by the Customer.

Eurocopter means Eurocopter SAS.

Spare Parts means new, overhauled or repaired parts supplied by the Company under the Contract.

Standard Exchange Service means the service provided by the Company to exchange a Spare Part for the same or functionally equivalent Core delivered by the Customer.

Agreed Terms and Conditions

A. General Conditions


1. **The Contract:** These Terms and Conditions for Spare Parts form part of the Contract. The Contract is the complete contract between the Company and the Customer in relation to the supply of Spare Parts, the repair or overhaul of Customer Parts or the Standard Exchange Service (as applicable). No Customer issued terms and conditions, confirmation, delivery document, payment advice or subsequent representation (unless agreed in writing by the Company) will form part of the Contract. In the event of any inconsistency between documents forming part of the Contract, precedence will be given first to any special conditions agreed in writing by the parties and secondly to these Terms and Conditions for Spare Parts.
2. **Delivery of Spare Parts and Customer Parts:** The Company will deliver the Spare Parts and overhauled or repaired Customer Parts *FCA – Free Carrier (Incoterms)* from 616 Comper Street, Bankstown Airport (if supplied by AA) or Harvard Lane, Ardmore Airport, Papakura (if supplied by the EIP(NZ)) and the Company fulfils its obligation to deliver when it has handed over the Spare Parts or Parts into the care, custody or control of the carrier nominated by the Customer at one of the above locations. The Company will use reasonable endeavours to supply the Spare Parts or overhauled or repaired Customer Parts as soon as practicable taking into account the Customer's requirements.
3. **Customers Obligations for Collection:** Spare Parts and overhauled or repaired Customer Parts must be picked up within 15 days from the notification by the Company to the Customer or to his courier that they are available for collection. If the Customer fails to pick up the relevant parts within this period:

- the Company may rescind the Contract by written notice with immediate effect;
- the Customer shall not be entitled to claim compensation or damages on account of the termination; and
- all expenses incurred by the Company, including packaging, unpacking, storage and handling, shall be charged to the Customer.

In the event that the relevant parts are delivered in consigned containers, the Customer shall return the container within 15 days after the delivery date. After the expiry of this period, the Company will be entitled to invoice the container to the Customer at the then current price.

4. **Aircraft-on-Ground:** the Company operates a twenty four hour call-out service for genuine AOG circumstances. The Company will charge a call-out fee to the Customer in an amount set by the Company from time to time.
5. **Acceptance by Customer:** The Customer will check the Spare Parts or Customer Parts and notify any recognisable defects or missing items in writing within 21 days, or with 7 days for AOG deliveries, after the delivery date. After expiry of the relevant period, the Spare Parts or Customer Parts shall be deemed accepted and correct in accordance with the Contract.
6. **Licences:** If the provision of a Spare Part under the Contract requires a licence (including an export licence), the Company will perform all necessary and appropriate procedures for obtaining that licence. If the involvement of the Customer is required, the Customer is obliged to provide that assistance. If the required licence is not granted or is granted with delay or if a licence that has been granted is revoked, the Customer has no entitlement to claim against the Company in this respect. The Customer will be responsible for obtaining any import licence required in its country for Spare Parts covered by the Contract.
7. **Transfer of Title to Spare Parts:** Title to Spare Parts will be transferred to the Customer on performance by the Customer of its obligations under the Contract, including full payment for the delivered Spare Parts. If the Customer fails to pay within 30 days of the date of the invoice, the Company reserves the right to rescind the Contract and, if the Spare Parts have been delivered, to demand that the relevant parts be returned forthwith. The Customer will return the Spare Parts in accordance with the Company's demand. If the Customer fails to return the Spare Parts on demand, the Company may enter the premises occupied by the Customer and take possession of the Spare Parts.
8. **Transfer of Risk:** Risk or loss or damage to the Spare Parts or Customer Parts is transferred to Customer at the time of delivery.
9. **Pricing Generally:** Pricing is based on the agreed prices set out in the Contract and on the relevant provisions of these Terms and Conditions for Spare Parts. The Customer will pay all freight and other related handling and delivery costs to and from its premises. Where the Company source a Spare Part from overseas or send a Customer Part overseas for repair or overhaul, the Customer will be charged for the cost of packaging,

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freight, customs clearance and handling (both to and from Australia/New Zealand, as applicable).

10. Payment: Payment must be made in full within 30 days of the date of invoice in the currency nominated on the invoice. The Company will issue detailed monthly statements to account customers. Overdue amounts will be charged monthly interest (based on Reserve Bank of Australia Cash Rate Target for the relevant period) until payment is received. In the case of a customer being on stop credit, all outstanding monies are to be paid prior to the Company accepting any further orders or dealing with any new transaction enquiries.

11. Cancellation and Return: Subject to the approval of the Company, the Customer may cancel its request for some or all of the ordered Spare Parts prior to their delivery or return some or all of the Spare Parts within 14 days after their delivery. Requests by the Customer to cancel or return Spare Parts must be delivered to the Company setting out in as much details as the Company requires, the reasons for the cancellation or return. The Company will not approve cancellation or return of Spare Parts if the Customer's written request is not received within 14 days of their delivery, if the Spare Parts have been used or damaged or are not in the same condition with the original packaging as supplied by the Company or are a special order or part of a special order to meet the Customer's special needs. If the Company approves the request for cancellation or return, a charge of 15% of the price of the cancelled or returned Spare Parts will be charged, together with any packaging, inspection and handling costs incurred by the Company. The Customer will be responsible for all freight and customs duty in relation to cancelled or returned Spare Parts.

12. GST and other taxes: Any consideration to be paid for a supply made under the Contract does not include an amount on account of GST unless expressly stated in the Contract. The consideration payable for a supply but for the application of this clause is increased by, and the Customer must also pay to the Company, an amount equal to the GST payable by the Company on that supply. Unless specifically stated in the quotation, quoted prices do not include other duties or taxes. Prices will be altered to include any such other duties or taxes applicable.

13. Applicable law: The laws of New South Wales (where the Contract is with AA) or New Zealand (where the Contract is with EIP NZ) apply to this Contract and the parties submit to the non-exclusive jurisdiction of the courts of that place.

14. Exclusion of Consumer Guarantees Act, 1993 (New Zealand): If New Zealand law applies to the Contract and the Spare Parts or any work or services are provided to the Customer in connection with a business carried on by the Customer, the Consumer Guarantees Act, 1993 will not apply to the Contract to the extent that the parties are permitted to contract out of the Act.

B. Overhaul and Repair of Customer Parts

1. 350/355 Dynamic Components: The Company overhauls 350 and 355 Dynamic Components.

2. General Requirements: Customer Parts being delivered to the Company for repair or overhaul must be accompanied by a completed log card and/or certified history.

3. Modifications: The Company may recommend that a Customer Part be modified so as to upgrade it and will provide a cost estimate for the modification for approval prior to modification work commencing.

4. Timing: The Company will use its reasonable endeavours to carry out the repair or overhaul as soon as practicable taking into account the Customer's requirements.

5. Pricing for Overhaul: For overhaul of 350 and 355 Dynamic Components, the Company charges a fixed rate price for systematic parts and a price based on the necessary work and materials for non-systematic parts. For non-systematic parts, the Company will disassemble, inspect and provide a cost estimate to the Customer for approval prior to the overhaul work commencing. Customer Parts which have been involved in an accident or which have been over-torqued or operated contrary to applicable manufacturer's specifications, will only be accepted for overhaul, not repair. A teardown inspection will be performed to determine the nature and extent of the damage, following which an overhaul cost estimate will be provided to the Customer for approval prior to overhaul work commencing. Regardless of whether overhaul work proceeds, following a teardown inspection or disassembly and inspection the Customer will pay the amount charged by the Company for the disassembly, inspection and handling based on the then current hourly rate for the hours involved.

6. Pricing for Repairs: For parts delivered to the Company for repair, the Company will disassemble, inspect and provide a cost estimate to the Customer for approval prior to the repair work commencing. Regardless of whether the repair work proceeds, the Customer will pay the amount charged by the Company for the disassembly, inspection and handling based on the then current hourly rate for the hours involved.

C. Standard Exchange Service

- 1. General:** The Company's Standard Exchange Service for either:
- the supply of an overhauled Spare Part (TSO = 0 hours) for those items specified in the PRE/MSM (Master Servicing Manual) as being on a TBO (Time-Between-Overhauls) basis; or
 - the supply of a repaired Spare Part for those items specified in the PRE/MSM as being on an On-Condition basis,

in either case, in exchange for the same or functionally equivalent Core supplied by the Customer.


2. Pricing: Where the Contract is for a Standard Exchange Service, the Company will invoice the Customer for the Spare Part delivered to the Customer. Where the Customer is entitled to a credit or refund for the Core, the Company will credit or refund the amount due. The Customer will be entitled to a credit or refund only if it delivers the Core to the Company as required by the Terms and Conditions for Spare Parts. The amount of the credit or refund will be the listed price quoted by the Company for the Core, less :

- costs charged by the Company (if any) to repair the Core to a fully serviceable condition or to standardize it to be functionally equivalent to the Spare Part for which it was exchanged;
- costs charged by the Company for disassembly, inspection and handling of the Core; and
- the cost of any special container used by the Company to deliver the Spare Part to the Customer if the Customer fails to return that container with the Core.

3. Delivery of Core: The Customer must deliver the Core to the Company at its own cost within 14 days after delivery of the Spare Part by the Company. For Cores not delivered within this period, no credit or refund will be due to the Customer.

4. Standard of Core: The Core must be the same or functionally equivalent to the Spare Part for which it is exchanged and it must

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be part-complete and in accordance with the applicable Service Bulletins.

5. **Documentation:** The Core must be delivered with a removeable tag stating its serial number, date of removal, reason for removal, time-since-overhaul (TSO) and time-since-new (TSN).

6. **Transfer of Title to Core:** Title to the Core will be transferred to the Company on delivery to the Company.

D. Warranties

1. **General Conditions:** For Customer Parts repaired or overhauled, Spare Parts supplied and any other work done under or in connection with the Contract, the Company provides the warranties set out below. These warranties are the only warranties that the Company gives and all other conditions and warranties, express or implied, including any implied warranties of merchantability and fitness for a particular purpose, are excluded to the extent permitted by law.

2. **Conditions Applicable to Warranties:** The warranties given by the Company will, at the election of the Company, be void and of no further effect if:

- the Customer fails to provide a completed Company form number 62.5.059 (Warranty Application Form) prior to or with the delivery of returned Customer Parts or Spare Parts.
- the Customer fails to deliver the Customer Parts or Spare Parts with, or within 7 days after delivering, the Warranty Application Form; or
- the Customer fails to comply strictly with the requirements of the warranties.

3. **Spare Parts from Eurocopter:** In relation to Spare Parts sourced by the Company from Eurocopter and Customer Parts overhauled or repaired by Eurocopter (including the Company), the following warranty applies:

6-1-1 EUROCOPTER warrants that the parts manufactured and delivered, except the materials mentioned in paragraph 6-1-7 are free from defects in material and workmanship under normal use and service.

EUROCOPTER's obligation under this warranty is limited to the replacement or repair, at EUROCOPTER's choice, of allegedly defective parts, that have been returned to its facility and, at the time of any repair or replacement, have been recognized by EUROCOPTER after expertise as defective. To be eligible under this warranty the alleged failure must have occurred within the following time-limits, as determined by EUROCOPTER:

- *1,000 flying hours or 12 months from the time they are fitted to the helicopters or 24 months as of date of invoice (whichever period first expires) for new spare parts.*
- *500 flying hours or 6 months from the time they are fitted to the helicopters or 12 months as of date of invoice (whichever period first expires) for overhauled or repaired spare parts,*
- *24 months as of date of invoice for tooling.*

6-1-2 The warranty period on the repaired or replaced part is the warranty period that was remaining on the part which

was invoiced. The parts removed for which EUROCOPTER supplies a replacement shall become the property of EUROCOPTER.

6-1-3 As soon as possible but within fifteen (15) days of the discovery of any defect, the CUSTOMER shall inform the Company of the alleged defect through a fulfilled Warranty Application Form, which will contain the full details of its claim. Allegedly defective parts shall be returned to the Company within fifteen (15) days after the Company sends the administrative approval of the warranty request.

6-1-4 The transportation costs outbound, insurance, customs expenses and other charges as well as the expenses incurred by the CUSTOMER for the removal, re-installation and adjustment operations with respect to such parts shall be borne by the CUSTOMER.

For the return of parts for which the benefit of the warranty has been granted by EUROCOPTER, the return transportation costs shall be borne by EUROCOPTER.

6-1-5 This warranty shall apply only to the extent the helicopter and the parts installed therein are operated and maintained in accordance with the instructions contained in the Technical Publications supplied by EUROCOPTER. Moreover, this provision shall apply to parts only to the extent they are properly stored, installed, operated and maintained in accordance with the instructions set out in the Technical Publications.

6-1-6 Normal wear and tear of components such as, but not limited to, seals, tires, inner tubes, bulbs, packings and similar consumables parts, as well as parts whose list price is 50 Euros (or equivalent in AUD or NZD), as the case may be or less, cannot form the subject of any claim under the warranty.

6-1-7 The turbine engine(s) as well as the radio communication, radio navigation equipment and software incorporated in the helicopter are covered by the warranty granted by the manufacturers of these items, the benefits of which EUROCOPTER hereby assigns on to the CUSTOMER to the extent such manufacturer's warranty exists and is assignable. Any further claims against EUROCOPTER related to these items shall therefore be excluded.

In addition EUROCOPTER will have no liability whatsoever for CUSTOMER furnished equipment.

6-1-8 The incorporation by the CUSTOMER in any aircraft of any modification which has not been recommended by or received the prior approval of EUROCOPTER shall cause the warranty to cease. Additionally this warranty shall not apply to any helicopter or spare part which has been repaired or altered outside EUROCOPTER's facility or approved repair-center.

The warranty shall cease to apply to any spare parts which are put back into service after being removed from a helicopter involved in an accident unless the CUSTOMER can prove that the defect is not the result of the accident.

6-1-9 This warranty is granted to the CUSTOMER personally and shall not be assigned by the CUSTOMER without EUROCOPTER's prior written consent.

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- 4. Spare Parts from other Manufacturers/Suppliers:** In relation to Spare Parts sourced by the Company from a manufacturer/supplier other than Eurocopter, the warranty will be the warranty provided by that manufacturer/supplier current at the time of delivery of the Spare Parts to the Company.

E. Rental/Loan Policy

In some cases, certain items of equipment (e.g. rotor blades) can be rented by customers. In such cases, the customer must first complete a Standard Rental Contract (available on request). At the conclusion of the rental, the returned equipment will be inspected by the Company and any costs associated with repairs (except normal wear and tear) will be payable by the customer.

F. Change of End-User or Re-Export

The Customer acknowledges that the Spare Parts have been manufactured by Eurocopter and imported from Europe pursuant to an export license or authorisation with specific conditions. These conditions include an obligation for Eurocopter to advise the license or authorisation issuing authority of any change to the end use or end-user of the Spare Parts and, in certain circumstances, to seek authorisation in the event that the Spare Parts are to be re-exported to another country. The Buyer will advise Eurocopter (through the Company) of any intended change to the end use or end-user of the Spare Parts and of any intention to re-export the Spare Parts to another country and follow any instructions given by Eurocopter.