

STANDARD CONDITIONS OF SALE

1 - DEFINITIONS

- **AOG** (Aircraft On Ground) means a situation in which the Helicopter is unable to fly or is ineligible to return to service because of an unscheduled need for replacement or major repair of components, not related to schedule maintenance tasks.
- **BFE/CFE** means Buyer Furnished Equipment / Customer Furnished Equipment
- **Certificate of Conformity** (or Statement of Conformity) means the document issued by the Seller quality assurance organization after completion of procedures approved by the respective authorized national agency certifying the Products conformity with the Seller's applicable specifications.
- **CAMO** means Continuing Airworthiness Management Organization
- **Contract** means the agreement between the Seller and the Customer of which these Standard Conditions of Sale form part, comprising the applicable Specific Annex and the Purchase Order or Order Confirmation.
- **Core Unit** means the used Part sent by the Customer to the Seller in case of exchange for an overhauled or repaired Part under the standard exchange service.
- **Customer** means the person, entity, or company to whom the Seller sells any Products and/or Services under the Contract.
- **Documentary Credit** means an irrevocable, confirmed and non-transferable documentary credit.
- **EASA** means European Aviation Safety Agency
- **Helicopter** means helicopter manufactured by the Seller
- **Item** means transmission components, blades and/or equipment.
- **OTL, SLL** mean respectively Operating Time Limit and Service Life Limit
- **Part** means a piece of an Item.
- **Party/Parties** mean either separately or collectively the Customer and/or the Seller.
- **Product(s)** means the goods to be provided by the Seller under the Contract in conformity with the applicable specification and/or definition, including all types of Helicopters, optional equipment, Spare Parts, tools, other equipment, documentation, technology, data, software (and any other goods mentioned under the Specific Annex, when applicable).
- **Production Organization Approval (POA)** means approvals issued by the respective competent authority to the Seller in compliance with EASA part 21/G regulation.
- **Order Confirmation** means the acknowledgement of receipt of the Customer's order by the Seller, either the confirmation sent by the Seller to the Customer in order to take into account the Customer's order or the approval sent by the Customer to the Seller on the Quotation of Services not included in the Seller's price list
- **Purchase Order** (or **Order**) means the order covering the acquisition of Products and/or Services
- **Quotation** means the priced offer and associated conditions, sent to the Customer by the Seller.
- **RMA** means Return Material Authorization format provided by the Seller for the purposes of the warranty or R&O article
- **R&O** means the following activities: repair, overhaul, standard exchange, inspection and modification of an Item
- **Seller** means Airbus Helicopters (SAS) located in Marignane, France and/or Airbus Helicopters Deutschland GmbH, located in Donauwörth, Germany and/or Airbus Helicopters Canada Limited located in Fort Erie, ON, Canada.
- **Service(s)** means the services which may be performed under the Contract consisting of:
 - performance of R&O
 - technical publications, technical assistance, technical expert services, and/or tool rental
 - performance of Training, and
 - any other services mentioned under the Specific Annex, when applicable
- **Specific Annex** means the annex of SCS detailing specific conditions
- **Spare Parts** means new parts to be provided by the Seller.
- **SCS** means general Standard Conditions of Sale for Products and Services.
- **SB** means Service Bulletin
- **STC** means Supplemental Type Certificate and also refers to an equipment which has a STC
- **TAT** means Turn Around Time, from the time the Seller receives the Customer's Item and documentation to the time the Item is at the Customer's disposal, less the Customer's approval lead time and/or less lead time due to Customer's responsibility discrepancies.
- **TCCA** means Transport Canada Certifying Authority
- **Training Items** means training software, training documentation and courseware.
- **Training** means training need analysis, training courses, simulator sessions and on-job training.
- **TSN, TSO, TSR, TBO** mean respectively Time Since New, Time Since Overhaul, Time Since Repair and Time Between Overhaul.
- **Used Parts** means Spare Parts previously used or installed to be provided by the Seller

2- SUBJECT AND SCOPE

These general Standard Conditions of Sale apply to any sale of Products and/or Services sold by the Seller to its Customer(s), excluding brokerage or other distributor activities. The purchase of the Products and/or Services by a Customer is considered to be performed within the framework of its professional activities.

These general Standard Conditions of Sale are supplemented by the relevant Specific Annex as quoted hereinafter, when applicable:

- for Helicopter sales:
 - Sale of new Helicopters and associated services
 - Sale of second hand Helicopters and associated services
- and for Products (other than Helicopters) and Services:
 - Sale of Spare Parts
 - R&O Services
 - Technical publications, technical assistance, technical expert services, tool rental
 - Training Services and Training Items
 - Helicopter maintenance, repair, overhaul, inspection, upgrade and retrofit

3 - PURCHASE ORDER / QUOTATION

3.1 Sale of Helicopters and associated Services – Purchase Order

The Helicopter Contract shall be binding when signed by both the Seller and the Customer and will come into force at receipt of the initial down-payment.

3.2 Products and Services sold independently of a Helicopter sale – Order issuance, acceptance

Orders of a Customer shall be confirmed by the Seller in writing. The Contract shall become binding upon receipt by the Customer of the Seller's Order Confirmation and will come into force at receipt of the down payment when relevant (as mentioned under article 6.2 hereinafter). The delivery schedule shall become effective upon receipt of the down payment.

In case the Customer requires a Quotation from the Seller, the Contract shall become binding when the Seller receives the Customer's written approval of such Quotation issued without changes. Such Quotation duly signed by the Customer will constitute the Order Confirmation when received by the Seller.

3.3 Purchase Order modifications

3.3.1 Seller Purchase Order modifications

Pursuant to new manufacturing or engineering requirements, obsolescence or new regulations, the Seller may carry out modifications without the consent of the Customer, as long as such modifications do not affect the specification and/or performance of the Product and/or Services, and/or delivery time. Should the requirements affect specification and/or performance of the Product and/or Services, related costs and/or delivery time, the Seller and the Customer shall agree separately on the contractual consequences. If after one (1) month, the

Parties fail to reach an agreement, the Seller is entitled to terminate the Contract under the conditions stated in article 14.1 hereinafter.

3.3.2 Customer Purchase Order modifications

Any changes or configuration changes requested by the Customer require mutual written agreement of the Parties and may lead to an adjustment of the price and/or delivery time.

4. EXPORT AND IMPORT LICENCES – AUTHORIZATIONS, CUSTOMS

4.1 Export and Import licences - authorizations

All Products, including but not limited to item(s)/commodity(ies) (goods/hardware, software and technology(ies)) and/or Services may be subject to export laws and regulations as well as national, foreign and international regulations, and the Parties acknowledge that violations to such laws and regulations are prohibited.

The Seller will perform all necessary and appropriate procedures for requesting any official authorizations (such as export licenses) needed for the performance of this Contract. The Customer agrees to provide reasonable assistance or documentation or certificate requested by the Seller to obtain the necessary authorizations and/or to ensure compliance with the applicable laws and regulations.

The Seller shall not be liable towards the Customer in case such authorizations are not granted or are granted with delay or if an authorization that has been granted is revoked or not renewed. Such event shall be considered as a force majeure case as per article 13.1 hereinafter.

The Customer shall obtain in due time any import license/authorization demanded in its country for the Products and/or Services covered in the Contract. The Seller agrees to provide, upon Customer's request, reasonable assistance and any documentation for obtaining the import licenses and/or to ensure compliance with the applicable laws and regulations.

Export licences/authorizations are provided for a specific end-use/end-user and/or with specific provisions and/or conditions. The Customer undertakes to abide by the content of governmental licences/authorizations and to warrant and represent certificates signed in the context of application procedures. Any change in the end-use/end-user of the corresponding items/commodities and/or Services requires the prior authorization of the government that has issued the said export licences/authorizations. The Customer shall therefore notify the Seller prior to any transfer of control, possession, registration, title, ownership, etc. of items/commodities and/or services to any third party in order to allow the Seller to assess the necessary actions to be taken and procedures to be applied. Then the Customer shall follow the instructions given by the Seller.

The Parties also agree not to re-export any technical information or technology that may be exported under this Contract without first obtaining the other parties' approval and, when necessary, Governmental approval from the relevant authorities.

4.2 Export and Import - Customs

Irrespective of the applicable Incoterm, if Products are exported directly to a country outside the European Union, the Seller will take over the responsibility to provide appropriate export customs documentation to the Customer or its designated freight forwarder. The Customer guarantees correct closure of the respective customs procedure in due time on leaving the European Union or the country of dispatch. In case of non-compliance, the Customer shall be liable for any additional costs and charges imposed on the Seller by national tax administration.

In case of transportation by the Seller of Products by ferry-flight, the Customer will have to provide additional documentation to the Seller to prove exportation for value added tax purposes. The Seller will inform the Customer about the required documentation in due time before the delivery date.

5- PRICES

5.1 General

Prices are indicated and payable in USD (US dollars).

Helicopter prices and other Products and Services sold together with Helicopters are according to the baseline Helicopter definition in force at

the date of signature of the Contract and to the specific configuration and scope detailed in the Contract.

For Products and Services sold independently of Helicopters, all invoices for Products and Services will be at the prices indicated in the relevant Seller's price list in force, or in the relevant Quotation. The Seller's price lists are subject to regular updates.

Prices are for Products and Services delivered in accordance with the Incoterms mentioned in each specific Annex of this SCS.

5.2 Duties and taxes

Prices are exclusive of taxes, duties and/or charges resulting from administrative and legislative regulations in force in any country other than the Seller's country and of any customs and duty charges, which shall be borne by the Customer.

Prices are exclusive of Federal and Provincial sale taxes or turnover taxes or similar taxes. If applicable, such taxes will be applied additionally.

5.3 Additional costs/ Chargeable amounts

Prices, unless otherwise stipulated in the Contract, do not include any preparation, packing and crating charges nor modifications carried out at Customer's request before and after delivery, expenses incurred for the inspection of Products by third parties, expenses relating to freight forwarding, carriage by sea, air or land, ferry-flight, storage and insurance costs after Customer's acceptance.

For all orders below a minimum purchase amount of two hundred (200) USD (US dollars), the Seller reserves the right to invoice a minimum chargeable amount of two hundred (200) USD (US dollars).

6 - PAYMENTS

6.1 General

The payment obligation will be considered fulfilled at the time the due amount is irrevocably credited in full to the Seller's bank account as mentioned in the Contract.

The following payment methods shall be used:

- o For contractual amounts not exceeding three (3) millions USD (US dollars): certifiable cheque, bank draft or wire transfer.
- o For contractual amounts exceeding three (3) millions USD: bank transfer (swift).

Any down payments are non-refundable, as they are necessary to partially cover the production, procurement, financial, administrative and other costs.

6.2 Payment terms

6.2.1 Sale of Helicopters and associated Services

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) calendar days after the signature of the Contract,
- o An intermediate down payment of
 - Twenty (20) per cent of the contractual amount, six (6) months prior to delivery for EC120, AS350, EC130, AS355, EC135 and EC145 Helicopters, or
 - Thirty (30) per cent of the contractual amount, nine (9) months prior to delivery for AS365, EC155, EC 175, AS332 L1e and EC225 Helicopters,
- o The balance of the total contractual amount at the time of the acceptance of the Products and Services and prior to delivery.

In case of sale of second-hand helicopter(s), 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) calendar days after the signature of the Contract,
- o The balance of the total contractual amount at the time of the acceptance of the Products and prior to delivery.

6.2.2 – Products and Services sold independently of a Helicopter sale

For any Order, the Customer shall perform the following payment:

- o Upon Contract agreement, a thirty (30) per cent down payment of the total amount of the Contract shall be paid by the Customer no later than fifteen (15) day following the date of invoice;

- Upon delivery of the Products / performance of the Services, the balance of the invoiced amount of the delivered Products or Items / performed Services shall be paid by the Customer no later than thirty (30) days following the date of invoice.

For Spare Part or R&O Service orders not exceeding two hundred thousand (200,000) USD (US dollars), full payment shall be made upon delivery no later than thirty (30) days following the date of invoice.

Payment terms for Services such as Helicopter maintenance, repair, overhaul, upgrade, retrofit or inspection are specific and defined in the relevant Specific Annex.

Unless otherwise agreed, no discount shall be granted by the Seller to the Customer in case of early payment.

6.3 Penalties for late payment

Payment shall in no case be postponed or apportioned for any reason whatsoever. Thus, in case of late payment, the Customer shall pay to the Seller interest on the unpaid amount at the rate calculated on the basis of 18 percentage points per annum computed on the basis of 365 days/year and the actual number of days elapsed since the due date until the actual date of payment without any need for a formal demand or any prior notice.

Without prejudice to the above, in the event of a delay or failure by the Customer to pay, the Seller will be entitled to extend the schedule for an equivalent time period and/or suspend performance of the Contract and/or in all cases, definitively retain any payments already made by the Customer. The retention of any such payment shall not preclude the Seller from seeking compensation from the Customer for further damages. In the event of a delay or failure by the Customer to pay for more than two (2) months, the Seller shall be entitled to terminate the Contract for default of the Customer under the conditions defined under article 14.2 hereinafter.

7 - QUALITY ASSURANCE AND AIRWORTHINESS

7.1 General

Airbus Helicopters and Airbus Helicopters Deutschland GmbH hold, issued by its respective national civil aviation authorities,

- a POA in compliance with the EASA Part 21/G regulation,
- a maintenance organisation approval in compliance with the EASA Part 145 regulation, and
- a training organisation approval in compliance with the EASA Part 147 for maintenance staff and helicopter Part FCL for aircrews

Airbus Helicopters Canada Ltd hold, issued by its national civil aviation authority,

- a maintenance organisation approval in compliance with the TCCA Part 145 regulation, and
- a training organisation approval in compliance with the TCCA

The privileges of an approved production organization include the issuance of airworthiness documents.

Airbus Helicopters and Airbus Helicopters Deutschland hold a CAMO approval certificate issued by its national civil aviation authority in compliance with EASA Part M/ Subpart G.

The official recognition that Products and repaired / overhauled / standard exchange Items have satisfied the quality assurance procedures is attested by the issuance of the following documents:

For Helicopter(s) in baseline definition and installed optional equipment:

- A Statement of Conformity or Certificate of Conformity issued by the Seller's quality organization to certify compliance with the contractual specification,
- An Aircraft Statement of Conformity (EASA Form 52) for Helicopters sold to customers of EASA member states signed by the Seller's authorized certifying staff within the above mentioned Production Organization Approval. The EASA Form 52 allows the issuance by the National Civil Aviation Authority of the certificate of airworthiness for the European countries members of EASA, or
- A certificate of airworthiness for export, for Helicopters sold outside the European Union, issued by the national civil aviation authority upon submission by the Seller to the EASA representative body of the above mentioned original Helicopter Statement of Conformity (EASA Form 52),
- Upon request, a certificate of non-registration issued by the national civil aviation authority.

For optional equipment delivered packed, Spare Parts and repaired / overhauled / standard exchange Items:

- Upon request, a Certificate of Conformity or other equivalent document issued by the Seller's authorized certifying staff, for standard components,
- An authorized release certificate (EASA Form 1) for other certified components or non-standard Spare Parts issued on behalf of the national civil aviation authority by the Seller or the Seller's selected workshop.
- A Log Card if applicable
- A dual or tri release if required through a bi/tri lateral agreement between authorities (e.g. FAR 145 / TCCA 145).

For miscellaneous parts and tools which are not subject to installation on the Helicopter (if applicable):

- A Certificate of Conformity issued by the Seller.

7.2 Modifications after delivery

The Seller will notify the Customer of any modifications that the competent national airworthiness government agency has decided to impose on Helicopters or Spare Parts of the same type. In the event of such modifications, the Seller shall make available to the Customer, within a reasonable time, at the latter's request and expense, the equipment kits required to incorporate such modifications to the Helicopter and Spare Parts previously delivered.

For this purpose, the Customer shall receive at no additional cost the technical information bulletins relating to the type of Helicopter mentioned in the Contract for as long as at least one Helicopter of the type remains in service with the Customer.

8 - ACCEPTANCE AND TRANSFER OF OWNERSHIP AND RISK

8.1 Helicopter acceptance activities

8.1.1 Helicopter acceptance activities by the Seller

Prior to Customer's acceptance activities for new Helicopters, the Seller shall perform production ground and flight tests on Helicopters. Flight tests will not exceed per Helicopter:

- o Twenty (20) flight hours for EC120, AS350, EC130, AS355, EC135 and EC145 or,
- o Thirty (30) flight hours for AS365, EC155 and EC175 or,
- o Fifty (50) flight hours for AS332 L1e and EC225.
- o Some equipment and components may be delivered with up to fifty (50) hours.

Additional hours may be flown in the event that development and installation of specific equipment is requested by the Customer, and the cost of such additional hours shall be borne by the Customer.

Helicopter non conformities with certified definition, which have an impact on Helicopter operation and maintenance by the Customer, shall be submitted to the Customer for approval.

Upon satisfactory completion of the Seller's acceptance activities, a Certificate of Conformity will be issued by the Seller. As from the date of issuance of this document, the Helicopters shall be deemed ready for Customer's acceptance, referred to as the "Ready for Acceptance" date.

Prior to the date on which a Helicopter is to be Ready for Acceptance by the Customer, the Seller will provide the Customer with a procedure describing the acceptance process (organization, schedule, documents, etc) and document(s) defining the flight tests that could be performed by the Customer (hereinafter referred to as "Acceptance Test Document(s)"). The purpose of these tests is not to re-perform certification tests. These documents shall be valid for all Helicopters of the same type.

Within one (1) week after receipt of the Ready for Acceptance notice, Customer will send to the Seller the information required from the Customer's representatives in order to be admitted to Customer's premises. The Customer's inspection team shall not exceed three (3) persons.

8.1.2 Helicopter acceptance activities by the Customer

The acceptance activities by the Customer shall not exceed, per Helicopter:

- o One (1) day for EC120, AS350, EC130, AS355, EC135 and EC145, or
- o Two (2) days for AS365 and EC155, or
- o Three (3) days for EC175, AS332 L1e and EC225.

The Customer shall bear its own expenses and costs related to the Customer acceptance activities including but not limited to travel and accommodation of its representatives during this process.

During the Customer's acceptance activities, it may perform acceptance flights, the combined time of which shall not exceed per Helicopter one (1) flight hour for EC 120, AS350, EC130, AS355, EC135 and EC145 Helicopters and two (2) flight hours for AS365, EC155, EC175, AS332 L1e and EC225 Helicopters.

Acceptance flights will follow the format and procedures described in the Acceptance Test Document(s) provided by the Seller and shall be carried out under the responsibility of a Seller's pilot acting as pilot in command.

Unless a major deviation from the specification is found during the Customer's acceptance, the Customer shall accept the Helicopters as being in conformity with the contractual specifications. The acceptance shall be acknowledged by the Customer's signature of an acceptance certificate, designated as "Acceptance Protocol" and/or "Acceptance and Transfer of Ownership Protocol". In case the acceptance certificate is not signed within the above acceptance time period, and without such absence of signature being duly justified in writing explaining the precise reason of the rejection and the contractual grounds of it, or if the Customer does not attend to the acceptance procedure, the acceptance shall be deemed to have been granted by the Customer.

8.2 Acceptance of the other Products than the Helicopters and Services

A Certificate of Conformity or equivalent document is issued by the Seller for other Products than the Helicopters.

Concerning Products other than Helicopters, the Customer shall check and notify any defect and/or non-conformity with the order in a documented registered letter:

- o within twenty one (21) calendar days as from the date the Seller has notified that the Product is ready to be collected, or
- o in case of Products delivered CIP or DAP, the here-above time frames for acceptance are the following:
 - forty eight (48) hours for AOG orders,
 - fifteen (15) calendar days after the delivery for Training Items and/or technical publications

and claims against the carrier have to be made within three (3) working days as from the date the Product reception. After expiry of such periods, the Customer's acceptance of the Products is deemed given unless a Customer's rejection is duly justified in writing and explaining the precise reason of the rejection and the contractual grounds of it.

For the Services, a certificate of completion of Services or assignment sheet shall be issued once the Service has been performed. The Customer shall sign the form certifying that the Service has been provided in accordance with the Contract. Unless a Customer's rejection being duly justified in writing and explaining the precise reason of the rejection and the contractual grounds of it, the Service will be deemed accepted five (5) days after issuance of the certificate of completion of Services or of the assignment sheet.

8.3 Collection of Products

The Customer shall collect the Helicopter within two (2) weeks after the transfer of ownership in case of ferry flight or within one (1) month if it is to be dismantled or conditioned for sea, air or road transport.

In case the Customer has requested pilot's training following the acceptance of its Helicopter, such duration shall be extended by the time required to train its pilot(s) on its Helicopter.

The Customer shall collect any optional (i.e. not installed on Helicopter) packed equipment, Spare Parts, R&O Items and/or tools :

- within four (4) weeks for Products sold together with Helicopters
- within fifteen (15) days otherwise

following the notification by the Seller to the Customer of its availability.

If the Customer fails to pick up its Products within the above mentioned periods of time:

- o The Customer shall reimburse the Seller any expenses incurred by the Seller such as maintenance, storage, insurance, taxes and levies. The foregoing does not constitute any obligation of the Seller to maintain, store or insure the Products beyond the date the Products should have been collected.
- o The Seller may terminate the Contract as per article 14.2 hereinafter and will not be liable for any loss or damage incurred by the Customer as a consequence of termination.

In the event that Products are agreed to be delivered in consigned containers, the Customer shall return said containers within fifteen (15) days after they are made available to the Customer by the freight forwarder. After the expiry of this period, the Seller shall be entitled to invoice the container at its current price.

8.4 Transfer of ownership and risk

8.4.1 Helicopters

Transfer of ownership of the Product is subject to the prior performance by the Customer of its obligations, in particular full payment of the balance of the Contract and interest, if any. Upon signature of the "Acceptance Protocol" or the "Acceptance and transfer of ownership protocol" by the Seller and the Customer and upon full payment of the Contract price, the ownership of the Products is transferred from the Seller to the Customer. The Seller shall also immediately issue the bill of sale.

All risks relating to the loss of or damage to the Products pass to the Customer upon delivery.

With respect to the Customer's hull all risk and hull war risk insurance coverage, the Customer shall cause the insurers of the Customer's hull insurance policies to waive all rights of subrogation against the Seller, its assignees and its directors, officers, agents and employees. This waiver shall be applicable up from the time of the signature of the "Acceptance Protocol" and/or the "Acceptance and Transfer of Ownership Protocol".

Upon Customer's request, at its costs, and according to the terms of the Contract, the Seller will dismantle and package the Helicopter for transportation after the transfer of ownership.

8.4.2 Products other than Helicopters

The transfer of ownership of any Products other than Helicopters takes place:

- at the Seller's facility, at the time of their collection by the forwarding agent appointed by the Customer, or
- in case of Products delivered CIP or DAP, at the mentioned delivery place,

and is subject to the prior performance by the Customer of its obligations in particular the full payment of the delivered Products and interest, if any.

Accordingly, in the event that the Customer fails to pay according to the contractual payment terms, the Seller reserves the right to terminate the Contract through notification sent by registered letter and, if the Products are already delivered, to demand that said Products be returned.

In the event that the laws of the country where the Products are delivered do not allow the Seller to regain ownership and title, the Seller shall be entitled to benefit from any other rights that such laws may confer. The Customer shall implement all measures necessary to protect the Seller's aforementioned rights. In all cases, this will not prevent the Seller from claiming any damages.

Risk of loss or damage to the Products is transferred to the Customer at the time of delivery of the Products by the Seller as determined by the agreed INCOTERMS® 2010.

8.5 Adherence to the delivery date

Adherence to the delivery date is conditioned on the Customer fulfilling all of its contractual obligations.

9 - WARRANTY

9.1 General

The Seller warrants that the Products and Services provided, except the turbine engine(s), specific equipment with a STC mentioned in the Contract (if any) and MEGHAS avionics equipment, are free from defects in material and workmanship under normal use and service and that software identified in the applicable Helicopter specification substantially provides the functions set forth in the said specification or in the applicable SB.

The turbine engine(s) as well as the MEGHAS avionics equipment installed in the Helicopter and STCs equipment identified in the Purchase Order are covered by the warranty granted by the manufacturers of these items (Turbomeca, Pratt & Whitney and Thales and the STC holder), the benefits of which the Seller hereby assigns on to the Customer who hereby acknowledges and accepts such assignment.

As soon as possible but at the latest fifteen (15) calendar days after the discovery of a defect, the Customer shall furnish to the Seller, by using a warranty claim form provided by the Seller, the full details of its claim and the basis thereof. As soon as it receives a warranty claim form, the Seller will forward to the Customer a warranty claim acknowledgment and a RMA form. Within fifteen (15) calendar days from the reception of such documents the Customer shall return the allegedly defective Parts to the Seller. If the Customer fails to return the allegedly defective Parts in due time, the Seller reserves the right to invoice the replacement Parts which have been ordered or produced for the Customer at the price indicated in the relevant Seller's price list in force, or in the relevant Quotation if no price is available in the price list in force.

The Seller will reimburse reasonable transportation costs outbound from the Customer premises to the Seller's premises, for the repairable Parts for which the benefit of the warranty has been granted by the Seller. The Customer shall send to the Seller the invoice by the end of the corresponding year. Insurance, customs expenses and other charges as well as the expenses incurred by the Customer for the removal, re-installation and calibration operations with respect to such Parts shall be borne by the Customer.

For Parts for which the benefit of the warranty has been granted by the Seller, the return transportation costs back to the Customer premises shall be borne by the Seller.

The warranty exclusions are the following:

- if the Customer has failed to notify the Seller of its warranty claim within 2 weeks from the failure occurrence date, or
- if the supply and/or any part thereof is stored, operated, maintained, installed, repaired or overhauled otherwise than in

- accordance with the manuals, documentation and instructions delivered by the Seller, or
- in the event that maintenance activities have not been properly entered in the appropriate logbook (or in case of failure to produce the logbook to the Seller if so requested), or
- if the defective Product or any part thereof has been repaired or altered otherwise than as prescribed by the Seller or its subcontractors/suppliers, or
- if the Product or any part thereof has suffered an accident, or
- in the event of a defect that is the result of normal wear and tear, or
- if the Product has not been delivered by the Seller, or
- if such Product or any part thereof is not properly stored and protected in accordance with instructions delivered by the Seller, or
- if the defect is partly or wholly caused by a defective item not provided by the Seller, or
- if the software or the host media is exposed to any computer virus or to any conditions in excess of those published in the applicable manuals, documentation and instructions delivered by the Seller, as well as any alteration and/or modification not validated by the Seller, having an impact on the software.

Normal wear and tear of item such as, but not limited to, seals, tires, inner tubes, bulbs, packings and similar consumables parts, cannot form the subject of any claim under the warranty.

The warranty is granted to the Customer personally. The warranty constitutes the Seller's sole liability in case of breach of the warranty obligation, and is exclusive and in lieu of any other warranty or remedy available under this Contract or at law.

9.2 Warranty period

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

- o For new Helicopter(s) in baseline definition and installed optional equipment:
 - Within one thousand (1,000) flying hours or twenty four (24) months after their acceptance at the Seller's factory, whichever event occurs first, or
 - Within five hundred (500) flying hours or thirty six (36) months after their acceptance at the Seller's factory, whichever event occurs first.
- The Customer has to select one (1) of these two (2) options at the time of the signature of the Contract.
- o For Spare Part(s):
 - Within one thousand (1,000) flying hours or twelve (12) months from the time they are fitted to the Helicopters or twenty four (24) months after their delivery from the Seller's factory, whichever event occurs first.
 - o For Used Part(s):
 - Within five hundred (500) flying hours or six (6) months from the time they are fitted to the Helicopter or twelve (12) months after their delivery, whichever occurs first..
 - o For tool(s):
 - Within twenty four (24) months after their delivery from the Seller's factory.
 - o For Training Item(s):
 - Within the twelve (12) months after their delivery from the Seller's factory
 - o For repaired, overhauled and standard exchange Items:
 - Within five hundred (500) flying hours or six (6) months from the time they are fitted to the Helicopters or twelve (12) months after their delivery from the Seller's site, whichever event occurs first.

For repaired Item, the warranty is limited to the repair done and/or the Parts replaced.
 - o For tools repaired, overhauled or returned for calibration:
 - Within twelve (12) months after their delivery from the Seller's site.
 - o For workmanship:
 - Within five hundred (500) flying hours or six (6) months from the signature date of the acceptance certificate by both Parties, whichever event occurs first.

Warranty periods in case of sale of second-hand Helicopter(s) are defined in the relevant Specific Annex.

Software identified in the applicable Helicopter specification shall only be considered as non-conforming, if there are substantial deviations of the functions supported by software from the Helicopter specifications. The Seller will, at its sole option, remedy such non-conforming software for the considered Helicopter by providing a correction release of the software or by finding a reasonable workaround. The Customer shall supply the Seller with all necessary information and documentation in its possession, to enable the Seller to investigate and rectify such non-conforming software. The Seller warrants the software identified in the applicable Helicopter specification provided that the alleged warranty is notified by the Customer to the Seller within one hundred and eighty (180) days from the date of delivery of the Helicopter to the Customer.

The warranty conditions for software embedded in the delivered Spare Parts or in the delivered repaired/overhauled/ standard exchange Item shall be the ones applicable to the software delivered with the Helicopter, as mentioned in the previous paragraph.

The warranty period on the repaired or replaced part(s) equals the warranty period that was remaining on the respective defective part. The part(s) removed for which the Seller supplies a replacement part(s) shall become the property of the Seller.

10 - CONFIDENTIALITY

During the performance of the Contract, Parties "Proprietary Information" shall be protected as follows: the term "Proprietary Information" shall mean any information or data in whatever form (either in writing or orally, subject to the conditions set forth hereinafter, and including without limitation any written or printed documents, samples, models or any means of disclosing such Proprietary Information that the disclosing Party may elect to use during the life of the Contract), disclosed by either Party to the other and which is designated as proprietary to the disclosing Party by an appropriate stamp, legend or any other notice in writing, or when disclosed orally, has been identified as proprietary at the time of disclosure and has been promptly (thirty (30) days at the latest) confirmed and designated in writing as Proprietary Information of the disclosing Party.

The receiving Party hereby covenants that, from the effective date of the Contract, the Proprietary Information received from the disclosing Party shall:

- a) be protected and kept in strict confidence by the receiving Party, which must use the same degree of precaution and safeguards as it uses to protect its own Proprietary Information of like importance, but in no case any less than reasonable care; and
- b) be only disclosed to and used by those persons within the receiving Party's organization who have a need to know and solely for the purpose specified in the Contract; and
- c) not be used, in whole or in part, for any purpose other than the purpose of the Contract without the prior written consent of the disclosing Party; and
- d) neither be disclosed nor caused to be disclosed, whether directly or indirectly to any third party or persons other than those mentioned in subparagraph b) above; and
- e) neither be copied nor otherwise reproduced nor duplicated, in whole or in part, where such copying, reproduction or duplication have not been specifically authorized in writing by the disclosing Party.

Any Proprietary Information and copies thereof disclosed by either Party to the other shall, subject to any third party rights, remain the property of the disclosing Party and shall be returned by the receiving Party immediately upon request.

11 - INTELLECTUAL PROPERTY

The Seller retains all rights in respect of developments, inventions, know-how, production procedures and any intellectual property rights relating to the Products and/or Services.

Nothing in the SCS shall be construed as a legal transfer of or license to (other than indicated hereinbelow), any patent, utility or design model, copyright, trademark, know-how or other intellectual property right.

Copying and or reproducing and or communication and or transmission to a third party, Seller's Products or technical information or publications, either wholly or partially, without the Seller's express approval is strictly forbidden (except for the copying by the Customer of technical documentation provided by the Seller exclusively for the

purposes of operation and maintenance of the Helicopters by the Customer).

The Seller grants the Customer a non-exclusive, non-transferable license to use the executable form of the software on the related Product, for the purposes of operating the Helicopter. This license does not entitle the Customer to receive updates of such software.

12- LIABILITY

Notwithstanding any provision to the contrary in the Contract or elsewhere, the total and cumulated liability of the Seller under the Contract, due to any and all causes whatsoever, whether based on breach of contract or in tort or otherwise, shall in no event exceed in aggregate an amount equivalent to ten per cent (10%) of the total net Contract price.

The above limitation shall not apply in the event of gross negligence, willful misconduct, death or bodily injury.

Each Party shall be responsible for death or bodily injury arising to its own personnel, whatever the cause. The Parties therefore waive the right to any claim against the other in this respect, except if such death or bodily injury is caused by the gross negligence or willful misconduct of the other Party.

In no event shall the Parties be liable for any indirect, consequential, incidental, special or punitive damages of any kind, including, but not limited to, damages for any loss of use or profit, loss of assets, loss resulting from business disruption, loss of goodwill or loss of contractual opportunity by the other Party.

To the extent permitted at law, the Seller's obligations and liabilities and the Customer's rights and remedies as set forth in this Contract are exclusive and are in replacement of any and all other remedies under law or otherwise.

13- FORCE MAJEURE AND EXCUSABLE DELAY

13.1 Force majeure

The Seller shall not be held responsible for failure to perform or delay in performing any of the contractual obligations of this Contract if such failure or delay is due to, but not limited to:

- o acts of God, war, insurrection, epidemics, sabotage, labour disputes, strikes, lock-outs, shortages of labour, interruption or delays in transportation, fire, explosion, equipment or machinery breakdown, failure or delays of the Seller's sources of supply, shortage in material or energy, or
- o acts, orders or priorities resulting from any government action, national or international authorities, or
- o caused by any supplier or subcontractor of the Seller (or lower level subcontractor or supplier), or
- o if such supplier or subcontractor (or lower level subcontractor or supplier) is faced with a bankruptcy or insolvency event, or
- o any other case beyond reasonable control of the Seller.

For the avoidance of doubt, the delay or absence of payment by the Customer cannot be considered by it as a case of force majeure.

In case of force majeure, the contractual delivery date shall be extended by such period of time reasonably required to remove and/or overcome the event of force majeure and its effects.

13.2 Excusable delay

Any postponement of the contractual dates due to the following causes shall not constitute a delay:

- a) BFE/CFE not delivered according to the schedule stated in the Contract or found defective and which consequently require to be replaced by the Customer or,
- b) Changes or additions to the Contract requested by the Customer or,
- c) Any failure or omission by the Customer to perform its obligations set forth in this Contract.

Any additional costs incurred by the Seller as a result of the occurrence of one of the events in a), b) and c) above, shall be invoiced by the Seller and paid by the Customer over and above the Contract Price.

14 - TERMINATION

14-1 Extraordinary termination

Each Party may immediately terminate or reduce the scope of the Contract by notice in writing to the other Party if:

- o A petition is filed, a notice is given, a resolution is passed in connection with the winding up of the other Party, or
- o The other Party becomes bankrupt or insolvent, or
- o The other Party is wound up by resolution or an order of a court.

14-2 Termination for default

A Party may terminate all or part of this Contract for default of the other Party in the event that the other Party persistently fails to perform its obligations and despite the non-defaulting Party having notified by acknowledgment of receipt the defaulting Party to take adequate corrective measures and provided no such measures have been proven to have been taken within a two (2) months period, following the above notice. The termination shall occur without any specific formality other than the above notice.

In the case of termination for default, the following shall apply:

- o In case of default of the Customer:
 - a) the Customer shall reimburse the Seller for all costs (including but not limited to raw materials, labour, overhead, storage and financial fees) incurred by the Seller or which the Seller could not avoid incurring (including termination indemnities, if any, under the contracts between the Seller and its subcontractors or suppliers or under the second level contracts or subcontracts),
 - b) the Customer shall pay to the Seller a termination indemnity equal to ten per cent (10%) of the contractual price as well as an indemnity equal to the damages sustained by the Seller,
 - c) the Customer shall indemnify the Seller in case other remedies are available by the Customer under this Contract, than those mentioned under paragraphs a) to b) above, and
 - d) the Seller shall be entitled to retain any payments already made by the Customer, until an agreement is found on the above or the dispute resolution has been implemented and a decision has been taken in consequence.
- o In case of default of the Seller:
 - a) the Seller shall be entitled to deliver the remaining non-faulty Products and render the remaining non-faulty Services, and shall be paid the corresponding price thereof,
 - b) the Seller shall return to the Customer all the BFE/CFE remaining in its premises, once the Products are delivered and/or the Services are rendered,
 - c) the Seller shall refund the Customer, the amount of the down payment which refers to the unfulfilled part of the Contract, and
 - d) the Customer shall possibly apply the liquidated damages, if any.

14.3 Termination for force majeure

In case of occurrence of a force majeure event as per article 13.1 hereinbefore which lasts more than six consecutive months, the Parties shall meet in order to determine in which conditions they wish to pursue the Contract or if they do not reach an agreement in a one month period, either Party shall be entitled to terminate, without being entitled to claim for any damages or compensation in any form whatsoever to each other.

15 - APPLICABLE LAW AND DISPUTE RESOLUTION

The Contract shall be governed by the laws of the Province of Ontario, without reference to the laws of any other Province or jurisdiction. The United Nations Convention for the international sale of goods is excluded.

The Parties shall attempt to solve amicably any dispute, controversy or claim arising out of or in connection with the Contract. If two (2) months after the occurrence of such dispute, controversy or claim, the Parties have failed to reach an agreement, then the dispute, controversy or claim, depending on the contractual aggregate amount shall be settled as follows:

A dispute will be finally settled under the Rules of Arbitration of the International Chamber of Commerce (ICC) by three (3) arbitrators appointed in accordance with the said Rules.

In the specific case of a dispute of which the aggregate amount does not exceed ten million (15 000 000) USD (US dollars), the Parties agree to elect for a fast track arbitration process in accordance with the ICC rules.

The place of arbitration shall be Geneva (Switzerland).

The language of the arbitration shall be the English language.

However, in all cases, should the Seller elect to choose a local court jurisdiction due to arbitration not being adapted to the specific nature of the dispute, in particular the need for immediate injunctive relief or to recover sums due, then such local court will be competent to solve the dispute.

The parties hereby consent and agree to be subject to the jurisdiction of the aforesaid courts and/or arbitration and, to the greatest extent permitted by the applicable law, the Parties hereby waive any right to seek to avoid the jurisdiction of the above courts on the basis of the doctrine of *forum non conveniens*.

Unless otherwise agreed by both Parties, the fact that any dispute has been referred to arbitration pursuant to this article shall not relieve either Party from any of their obligations as set out in this Contract.

16 - MISCELLANEOUS

These SCS along with the Specific Annex and Purchase Order (or Order) constitute the entire agreement between the Seller and the Customer. They supersede all previous communications and/or agreements either oral or written, between the Seller and the Customer with respect to any Product or Services.

In the event that one (1) or more of the articles provided for in these SCS is deemed invalid or unenforceable, the remaining provisions shall remain entirely valid and applicable.

The Parties hereto have expressly requested that this Contract and documents relating thereto, be drawn up only in English language. Les Parties aux présentes ont expressément demandé que le présent Contrat, ainsi que tous les documents qui s'y rapportent, soient rédigés en langue anglaise seulement.

Both Parties shall use English as the language to exchange, issue and deliver information, documentation and notices, and any related documents excluding those documents which might be produced by a governmental institution in the local language.

In the Contract, unless the contrary intention appears:

- o headings are for the purpose of convenient reference only and do not form part of the Contract;
- o where the last day of any period prescribed for the doing of an action falls on a day which is not a working day in the country of the applicable law, the action shall be done no later than the end of the next working day;

In case of any contradictions and discrepancies between the parts of the Contract, precedence shall be given in the following decreasing order:

- 1) Purchase Order, Order or Order Confirmation (as applicable)
- 2) Present SCS
- 3) Specific Annex
- 4) Other Annexes in their numbering.

The provisions of articles Confidentiality, Intellectual Property, Liability, Applicable law and dispute resolution of the Contract shall survive and continue to have effect after the termination or expiry for any reason whatsoever of the Contract, and for a period of thirty (30) years thereafter.

No term or provision hereof will be considered waived by either Party, and no breach excused by either Party, unless such waiver or consent is in writing and signed on behalf of the Party against whom the waiver is asserted. No consent by either Party to, or waiver of, a breach by either Party, whether express or implied, will constitute a consent to, waiver of, or excuse of any other, different or subsequent breach by either Party.

The relationship between the Seller and the Customer is solely that of purchaser and seller. No joint venture or partnership is intended nor will any be construed. Neither Party will have the authority to enter into contracts on behalf of or bind the other in any respect.

The Customer shall not be entitled, without the prior written consent of the Seller, to assign or transfer to a third party all or part of the rights and obligations under the Contract.