

## STANDARD CONDITIONS OF SALE – SPECIFIC ANNEX

### APPLYING TO THE HELICOPTER MAINTENANCE, REPAIR, OVERHAUL, INSPECTION, UPGRADE AND RETROFIT

#### G1 - GENERAL

This Specific Annex is applicable to the sale of Services such as performance of Helicopter maintenance, repair, overhaul, upgrade, retrofit or inspection to be performed at the Seller's site in Fort Erie, Ontario by the Seller or by a designated subcontractor.

#### G2 - PURCHASE ORDERS/QUOTATIONS

The Customer shall issue to the Seller for each service, an order with the following information:

- o Order number
- o Type of work
- o Price
- o Type, version and serial number of the Helicopter
- o Applicable technical publication
- o Current configuration and modifications carried out on the Helicopter (incl. STCs)
- o Delivery date of need / Delivery date
- o Requested release documentation.
- o Invoice address

The Seller shall be bound by its cost estimates, quotations and/or Contracts but shall be entitled to provide supplemental Quotations to the Customer when necessary additional work is identified after the Order Confirmation (e.g. during disassembly, inspection or due to other reasons). For all additional work, the Customer shall notify the Seller of its decision within two (2) working days from the date of submission by the Seller of the proposal pertaining to such extra work. Supplemental Quotation duly signed by the Customer shall constitute the Order Confirmation when received by the Seller.

No additional work that is deemed mandatory by the Seller, in particular to regain airworthiness of the Helicopter, may be refused by the Customer. If the Customer refuses said work, the Seller will not be able to conclude the Contract, and in particular release to service and/or grant airworthiness to the Helicopter, in which case the following paragraph will apply.

Where a Contract cannot be concluded, the Seller may return the Helicopter to the Customer at the Customer's expense. Any costs incurred up to such time, for example due to evaluation, maintaining airworthiness, administration and transport among others, will be invoiced to the Customer.

Customer authorization shall be assumed as given for necessary maintenance or other necessary test flights and ground runs without additional agreement.

The Seller may provide its Service through a subcontractor.

#### G3 - PROVISION OF SERVICES

##### G3-1 BFE/CFE

The Customer can provide BFE/CFE parts to the Seller for inclusion in its services if previously agreed with the Seller. The Seller reserves the right to apply a handling charge on BFE/CFE parts. Any delays incurred due to BFE/CFE parts will be added to the agreed TAT / delivery date. The appropriate airworthiness documentation must be provided by the Customer.

In addition, the Seller will have no liability whatsoever in relation with BFE/CFE.

The Customer can provide acceptable used parts if the part number is agreed, the appropriate technical and airworthiness documentation is provided and parts are in an economically repairable state. Should these conditions not be met the Seller reserves the right to invoice the customer for the value of acceptable used parts.

##### G3-2 Irreparable or unsuitable parts

The Seller will inform the Customer of any parts deemed non-repairable or "beyond economical repair" for a return to service. Such parts will be scrapped thirty (30) days after the Customer has been informed unless the Customer requests said parts to be returned to it at its expense. The Customer shall bear the costs of evaluating and scrapping such parts and their transport and administration costs in either case.

##### G3-3 SB and STC kits

Unless otherwise specified, the kits originated from SB or STC equipment modification are defined on the basis of the "as-delivered" configuration (i.e. the configuration of the Helicopter at the time of transfer of title from the Seller to the original Customer). For any deviation of the actual configuration that requires the amendment of the SB or the STC installation, the instruction shall be charged to the Customer on a time and material basis.

Unless otherwise specified, the STC is sold to the Customer with the certification(s) as listed in the catalog and specified in the offer. It is the responsibility of the Customer to make sure that such certification(s) is acceptable to its competent airworthiness authority before the installation of the kit. The Seller will provide all reasonable support to the Customer for the additional certification or validation of the existing certification(s) at the latter's sole expense on a time and material basis.

The STC holder of the Product shall keep full responsibility for its own Product type design definition (configuration, definition, necessary changes and continuing airworthiness).

In case of STC required by the Customer, the Seller does not warrant the compatibility of the STC with future mandatory or non-mandatory modifications.

#### G4 - HAND-OVER AND DELIVERY TO THE CUSTOMER

##### G4-1 Handover of Helicopter and Helicopter parts to Seller

The Customer shall send the Helicopter log cards and component history data duly completed and certified in due time prior to the arrival of the Helicopter at the Seller's site. Late delivery of these documents can lead to an excusable delay and additional expenses.

Prior to Helicopter hand-over to the Seller, the Customer shall remove or inhibit any optional system fitted on the Helicopter that is not recognized by the Seller (in certain cases, these operations may be performed by the Customer when handing over the Helicopter). The Customer shall notify all modifications done on the Helicopter after the first delivery of the Helicopter.

Helicopter systems and parts sent to the Seller for repair, inspection, upgrade, retrofit or overhaul shall be shipped by the Customer in adequate wrapping and under DDP (Delivery Duty Paid) Incoterms® 2010 to the Seller's site (Fort Erie, Ontario).

The Helicopter shall be handed over by the Customer at the Seller's facility in airworthiness condition with its complete and updated documentation and flight manual, in English and all of its equipment in serviceable condition. All components followed on using up (TBO, SLL, OTL) should have enough potential to release the Service and for the release into service of the Helicopter.

If the Customer does not provide the Helicopter in its complete configuration, a list of missing components will be established and appended to the acceptance report. Consequently, the maintenance tasks required by the Seller's master servicing manual on these installations or components will not be applied by the Seller. However these missing items should modify neither the airworthiness of the equipment, nor the safety of the flights.

If the Customer is not able to fulfil these pre-requisite conditions, an agreement between the two parties should be found through an over and above procedure.

A hand-over acceptance report shall be signed by both parties upon hand-over of the Helicopter. Through this document, the Customer shall notably commit to having complied with alert SBs released up to that date and with the Seller's approved modifications. The Seller will perform an inventory at the Helicopter's arrival that will be signed by both parties. This inventory will be appended to the Helicopter hand-over acceptance report.

At Seller's request, and for test flight execution, the Customer can be requested to temporarily suspend his registration mark in order to allow the Seller "permit to fly" deliverance provided by his aviation authority. The customer can also be requested to obtain approval of the civil licenses of the Seller's pilots by its aviation authority. In case of objection, any additional costs and/or delays will be charged to the Customer.

## **G4-2 Delivery to the Customer**

Adherence to the delivery date is subject to additional lead time due to potential additional works.

Helicopter and Helicopter parts shall be delivered Ex Works (EXW INCOTERMS® 2010 edition) at the Seller' site.

If a Customer's acceptance flight is necessary, it will be limited to the standard Seller acceptance flight (around one (1) to two (2) flight hour(s) maximum depending on the Helicopter version).

Acceptance shall take place within five (5) working days after notification of the completion of Services.

A delivery acceptance report shall be signed by both parties.

The Seller is entitled to store the Helicopter or Helicopter part and to invoice mooring and storage costs. Storage may be outside of a hangar. Resulting costs must be paid prior to delivery. The Seller may only be held liable for damage incurred during mooring and storage in cases of gross negligence or willful misconduct.

The risk of loss or damage to the Helicopter and Helicopter parts is transferred to the Seller upon signature of the hand-over acceptance report until the delivery of the Helicopter after service completion. The risk of loss or damage shall be transferred back to the Customer upon signature of the delivery acceptance report.

## **G5 - PAYMENTS TERMS**

For any Order exceeding two hundred thousand (200,000) US Dollars, the Customer shall perform the following payments:

- o An initial down payment of thirty (30) per cent of the contractual amount no later than fifteen (15) calendars days after the Order Confirmation.
  - If the total contract amount exceeds five hundred thousand (500,000) US Dollars or the contract duration is more than four (4) months:
    - A first intermediate payment of twenty (20) per cent at Helicopter arrival.
    - A second intermediate payment of thirty (30) per cent at the start of functional tests
- o The balance of the total contractual amount at the time of the acceptance of the Services and prior to Helicopter delivery.

Otherwise, full payment shall be made at the time of acceptance of the Services and prior to Helicopter delivery.

Additional works shall be subject to separate payments; the Seller shall be entitled to invoice said additional works at over and above works Order Confirmation.

## **G6 - AIRWORTHINESS**

For maintenance, repair and overhaul services, official recognition that the Service has satisfied the quality assurance procedures is attested by the issuance of the certificate of release to service (as mentioned in Part 145 regulations).

The release applies to all maintenance tasks listed in the respective maintenance work report. It certifies that the work specified was carried out in accordance with the applicable 145 regulation for which the Seller is approved, unless otherwise specified, and that the Helicopter is considered ready for release to service with respect to that work.

The Seller warrants the application of the instructions and directives specified in the Seller's technical publication which may be supplemented by Customer's requests provided they don't conflict with the Seller's technical publication and the applicable regulation.

If some Parts/Items are declared as non-airworthy by the Seller and returned to the Customer, the Seller waives all liability on said Parts/Items which shall be scrapped under Customer's responsibility. In such case and without any formal request from the Customer in the repair order or any other documents considered as contractual, said Parts/Items will be recorded and identified as unserviceable by the Seller according to the Seller's applicable procedures (record of the scrapped Part/Item in the Seller's database, identification of the Parts/Items through "unserviceable" tag and identification of the Parts/Items with a triangle scrapping mark when possible).

All imperative or mandatory modifications as mentioned in the Seller's technical publication will be systematically applied at Customer's charge. All necessary work to ensure continuous airworthiness of the Items will be systematically applied by the Seller at Customer's expense. If the Customer formally requires not applying some applicable airworthiness directives of an Item, the Seller will deliver the said Item only with a Certificate of Conformity but without granting airworthiness.