

## STANDARD CONDITIONS OF SALE – SPECIFIC ANNEX APPLYING TO R&O SERVICES

### C1 - GENERAL

This Specific Annex is applicable to the sale of Services in relation to repair, overhaul, standard exchange, inspection and modification performed by the Seller to any Customer in order to maintain and/or operate Helicopters.

### C2 - PURCHASE ORDERS/QUOTATIONS

The Customer shall issue for each Item sent to the Seller for R&O Service, an order with the following information, if relevant:

- o Order number / reference of the Seller's Quotation
- o Type of work requested (inspection, repair, overhaul, modification, standard exchange)
- o Applicable technical publication
- o Type, version and serial number of the Helicopter
- o Part number and serial number of the Item
- o Description
- o Price
- o TSR, TSO, TSN and TBO
- o Modifications carried out on the subject Item,
- o Nature of complaint or reason for removal
- o Delivery date of need
- o Location / delivery address / mode of shipment
- o Invoice address and VAT number
- o Requested release documentation.

If the technical publication is not provided by the Customer, the Seller reserves the right to perform the R&O Service according to the technical publication in force known by the Seller.

It is understood between the Parties that the Seller shall either carry out the R&O Service in its own workshops or shall have such reconditioning carried out by a Seller selected workshop. In both cases, the TAT indicated in the Quotation or in the R&O prices catalogue is given for information purposes only. On Customer's request, the Seller may arrange a customized TAT; in such a case and based on a written agreement, this service will be charged to the Customer above the standard quoted price.

For Items with fixed price listed in the Seller R&O prices catalogue, the Customer grants to the Seller the right to proceed to the repair and invoice the work at such price (\*).

In case of Items with fixed price which may be subject to additional tasks (refer to "exclusions" in the R&O prices catalogue), an additional Quotation may be issued by the Seller after inspection of the Item, if some Parts excluded from the fixed price finally need to be replaced (\*).

For the Items with basic price and for the other Items, a Quotation will be drawn up by the Seller after inspection.

(\*) A Quotation will be issued for additional costs and increased lead-time for Items:

- o which have been improperly used or maintained by the Customer,
- o involved in incidents or accidents,
- o having suffered external damage,
- o with missing Parts,
- o for which the requested release documentation is not proposed in the R&O prices catalogue.

If the Customer does not accept the Quotation, the inspected Item will be returned as is(\*\*) by the Seller at the Customer's request and at the latter's expense. The inspection, administration, packaging and transportation costs will be invoiced to the Customer by the Seller.

The Quotation remains valid for two (2) months from the date of issue. In the absence of Customer's approval within said timeframe, the Seller reserves the right to update the Quotation and to invoice expenses to the Customer or to return the inspected Item as is(\*\*) at Customer's expense; in the latter case, inspection, administration, packaging and transportation costs will be invoiced to the Customer.

If an Item is deemed non-repairable or unserviceable after inspection, the Seller will either scrap it with prior Customer's consent or return it as

is(\*\*), at Customer's expense: inspection, administration costs and, as applicable, scrapping or packaging and transportation will be charged to the Customer.

(\*\*) Item status after inspection: assemblies are disassembled, painting may be stripped out, parts are inspected, used oil and Parts subject to systematic replacement have been removed.

If the Item has been previously repaired in a service centre not approved by the Seller, the Seller reserves the right to repair the Item according to its own standards.

### C3 - RETURN OF ITEMS AND INCOTERMS

#### C3-1 Return of Item

Prior to any return of Item, the Customer shall obtain from the Seller an RMA number. Any Item sent by the Customer for R&O Service shall be sent to the Seller, packed Delivery Duty Paid (DDP) (INCOTERMS® 2010) to the location as specified in the RMA or in other documents provided by the Seller.

The Customer shall send together with the Item the following documents:

- o Order
- o Log card duly completed, when relevant or certified component history
- o Delivery note
- o Material Return Sheet with RMA number provided by the Seller.

If the Customer fails to send any of the above documents within three (3) weeks after Seller's reminder, the Seller shall return at Customer's expense (Delivery Duty Paid (DDP) INCOTERMS® 2010) the initial Item to the Customer with any work performed.

If the method of shipment is not stipulated in the Contract, transportation shall be at Seller's discretion and at Customer's expense. The Seller shall not be liable for any loss or expenses due to the selection of forwarder/carrier or mode of transportation. Any claims for damage shall be made by the Customer directly to the forwarder/carrier.

#### C3-2 Delivery and Incoterms

Unless the order stipulates another INCOTERM®, the repaired/overhauled/standard exchange Item shall be at Customer's disposal packed Free Carrier (FCA - INCOTERMS® 2010) at the Seller's facility specified in the Quotation or in other documents provided by the Seller.

If several Items are sent for R&O Service, the Seller has the right to make partial deliveries.

Should the Customer's container be damaged during the transport from the Customer's location to the Seller premises, the Seller reserves the right to send a quote to the Customer in order to provide the Customer with either its repaired container, or a second-hand one or a new one.

### C4 - SPECIFICITIES

#### C4-1 Standard exchange

The standard exchange for an Item entails supplying the Customer with another second-hand Item of the same reference or a functionally equivalent one and in airworthy condition to replace the Item which has been removed and returned to the Seller for repair.

The standard exchange is based on the effective availability of an exchange Item. If the Item is available, the Customer's order shall be recorded by the Seller, then the Item will be made available within forty eight (48) hours. For a selection of Items designated in the R&O prices catalogue with a "Easy Exchange" mention, the Seller manages a specific pool to increase standard exchange availability. If the Item is not available under standard exchange Service, the Seller could propose alternate solution on Customer's request. To improve Item availability, the Customer is encouraged to forecast the exchange of an Item requiring an overhaul at least two (2) months in advance.

The exchange Item shall become the Customer's property and the removed one shall become the Seller's property. The Customer cannot request return of the removed Item (Core Unit).

After reception of the Core Unit from the Customer and release of discrepancies by the Seller, the Seller reserves the right to invoice additional costs after inspection related to the status of the Core Unit.

The standard exchange is only applicable to Items for which have been used, stored and maintained in accordance with recommendations stated in the technical publication of the Helicopter type.

The Customer shall return the Core Unit at its own expenses and its title of ownership within four (4) weeks after the delivery of the exchange Item. If the Customer fails to return the Core Unit within the said period of time the standard exchange rule shall no longer be applicable and the Seller reserves the right to invoice the exchange Item at the price of a second-hand one or a brand new one, as applicable, plus non-refundable administrative costs.

If the Core Unit is delivered without an updated log card (e.g. hours or cycle missing or incorrect) the Seller will inform the Customer at technical filtering step. Failing a reply from the Customer within fifteen (15) days, the Seller will scrap the Parts in question. The additional costs for replacement of the Parts shall be charged to the Customer.

Following inspection and in the event that the Core Unit cannot be repaired, standard exchange rules will not be applicable and the Seller reserves the right to invoice the exchange Item at the price of a second-hand one or a brand new one, if applicable.

For any Item subject to TBO limit, the Seller shall usually supply an exchange Item with full potential (i.e. TSO is null). If the Seller supplies an Item which does not have a full potential, the standard exchange price shall be then adjusted by the Seller pro rata the remaining potential.

#### **C4-2 "Easy Repair" service**

The Seller is proposing for a selection of Items an "Easy Repair" service, i.e. a repair or an overhaul performed within a reduced TAT. Said Items are identified in the R&O catalogue with their relevant reduced TAT.

By accepting the "Easy Repair" service in a R&O Order, if the actual TAT of the purchased repair or overhaul exceeds the reduced TAT as stipulated in the catalogue, the Customer grants to the Seller the right to provide the Customer with a standard exchange instead of the repair or overhaul as applicable, at the same initial price.

If the Seller proceeds with a standard exchange:

- in case of an overhaul Order of any Item subject to TBO limit, the Seller will usually supply exchange Items with full potential (i.e. TSO is null). If the Seller supplies an Item which does not have a full potential, the overhaul price will be then adjusted by the Seller pro rata the remaining potential.
- in case of a repair Order, if the absolute difference between the TSO of the exchange Item and the TSO of the removed Item is above ten (10) per cent of TBO, a deterrent or betterment calculation shall apply on the repair price taking into account TSO and TBO.
- in the event that the removed Item cannot be finally repaired, the Seller reserves the right to invoice the exchange Item at the price of a second-hand one or a brand new one, if applicable.

#### **C4-3 Dynamic Item**

Any Item delivered by the Seller after overhaul shall be at least in the same reference standard as the Item received from the Customer.

In case of repair Order, final test on bench could reveal extra non-conformities. In that case, a quotation for corresponding additional work may be issued.

#### **C4-4 Investigation**

On Customers' request, the Seller is prepared to carry out an investigation on the Item sent to the Seller. In this case the Seller will charge the Customer for the costs incurred, even if the Customer chooses not to have the work performed by the Seller. Said costs will not be charged if the concerned Item is deemed to be covered by the Seller's warranty.

## **C5 - AIRWORTHINESS**

In accordance with the civil aviation regulation, the Seller will use the following words to indicate the status of the Item being released: "OVERHAULED", "INSPECTED", "MODIFIED", or "REPAIRED".

The Seller applies the instructions and directives specified in the Seller 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 the Part/Item is declared as non-airworthy by the Seller and returned to the Customer, the Seller waives all liability on said Part/Item 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 Part/Item will be recorded and identified as unserviceable by the Seller according to Seller's applicable procedures (record of the scrapped Part/Item in the Seller's database, identification of the Part/Item through "unserviceable" tag and identification of the Part/Item with a triangle scrapping mark when possible).

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