 australian aerospace Eurocopter - an EADS Company	Australian Aerospace Business Manual Form	
	No: 62.5.126	Rev: 0
	CHBU Terms & Conditions For Maintenance Repair Services For Civil Helicopters AA Group	
THIS DOCUMENT SUPERSEDES CHBU FORM 240. ALL REFERENCES TO SUPERSEDED DOCUMENTS MUST NOW BE READ AS THIS DOCUMENT NUMBER.		

CHBU Terms & Conditions For Maintenance Repair Services For Civil Helicopters AA Group

Definitions

Company means whichever of AUSTRALIAN AEROSPACE LIMITED (AA) ABN 68 003 035 470 or EUROCOPTER INTERNATIONAL PACIFIC (NZ) PTY. LIMITED (EIP(NZ)) ABN 71 050 050 756 is the party to the Contract.

Contract means the contract between the Company and the Customer of which these Terms and Conditions for Maintenance and Repair Services form part.

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

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

Equipment means any aircraft or aircraft part or component furnished by or on behalf of the Customer and in relation to which the Services are to be performed by the Company.

Eurocopter means Eurocopter SAS.

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

Services means maintenance and repair work performed or to be performed by the Company on, or in relation to, the Equipment and includes, but not be limited to, the work authorised and any other unforeseen and additional work as the Company may in its discretion consider necessary to render the Equipment airworthy and serviceable, Parts and materials provided in connection with the maintenance and repair work and all ancillary transport, freight, storage, hangarage, inspections, modifications and testing.

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

TSN means time since new.

TSO means time since overhaul.


Agreed Terms and Conditions

- The Contract:** These Terms and Conditions for Maintenance and Repair Services form part of the Contract. The Contract is the complete contract between the Company and the Customer in relation to the Services. 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 Maintenance and Repair Services.
- Authorization of Services:** The Company is authorized and instructed to perform the Services and the Customer agrees to pay, without deduction, the Company's charges for the Services. The Customer warrants to the Company that it is the owner of the Equipment or that, if the Customer is not the owner of the Equipment, it has the

approval and consent of the owner to authorize the performance of the Services.

- Incidental Services:** The Company is authorised for any purpose incidental to the Services:
 - to test, taxi or fly the Equipment; and
 - on such terms as to cost as the Customer and the Company may agree, to transport or fly the Equipment to another hangar or facility.
- Time:** The Company will use its reasonable endeavours to carry out the Services within a reasonable time taking into account the requirements of the Customer. Despite any agreement or commitment by the Company as to the time for the carrying out of the Services, the Company will not be responsible for delays due to causes beyond its reasonable control or for any direct or consequential loss or damage suffered by the Customer resulting from that delay.
- Delivery of Equipment:** The Customer will deliver the Equipment to the location nominated by the Company. On completion of the Services, the Company will make the Equipment available ex works 616 Comper Street, Bankstown Airport (if supplied by AA) or Harvard Lane, Ardmore Airport, Papakura (if supplied by EIP(NZ)) or other agreed address and the Company fulfils its obligation to return the Equipment when it has handed over the Equipment into the care, custody or control of the Customer or the Customer's nominee at one of the above locations.
- Customer's Obligations for Collection:** Equipment must be collected by the Customer within 7 days from the notification by the Company to the Customer that they are available for collection. If the Customer fails to collect the Equipment within this period, all expenses incurred by the Company, including hangarage, packaging, unpacking, storage and handling, will be charged to the Customer. The Company may terminate the storage or hangarage on seven days' notice to the Customer and will not be liable for any loss or damage to the Equipment as a consequence of termination.
- Aircraft-on-Ground (AOG):** 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.
- Acceptance by Customer:** The Customer will check the Equipment and notify any recognisable defects or missing items arising out of or in connection with the Services in writing within seven days, or with seven days for AOG deliveries, after the date which is the later of the date of collection by the Customer or seven days after the Customer is notified that the Equipment is available for collection. After expiry of the relevant period, the Services will be deemed accepted and correct in accordance with the Contract.
- Pricing Generally:** Pricing is based on the agreed prices set out in the Contract or the Company's quotation accepted by the Customer and on the relevant provisions

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of these Terms and Conditions for Maintenance and Repair Services. The Customer will pay all freight and other related handling and delivery costs to and from its premises. Where the Company sources a Part from overseas or sends a Customer part overseas for repair or overhaul, the Customer will be charged for the cost of packaging, freight, customs clearance and handling (both to and from Australia/New Zealand, as applicable).

10. Quotations: If the Company supplies a quotation:

- a) it will relate only to the Services and the supply of Parts (if any) specifically itemised in the quotation;
- b) it must be accepted by the Customer within one month from the date of quotation by duly completing and returning the appropriate authorisation to the Company's facility issuing the quotation;
- c) in respect of Services, it will be subject to the Customer delivering the Equipment within two months from the date of quotation to the Company's facility issuing the quotation or such other facility as the Company may agree in writing;
- d) in respect of Services, it will, unless the Company otherwise agrees in writing, be subject to the Company completing the Services and supplying the Parts itemised in the quotation within three months from the date of quotation. If the Services or supply of Parts itemised in the quotation take more than three months from the date of the quotation for any reason beyond the Company's reasonable control, the Company will be entitled to charge the Customer for any increases in the Company's labour rates for Services carried out and prices for Parts supplied after that period;
- e) if based on:
 - i) current rates of pay and conditions of employment at the Company's facilities;
 - ii) prevailing prices of raw materials and sub-contracted parts and services;
 - iii) suppliers' prevailing prices for Parts not manufactured by the Company; or
 - iv) the present ruling rates of overseas exchange, current freight and insurance charges and the present methods of the customs authorities in calculating and ascertaining the rate of duty and primage or any other government tax on imported goods,

any increase to those components of the quotation will result in an increase in price as determined by the Company; and

- f) any Services which are additional to those in the quotation but are necessary in the Company's opinion to render the Equipment airworthy and serviceable, will be payable by the Customer in addition to the quoted amount calculated at the then current rates of pay and cost of Parts.

11. 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 making the Equipment available to the Customer for collection and prior to accepting any further orders or dealing with any new transaction enquiries.

- 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. Transfer of Title to Parts:** Title to Parts supplied as part of the Services will be transferred to the Customer on performance by the Customer of its obligations under the Contract, including full payment for the Services. If the Customer fails to pay within 30 days of the date of the invoice, the Company reserves the right to demand that the relevant supplied Parts be returned forthwith. The Customer will return the Parts in accordance with the Company's demand. If the Customer fails to return the Parts on demand, the Company may enter the premises occupied by the Customer and take possession of the Parts. The Company reserves the right to retain and destroy any defective or replaced parts removed from the aircraft.


14. Standard Exchange Service

- a) The Company's Standard Exchange Service for either:
 - i) the supply of an overhauled 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
 - ii) the supply of a required 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 provided by the Customer.

- b) Where the Contract is for a Standard Exchange Service, the Company will invoice the Customer for the Part. Where the Customer is entitled to a credit for the Core, the Company will credit the amount due. The amount of the credit will be the listed price quoted by the Company for the Core, less:
 - i) 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 Part for which it was exchanged; and
 - ii) costs charged by the Company for disassembly, inspection and handling of the Core.
- c) The Core must be the same or functionally equivalent to the Part for which it is exchanged and

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

- d) The Customer must deliver to the Company a removable tag stating the Core's serial number, date of removal, reason for removal, TSO and TSN.
- e) Title to the Core will be transferred to the Company upon removal from the aircraft and installation of the exchange Part.

15. Risk of Loss or Damage: Except for damage to, or loss of, the Equipment occasioned by the negligent act or omission of the Company, the Equipment will at all times, including while in the care, custody or control of the Company, be at the risk of the Customer.

16. Indemnity by Customer: The Customer agrees to indemnify, and to keep indemnified, the Company against liability or loss, including any consequential loss, arising out of or as a consequence of any latent defect in the Equipment.

17. Warranties:

- a) **General Conditions:** For Services, including 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.
- b) **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:
- i) the Customer fails to provide a completed Company form number 159 (Warranty Application Form) prior to or with the delivery of returned Equipment or Parts.
 - ii) the Customer fails to deliver the Equipment or Parts with, or within 7 days after delivering, the Warranty Application Form; or
 - iii) the Customer fails to comply strictly with the requirements of the warranties.
- c) **For defective Services, including Parts (other than Parts sourced from Eurocopter):**
- i) in the case of Parts (other than Parts sourced from Eurocopter) and workmanship and materials provided by a subcontractor or supplier to the Company, the warranty provided by the Company will be the warranty provided by the manufacturer/subcontractor/supplier current at the time of delivery of the Parts to the Company or the provision of the workmanship and materials.
 - ii) in the case of Services provided by the Company, the warranty provided by the Company will be for 100 flying hours or three months from the date of delivery of the aircraft to the Customer, whichever occurs first. The

Company's sole obligation in respect of this warranty will be to elect, at its discretion, to either:

- (1) supply of the Services again; or
- (2) pay the cost of having the Services supplied again.

The Company will not be liable for any other cost, expense or damage incurred by the Customer in connection with a warranty claim.

- d) **Parts from or overhauled or repaired by Eurocopter:** In relation to 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.

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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, tyres, 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-centre.

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.

- e) Any warranty stated above is excluded if the defective Services or Parts have been repaired, overhauled or modified by any party other than the Company.
- f) In no event shall the Company be liable, in contract or in tort (including negligence), for any loss of profits (real or expected) or any form of consequential loss, whether arising directly or indirectly out of the performance by the Company of the Services.

18. 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.

19. Exclusion of Consumer Guarantees Act, 1993 (New Zealand): If New Zealand law applies to the Contract and the Services 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.

20. Aircraft under Warranty: Where the Customer's aircraft is under a warranty provided by the Company at the time of sale to the Customer (Sales Warranty) then, to the extent the Sales Warranty is more beneficial to the Customer than the warranty provided under these Terms and Conditions for Maintenance and Repair Services, the Sales Warranty will apply to the Services.

21. Repairer's Lien: In relation to the Company's repairer's lien over the Equipment, (Lien) it is agreed that:

- (a) the customer has the authority to grant the Company a Lien over the Equipment;
- (b) the Lien will not cease to exist if possession of the Equipment is relinquished by, but later returned to, the Company;
- (c) the Lien applies to any and all debts owed by the Customer to the Company; and
- (d) the Company has power to sell the Equipment if it is not collected within one month of the Company giving notice under clause 6 that it is available for collection.

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