



SATAIR GENERAL TERMS AND CONDITIONS

(EXCHANGE AND REPAIR SERVICES)

1 APPLICABILITY

- 1.1 These Satair General Terms and Conditions For Exchange and Repair Services ("**GTC For Services**") shall together with the GTC, which shall apply mutatis mutandis with respect to the Service, govern the service for exchange and repair supplied by a Satair Branded Entity (individually referred to as "**Satair**") to any customer ("**Customer**"). In the event of conflict between the GTC For Services and the GTC, the GTC For Services shall prevail.
- 1.2 Customer may purchase the Services from Satair either
- i) through a Service Order, which may refer to a Service Offer issued by Satair to the Customer pursuant to Clause 3 below, acknowledged by Satair or
 - ii) following the signature of an agreement by both the Customer and Satair.
- Each of i) and ii) shall constitute Customer's unconditional acceptance of these GTC For Services, the GTC, and the formation of a contract ("**Binding Service Order**") between the Customer and Satair, and the Customer acknowledges it has received all relevant information to enter into the Binding Service Order.
- 1.3 This GTC For Services, the GTC, and the signed agreement between the Customer and Satair (if any), are the only terms that will govern Satair's provision of the Service, and Satair shall not be bound by, and hereby rejects, any different or additional terms and conditions proposed by or purported to apply by the Customer (including any Customer's standard terms and conditions).

2 DEFINITIONS

- 2.1 Words importing to plural shall include the singular and vice versa.
- "**Exchange Part**" means the airworthy and Serviceable Part sent by Satair in exchange for the Customer's Unserviceable Part.
- "**Exchange Service**" means the exchange services provided by Satair described in Clause 8.
- "**GTC**" means Satair's general terms and conditions for product and services as available on Satair's group website www.satair.com.
- "**Repaired Part**" means the Unserviceable Part repaired/maintained by the Repair Shop and thus converted into a Serviceable Part.
- "**Repair Service**" means the repair services provided by Satair described in Clause 9.
- "**Repair Shop**" means either Satair's own facilities or a "repair third party organisation that performs the repair of the Unserviceable Part, this being either the original equipment manufacturer of the part, a service provider authorised by the original equipment manufacturer or an independent service provider used by Satair.
- "**Service**" means individually or collectively an Exchange Service or a Repair Service.
- "**Service Offer**" means an offer/quotation issued by Satair specifying the terms and conditions of the Service.
- "**Service Order**" means an order placed by the Customer for a Service.
- "**Serviceable Part**" means a new part or a part that has an ARC (Authorised Release Certificate) as per the relevant aviation authority approvals.
- "**Satair Branded Entity(ies)**" means (i) Satair A/S; (ii) Satair USA, Inc.; (iii) Satair (Beijing) Co Ltd; (iv) Satair Pte. Ltd; or (v) Satair UK Ltd.
- "**TAT**" or "**Turnaround Time**" means the period from the date and time of receipt of the Unserviceable Part up to the date and time when the Repaired Part is returned to the Customer (pursuant to applicable Incoterms).
- "**Unserviceable Part**" means a part removed from the aircraft, including parts removed for lease, return, repair, overhaul, inspection/test, maintenance or modification.

3 ORDERS

- 3.1 Upon receiving a request for a Service from the Customer, Satair may, at its sole discretion, issue a Service Offer to the Customer, which, for the avoidance of doubt, shall not constitute a Binding Service Order by itself.
- 3.2 Satair may, at its sole discretion, reject or acknowledge a Service Order placed by the Customer.
- 3.3 Any cancellation, modification and/or reduction of the terms and conditions of the Service Offer by the Customer after placing a Service Order with Satair is subject to prior written approval of Satair and Satair being fully indemnified by the Customer against all costs connected thereto.

4 PRICE AND INVOICING

- 4.1 Satair shall for a Service be remunerated by Customer according to the fees and charges as agreed in the Binding Service Order. For the avoidance of doubt, some amounts to be paid by the Customer to Satair may vary and may only be known at a later stage. Such amounts shall be calculated and invoiced by Satair in accordance with these GTC For Services and the Customer shall pay such amounts to Satair in line with the Binding Service Order.

5 WARRANTY

- 5.1 **Exchange Parts:** Warranty and any remedy with respect to Exchange Parts shall be as per the terms and conditions as Satair may have obtained from a supplier or original manufacturer, in its capacity as buyer of an Exchange Part and Satair shall transfer to the Customer any remaining portion of such warranty, provided such warranty is transferable.
- 5.2 **Repair by third parties:** Warranty and any remedy on Repaired Parts for repair performed by a Repair Shop, other than Satair, shall be as per the terms and conditions of the Repair Shop who performed the repair and Satair shall transfer to the Customer any remaining portion of such warranty, provided such warranty is transferable.
- 5.3 **Repair by Satair:** Warranty on Repaired Parts for repair performed by Satair is subject to the limitations and conditions hereinafter provided. Satair warrants to the Customer that the Repaired Parts will be free from defects in workmanship. Such warranty shall only apply to those defects which were repaired as stated in the statement of work, battery service record or any such other report provided by Satair, and which become apparent upon delivery of the Repaired Parts to the Customer within ninety (90) days or one hundred fifty (150) flight hours, whichever occurs sooner, after the return, pursuant to applicable Incoterms, of the Repaired Part following completion of the Repair Service

Remedy in respect of repair by Satair shall be as follows: In the event of a defect falling within the scope of the warranty, Satair's sole and exclusive liability and Customer's sole and exclusive remedy, at Satair's discretion, with respect to repair by Satair, shall be to:

- i. re-perform the Service,
- ii. replace the defective or non-conforming part(s), or
- iii. credit the Customer's account for any Service performed,

provided always that:

- a. Satair is notified in writing within seven (7) calendar days of discovery by the Customer of such defect;
- b. such parts are returned DAP – as this term is defined in Incoterms® 2020, at the place as indicated by Satair; and
- c. Satair's examination of such parts shall disclose to Satair's satisfaction that such alleged defect actually exists and is not caused by accident, misuse, neglect, alteration, improper installation, repair or testing on the part of Customer.

- 5.4 **Exclusions:** If the Customer requests, and Satair agrees, that equipment, spare parts, material, etc. supplied by the Customer are to be used in the performance of the Service, Satair shall bear no responsibility or liability to the Customer for the function, performance, or installation of said equipment, and expressly disclaims any warranty for the same.

6 INSURANCE

- 6.1 The Customer shall, at its own cost and expense, maintain insurance policies with insurers of recognized reputation and security to cover its liabilities as set out hereunder, for amounts legally applicable or customarily maintained according to market practices for companies having similar activities. The Customer shall provide, upon request, insurance certificates evidencing that such insurances are in full force and effect.

7 GOVERNING LAW AND DISPUTE RESOLUTION

- 7.1 The provisions in the GTC regarding governing law and dispute resolution shall apply to any Services governed by these GTC For Services as if fully set forth herein.

8 SPECIFIC TERMS AND CONDITIONS IN RESPECT OF EXCHANGE SERVICE

8.1 Scope

8.1.1 The scope of this Clause 8 is related to Exchange Service provided by Satair to a Customer with respect to the exchange of an Unserviceable Part for an Exchange Part.

8.2 Delivery

8.2.1 The Customer shall deliver the Unserviceable Part DAP, the address specified by Satair in the Binding Order (Incoterms® 2020). Such delivery point may be at Satair's own facilities or a third party Repair Shop. In case of misrouted or delayed parts, additional charges will apply.

8.2.2 The Unserviceable Part shall be packed according to the ATA300 specifications.

8.2.3 The following prerequisites shall apply to Unserviceable Parts sent to Satair for Exchange Service:

- a. The part number of the Unserviceable Part and the part number of the Exchange Part must be each acceptable replacements (two-way interchangeable) or the Unserviceable Part must be modifiable to an equivalent standard;
- b. The Exchange Part must be available on stock;
- c. The Unserviceable Part must be economically repairable;
- d. The Unserviceable Part must be in accordance with the original drawings; and
- e. The Unserviceable Part must be "As removed", i.e. not physically altered after removal from the aircraft, and has been tagged unserviceable.

Satair may, at its discretion, cancel the Binding Service Order if the above prerequisites and/or the conditions of Clause 8.2.2 are not met or at hand and the Customer shall pay to Satair any cost incurred by Satair in relation to such cancelled Binding Service Order.

8.2.4 The Customer shall deliver the Unserviceable Part to Satair on the delivery date stated in the Service Offer or Binding Service Order, as applicable, with all technical and airworthiness documentation as well as the part's complete history including:

- a. The serial number of the part;
- b. The removal date;
- c. The removal reason, including details about failure or damage;
- d. The aircraft registration number or MSN from which the part was removed;
- e. Total flight hours and cycles for all serialised parts;
- f. The airworthiness directive(s) ("ADs") to be implemented or confirmation that no ADs affect the part to be maintained; and
- g. A NIS (Non-incident Statement) letter, if required for structural items and end items, excluding line replaceable units.

The Unserviceable Part will not be considered "delivered" until the foregoing requirements are met.

8.2.5 In the event of late delivery of the Unserviceable Part and/or the required documentation or information, additional fees shall apply. If the Unserviceable Part and the required documentation or information are not received within the time frame specified within the Service Offer or Binding Service Order, as applicable, the Binding Service Order shall be automatically converted into a sales transaction at new sales list price of the Exchange Part and additional fees may apply.

8.3 Exchange Service

8.3.1 Satair shall deliver the Exchange Part to the Customer FCA the address specified by Satair in the Binding Service Order (Incoterms® 2020), (i) as soon as reasonably possible following the delivery of the Unserviceable Part or (ii) on such earlier date as Satair may at its sole discretion decide following Satair's receipt of the Service Order.

8.3.2 Customer shall as soon as possible following delivery of the Exchange Part inspect the same and any claims with respect to such inspection must be reported immediately upon discovery and in any case be received by Satair in written form no later than thirty (30) calendar days after Satair's delivery of the Exchange Part. After this period, and even in the absence of a formal acceptance document, the Exchange Part is deemed accepted by the Customer. In case the Exchange Part is installed on an aircraft, or into bigger assemblies or components, the Exchange Part shall be deemed accepted immediately upon installation. Customer shall not be entitled to reject an Exchange Part for flaws that do not interfere with the airworthiness, and that do not significantly interfere with the functional capability of the Exchange Part.

8.3.3 The Customer agrees that the Repair Shop shall complete all necessary work to fully restore the Unserviceable Part to a technical configuration equal to the technical configuration of the Exchange Part. The Customer shall reimburse Satair for any over and above costs related thereto, including those invoiced by a third party Repair Shop.

8.3.4 In the event that the price of the repair necessary to restore any part of the Unserviceable Part to the above mentioned technical configuration is over sixty-five percent (65%) of the then current Original Equipment Manufacturer catalogue price of the concerned part, such part shall be identified as being BER (Beyond Economical Repair) and replaced by Satair at the Customer's cost. In such a case, Satair will invoice the Customer for the value of such part as specified in the then current Original Equipment Manufacturer catalogue price, or as per the price as stated in the Service Offer.

8.4 Return of Exchange Parts

8.4.1 The Customer is not entitled to return any Exchange Part unless prior written consent is received from Satair. Any returned Exchange Part, including under Clause 8.3.2, shall be returned by the Customer DAP (Incoterms® 2020) to the address instructed by Satair within thirty (30) days from Satair's consent of the return.

8.4.2 The return of an Exchange Part may be subject to a fee imposed by Satair.

8.4.3 Returned Exchange Parts shall only be accepted after Satair has established by inspection that: (i) full traceability has been maintained; (ii) the returned Exchange Part has been stored under suitable environmental conditions; (iii) the returned Exchange Part is accompanied by all technical and airworthiness documentation (including the parts complete history) as delivered by Satair and (iv) the returned Exchange Part has not suffered any damage in transit. Satair reserves the right to send the returned Exchange Part to a Repair Shop for inspection at the Customer's expense, or to reject the returned Exchanged Part if it fails to meet the foregoing requirements.

8.5 Retention of Title

8.5.1 Title to the Unserviceable Part shall pass from Customer to Satair immediately upon delivery as per the agreed Incoterm.

8.5.2 Upon title transfer of the Unserviceable Part, the Customer represents and warrants that (i) it has the title to the Unserviceable Part or the right to transfer title thereof to Satair, and (ii) the Unserviceable Part is free from any and all liens, rights of retention, security interests, encumbrances, mortgages or any other interest of a third party.

8.5.3 Title to the Exchange Part delivered by Satair shall be retained by Satair and shall not pass to the Customer unless and until Satair has received payment in full of all sums due and payable by the Customer with respect to such Exchange Service (including the Exchange Part), including the over and above repair costs. The Customer acknowledges that this Clause 8.5.3 is to be interpreted as and construed as a right of retention of title clause.

9 SPECIFIC TERMS AND CONDITIONS IN RESPECT OF REPAIR SERVICE

9.1 Scope

9.1.1 The scope of this Clause 9 is related to Repair Service with respect to the repair of an Unserviceable Part performed in Satair's own Repair Shop or a third party Repair Shop. The Service to be provided by Satair will be further detailed in an Service Offer or, once applicable, the applicable Binding Service Order. For the avoidance of doubt, the price of the Repair Service shall be determined as laid out below and the initial issue of the Binding Service Order may not yet reflect the final amount to be paid by the Customer for the Repair Service.

9.2 Delivery

9.2.1 The Customer shall deliver the Unserviceable Part DAP, the address specified by Satair in the Binding Service Order (Incoterms® 2020). Such delivery location may be at Satair's own facilities or a third party Repair Shop.

9.2.2 The Unserviceable Part shall be packed according to the ATA300 specifications. The following prerequisites shall apply to Unserviceable Parts sent to Satair for Repair Service:

- a. The Unserviceable Part must be economically repairable;
- b. The Unserviceable Part must be in accordance with the original drawings; and
- c. The Unserviceable Part must be "As removed".

9.2.3 The Customer shall deliver the Unserviceable Part on the delivery date stated in the Binding Service Order with all technical and airworthiness documentation as well as the part's complete history including:

- a. The serial number of the part;
- b. The removal date;
- c. The removal reason, including details about failure or damage;
- d. The aircraft registration number or MSN from which the part was removed;
- e. Total flight hours and cycles for all serialised parts;
- f. The ADs to be implemented or confirmation that no ADs affect the part to be maintained;
- g. A NIS (Non-incidental Statement) letter, if required for structural items and end items, excluding line replaceable units
- h. Specifically for battery repairs, the applicable version of the component maintenance manual and statement of work and
- i. Such other documentation or information as reasonably requested by Satair.

The Unserviceable Part will not be considered "delivered" until the foregoing requirements are met.

9.2.4 In the event of a) any of the conditions of Clause 9.2.2 not being met or b) late delivery of the Unserviceable Part and/or the required documentation or information, additional fees shall apply. If a) any of the conditions of Clause 9.2.3 are not met or b) the Unserviceable Part or the required documentation or information are not received within the time frame specified within the Service Offer or Binding Service Order, as applicable, Satair may at its discretion cancel the Binding Service Order and the Customer shall pay to Satair any cost incurred by Satair in relation to such cancelled Binding Service Order.

9.3 Repair service

9.3.1 Upon receiving the Unserviceable Part, the inspection process is initiated by the Repair Shop. After the inspection of the Unserviceable Part, unless otherwise agreed in the Service Offer, Satair shall provide a to the Customer a quotation for the Repair Service ("**Repair Quotation**"), including the estimated cost, the estimated TAT and the inspection report, and including, as applicable, a choice of a) proceeding with the Repair Service, b) scrapping of the Unserviceable Part on site at the Repair Shop or c) return of the Unserviceable Part to the Customer in as-is condition.

9.3.2 Should the customer wish to have the Unserviceable Part scrapped on-site, the Customer shall pay to Satair the inspection fee, the scrapping fee and any costs incurred by Satair in relation to the initial issue of the Binding Service Order and the Repair Quotation, which will be invoiced to the Customer by Satair.

9.3.3 Should the customer wish to have the Unserviceable Part returned in as-is condition, the Unserviceable Part will be returned at the cost and risk of the Customer and the Customer shall pay to Satair the inspection fee and any costs incurred by Satair in relation to the initial issue of the Binding Service Order and the Repair Quotation, which will be invoiced to the Customer by Satair.

9.3.4 Should the customer wish to proceed with the Repair Service as per the Repair Quotation, the Customer shall place a corresponding new or revised Service Order, through which the Customer agrees to the terms stated in the Repair Quotation and, upon acknowledgement of which, Satair will initiate the Repair Service.

9.3.5 If no new or revised Service Order has been received by Satair within thirty (30) calendar days from issuing the Repair Quotation, the Unserviceable Part will be returned to the Customer in as-is condition at the cost and risk of the Customer and the Customer shall pay to Satair the inspection fee and any costs incurred by Satair in relation to the initial issue of the Binding Service Order and the Repair Quotation, which will be invoiced to the Customer by Satair.

- 9.3.6 Upon the existence of a new or revised Binding Service Order for the Repair Service based on the Repair Quotation, the Repair Shop shall complete all necessary work in accordance with the applicable maintenance manual. Satair shall inform the Customer if additional findings are discovered during the process, which are not covered by or deviate from such Binding Service Order, including, but not limited to, any impact to the estimated TAT. The Customer shall reimburse Satair for any reasonable over and above costs related thereto, including those invoiced by a third party Repair Shop.
- 9.3.7 Satair warrants that all spare parts used when carrying out the Repair Service shall be either original equipment manufacturer parts or original equipment manufacturer approved parts.
- 9.3.8 The Repair Shop shall not, without the prior written consent of the Customer, (i) use any PMA (Parts Manufacturer Approval) parts, (ii) perform a DER (Designated Engineering Representative) repair or (iii) use any DER-repaired parts.
- 9.3.9 Satair shall return the Repaired Part to the Customer FCA, the address of the Repair Shop (Incoterms® 2020).
- 9.3.10 Customer shall as soon as possible following delivery of the Repaired Part inspect the same and any claims with respect to a defect must be reported immediately upon discovery and in any case received by Satair in written form no later than seven (7) calendar days after delivery of the Repaired Part or such other period as specified with respect to any claim under Clause 5. In case the Repaired Part is installed on an aircraft, or into bigger assemblies or components, the Repaired Part shall be deemed accepted whether the above mentioned period has expired or not. After this period, and even in the absence of a formal acceptance document, the Services and the Repaired Parts are deemed accepted by the Customer. The Customer shall not be entitled to reject a Repaired Part for flaws that do not interfere with the airworthiness and that do not significantly interfere with the functional capability of the Repaired Part.

9.4 Turn-Around Time (TAT)

- 9.4.1 The estimated TAT for Repair Services shall be according to the Binding Service Order.
- 9.4.2 Satair shall use commercially reasonable efforts to comply with the quoted TAT. However, lead times are approximate and Satair shall not be liable for any loss or damages, which directly or indirectly may result from any delay.

9.5 Certification

- 9.5.1 ARC (Authorised Release Certificate) or other applicable certification issued by the Repair Shop shall be as per the relevant aviation authority approvals.