



DE HAVILLAND AIRCRAFT
OF CANADA LIMITED

GENERAL TERMS AND CONDITIONS

Effective Date: August 1, 2024

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GENERAL TERMS AND CONDITIONS

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GENERAL TERMS AND CONDITIONS

- 1.1 These General Terms and Conditions apply to all purchases from De Havilland Aircraft of Canada Limited ("DHC") of the following goods and services (collectively "Goods") for DHC-1 (Chipmunk), DHC-2 (Beaver), DHC-3 (Otter), DHC-4 (Caribou), DHC-5 (Buffalo), DHC-6 (Twin Otter), Dash 7, Dash 8, Canadair CL-215, CL-215T, CL-415, DHC-515, Shorts SC7 (Skyvan) & SD3 Series aircraft (collectively "Aircraft"):
- (a) spare parts and equipment ("Parts"); and
 - (b) Repair services, engineering services, repair drawings, modification directives, life and cycle extensions, continuous airworthiness, technical support and other assistance or support (collectively "Support").
- 1.2 DHC and the purchaser of the Goods ("Customer") agree that these General Terms and Conditions supersede all prior representations or agreements, and any terms and conditions found on any order to purchase Goods ("Order") submitted by the Customer to DHC. Any additional or inconsistent terms and/or conditions have no force or effect unless agreed to in writing by both parties.
- 1.3 All quotations and Order acknowledgments made by DHC are deemed to incorporate these General Terms and Conditions by reference.
- 1.4 DHC's acceptance of any offer to purchase Goods is expressly conditional upon the Customer's full agreement to all these General Terms and Conditions. The Customer's placement of an Order or receipt by the Customer of Goods constitutes full acknowledgement of and assent to these General Terms and Conditions.
- 1.5 The General Terms and Conditions applicable to the subscriptions and terms of use for all DHC technical publications and manuals ("Technical Publications") are set forth in the portals where the Technical Publications are accessed by the Customer, including that the Technical Publications shall not be used for any purpose by the Customer other than for the operation, repair and maintenance of the Aircraft and not for any Aircraft modification purposes.
- 1.6 In the event that the Customer is party to a contract with DHC or any of its affiliates with regard to its purchase of any Goods (in each case, a "Purchase Contract"), the terms and conditions of the Purchase Contract shall govern and supersede these General Terms and Conditions to the extent of any conflict between the Purchase Contract and these General Terms and Conditions.

Article 1 - DEFINITIONS

- 1.1 Unless otherwise specifically defined herein, and/or unless the context shall otherwise provide capitalized words used in these General Terms and Conditions shall have the meanings given them in this Article 1.



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"Catalogue" shall mean any on-line system allowing users access to DHC's published price for select Goods or any electronic or printed document issued by DHC containing DHC's published price information for select Goods, where applicable.

"Core" shall mean an unserviceable Part that the Customer shall return to DHC after receipt and installation of the Exchange Part.

"Customer" shall mean the entity purchasing or otherwise acquiring Goods from DHC under an Order.

"Customer Service Representative" shall mean that employee of DHC, or of an affiliate or subsidiary of DHC, who is designated to be the customer service representative or customer relations specialist for Customer inquiries.

"Day" or "Days" shall mean a calendar day.

"DHC" shall mean De Havilland Aircraft of Canada Limited and its affiliates or subsidiaries, as applicable.

"Exchange" shall mean a transaction in which a Customer is exchanging its unserviceable Part for a serviceable Part provided, directly or indirectly, by DHC.

"Exchange Part" shall mean the serviceable Part provided to Customer in Exchange.

"Non-Catalogue Part" shall mean a Part not found or otherwise identified in the Catalogue. Such Non-Catalogue Part shall be subject to the terms and conditions as shall be set forth in the respective Non-Catalogue Part Purchase or Repair document or, if there are no such other terms and conditions, then these General Terms and Conditions.

"Order" shall mean Customer's placement of a request for a Good via internet, purchase order, or otherwise in writing.

"Part" shall mean any material, data, item (rotatable, repairable, expendable, consumable, structural), part, line replaceable unit, component, assembly, special tools and items of equipment (including ground support equipment).

"Purchase" shall mean any transaction (purchase, or Repair) of a Part by a Customer.

"Quotation" shall mean DHC's Parts offer to Customer in respect of a proposed order, including, but not limited to, information with respect to Part numbers, quantity, price, availability, lead time, delivery terms, etc.

"Repair" shall mean and refer to those Parts owned by the Customer that DHC agrees to repair, modify, recertify or overhaul upon Customer's acceptance of applicable Repair charges.

"Return of Material Authorization" shall mean the paperwork and process for the return of a Part or material to DHC.



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"Vendor" means a non-DHC manufacturer or supplier of a Part or third-party Repair service.

"Vendor Spare Part" shall mean a Part for which DHC is not the holder of the design authority and that is procured by DHC from a Vendor.

"Warranty Period" shall mean the period of time for which DHC shall provide a warranty for certain Parts and Repair services hereunder, as further described and set forth in Article 16.2.1 hereof.

Article 2 - PRICE, PAYMENT

- 2.1 All Orders must be submitted to DHC in writing. DHC will not accept verbal orders.
- 2.2 All prices are expressed and payable in U.S. dollars ("USD"), unless otherwise specified.
- 2.3 Subject to a minimum Order price, if applicable, DHC will invoice Orders at:
 - (a) the list price at the time an Order is accepted, subject to scheduled delivery of the within three (3) months of the date of the Order;
 - (b) the quoted or estimated price, if a price was quoted or estimated within thirty (30) Days of the date of invoicing excluding out of stock parts, which may vary;
 - (c) such other price as the parties expressly agree upon in writing.
- 2.4 A minimum order price of two hundred and fifty dollars (\$250.00) may apply to Orders for Goods.
- 2.5 DHC reserves the right to alter all prices at any time without notice.
- 2.6 Where applicable, all prices include the cost of standard commercial packing generally in accordance with Air Transport Association (ATA) Specification 300. Costs of any other or additional packaging will be charged to the Customer. Prices exclude any form of export fees, handling, shipping, special packaging, insurance, taxes, duties, import fees and/or levies. Customer shall be responsible for the payment of any such applicable charges.
- 2.7 Upon notification to the Customer, DHC reserves the right to supply alternate or superseding Parts. Prices could vary on alternate or superseding Parts.
- 2.8 DHC reserves the right to supply an alternative solution for Parts Orders in order to respect airworthiness regulations or Original Equipment Manufacturer (OEM) directives. Prices could vary on alternate solutions.
- 2.9 On Orders of Parts, DHC may, depending on the urgency, invoice additional support charges of 20% of the Order price with a minimum charge of two hundred and fifty dollars (\$250.00), and a maximum charge of seven hundred fifty dollars (\$750.00) per individual Part, for any confirmed Order for aircraft on ground ("AOG") and recover the costs for any vendor expedite charges, with Customer's prior approval.



Article 3 - DELIVERY, METHOD OF SHIPMENT AND PACKING

- 3.1 DHC may deliver Goods via electronic format, if possible. Alternatively, delivery of Goods will be FCA (Incoterms 2020) to the carrier nominated by the Customer at DHC's specified premises. However, DHC may, at its sole discretion, decline to use a specific carrier, in which event the Customer shall nominate a different carrier.
- 3.2 The Customer will select the method of shipment and carrier on an Order. However, if no method of shipment is specified by the Customer, DHC will ship via DHC's selected routing at the Customer's risk and expense.
- 3.3 If special crating is required for shipment, DHC will invoice the Customer for the cost of the crate manufacture and/or supply.
- 3.4 The Customer must provide DHC with written notice of short or incorrect shipment of Goods within fifteen (15) Days of the date of receipt at the Customer's facilities.
- 3.5 Delivery charges will be paid by the Customer. DHC reserves the right to require payment of delivery costs in advance of shipment.
- 3.6 Items 3.6(a) – (d) below apply specifically to delivery, shipment and packing of Parts:
- (a) Availability of Parts is subject to their prior sale or commitment to third parties prior to acceptance of an Order by DHC. DHC reserves the right to allocate Parts on an equitable basis among the Customer and other customers, as determined by DHC in its sole discretion.
 - (b) All Parts ordered shall receive standard commercial packing suitable for export shipment via airfreight. Such standard packing will generally be to ATA 300 standards, as amended from time to time. All aircraft on ground (AOG) "priority orders" will be handled, processed, packed, and shipped separately.
 - (c) In each shipment of Parts, DHC will include a packing list/release note itemized to show:
 - (i) the contents of the shipment;
 - (ii) as required, the approved signature of DHC's Transport Canada designated authority attesting to the airworthiness of the Parts; and
 - (iii) the value of the shipment for customs clearance, if required.
 - (d) If DHC gives the Customer written notice that the Parts ordered by the Customer are ready for shipment and shipment is delayed more than thirty (30) Days at the Customer's request or without DHC's fault or responsibility, the Customer will promptly reimburse DHC upon demand for all costs and expenses, including but not limited to, reasonable amounts for storage, handling, insurance and taxes incurred by DHC as a result of such delay. After thirty (30) Days of such a delay, DHC may sell the Parts to another Customer.

Article 4 - EXPORT PERMITS

- 4.1 The Customer agrees to fully comply with all applicable export laws and regulations and shall obtain and renew any necessary governmental export permits or similar authorizations which



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may be required for export of the Goods. The Customer will also provide all relevant supporting data, drawings, information and/or documentation.

- 4.2 Notwithstanding any other provision hereof, DHC will have no liability (including no obligation to provide substitute goods), nor will it be in breach hereof, if any government fails, for any reason, to issue or renew any export license or other official authorization affecting any Goods.

Article 5 - TAXES AND DUTIES

- 5.1 Customer shall be responsible for the payment of any taxes including, without limitation, sales, use, value-added, withholding, goods and services tax, excise, imposts, duties, any other taxes imposed or withheld by any taxing authority, and any other related charges and fees of any nature together with any fines, penalties or interest as a result of any Purchase, Exchange, sale, use, delivery, storage, transfer or otherwise of any Goods, or any other matter in connection with these General Terms and Conditions (collectively "Taxes").
- 5.2 If DHC has reason to believe that any such Taxes are applicable, DHC may separately state the amount of such Taxes on its invoice to the Customer.
- 5.3 If a claim is made against DHC for any such Taxes, DHC shall promptly notify Customer of such claim and Customer shall promptly pay after receipt of such notice or reimburse DHC for such Taxes.
- 5.4 In the event that any deduction or tax withholding is required in respect of any amount payable by Customer to DHC, Customer will pay such an increased amount to ensure that, after the required withholding is applied, DHC still receives the amount as set out in the Order.
- 5.5 Customer shall be responsible for the payment of any brokerage fees, customs duties and other import charges with respect to the importation of any Goods.

Article 6 - PAYMENT TERMS

- 6.1 Payment terms shall be net 30 Days of the invoice date for established open accounts. However, DHC, at its discretion, reserves the right to request that Customer provide payment for the Order and/or for transportation costs 30 Days in advance of Goods shipment. DHC may charge administrative fees of 21% yearly based on a monthly rate of 1.75% on all overdue amounts until actual payment in full is received by the DHC. In addition, Customer agrees that DHC shall be entitled to its reasonable costs of collection of all overdue amounts, including, but not limited to, the amount of reasonable attorneys' fees and expenses.
- 6.1.1 Customers who do not hold NET 30 accounts with DHC will have Exchanges billed at current outright list price with credit of the Core value issued once the Core unit has been returned and processed.
- 6.1.2 Late Core and extended usage fees still apply as outlined in Article 15.
- 6.2 DHC reserves the right to alter a Customer's terms of payment, including terms of payment on



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previously placed and booked orders, without prior notice to such Customer, if such Customer fails to pay, when due, an amount that such Customer owes to DHC, or an affiliate or subsidiary thereof, under any agreement with such entity.

- 6.3 Customer shall comply with all applicable monetary and exchange control regulations and shall obtain any necessary authority from the governmental agencies administering such regulations to enable Customer to make its payments to DHC at the time and place and in the manner specified herein.
- 6.4 DHC's invoice to Customer must be paid, in full, in the manner and within the time period set forth in such invoice. In the event Customer disputes all or any portion of DHC's invoice, Customer shall nonetheless submit payment in full of the amount not in dispute, and Customer shall provide written notice to DHC of its dispute with the invoice within 30 Days of the date of DHC's invoice, which notice shall provide detailed justification of the reasons for the dispute. In the event such dispute is not resolved (as confirmed in writing by DHC) within 20 Days of receipt of such notice by DHC, then the outstanding amount in dispute shall become due and payable within 10 Days of the expiry of such 20 Day period without any further notice from DHC.
- 6.5 If Customer is required to pay for the Goods in advance, DHC shall only place such order internally once the payment is received in full and the lead time provided by DHC in the applicable Quotation commences from the date of such payment.
- 6.6 DHC reserves the right to immediately suspend, without notice, any supply of Goods in the event that the Customer fails to make any payment that the Customer is required to make hereunder, and DHC has the right to exercise all recourses available at law against Customer, including without limitation all rights to set-off against Customer for any payments due and owed to DHC under other contracts that DHC has with Customer, and the right to be paid entirely in cash upon DHC's acceptance of an Order and prior to DHC's shipment of such Parts to Customer. All costs that may be incurred by the Customer as a result of such suspension, including the price of the suspended booking, shall be borne by the Customer.

Article 7 - TITLE AND RISK OF LOSS

- 7.1 Property and title, and risk of loss or damage, to Goods shall pass to Customer upon delivery of such Goods in accordance with Free Carrier (FCA) Incoterms® 2020 at DHC's designated facility. DHC agrees to notify Customer of the date Parts are shipped and the carrier's reference information (i.e., waybill number).
- 7.2 Property and title, and risk of loss or damage, to Parts being returned by Customer to DHC pursuant to Article 12 and Article 14 shall pass to DHC upon delivery of such Parts at DHC's designated facility.
- 7.3 Notwithstanding any other provisions in these General Terms and Conditions, risk of loss or damage to Parts being returned by Customer to DHC pursuant to Article 16, or to Customer owned Parts being submitted to DHC for Repair, shall remain with Customer. Title to such Parts will at all times remain with Customer, except for title to returned Parts that have been replaced, which passes to DHC upon shipment to Customer of the replacement Parts.



Article 8 - INSURANCE

- 8.1 Customer shall be solely responsible for any transportation insurance or claims processing with respect to any accepted Order, unless DHC should otherwise agree in writing prior to its shipment of the applicable Parts.

Article 9 - CUSTOMER REQUIRED DATE

- 9.1 DHC recognizes that, on occasion, a Customer will require a Part to be delivered to such Customer in less than normal delivery lead time.
- 9.2 The Customer is requested to provide their wanted delivery date for the Part ("Customer's Required Date"). DHC will attempt to ship the Part by the Customer's Required Date. The intention of this Article 9.2 is to provide realistic back-order reports and in no way constitutes grounds for remedies should the Customer's Required Date not be achieved.

Article 10 - PROCEDURES FOR PLACING ORDERS

- 10.1 Customer shall provide the following written information to DHC when placing an Order for Goods:
- 10.1.1 Customer name and account number;
 - 10.1.2 Purchase Order, Repair order and contract number (if applicable);
 - 10.1.3 Aircraft serial number;
 - 10.1.4 Part Number;
 - 10.1.5 Quantity;
 - 10.1.6 Order type:
 - ✓ Purchase
 - ✓ Exchange
 - ✓ De Havilland Component Solutions / M+
 - ✓ Aircraft Warranty
 - ✓ Parts Warranty
 - ✓ Customer Repair or overhaul;
 - 10.1.7 Billing Address;
 - 10.1.8 Shipping Destination;
 - 10.1.9 Specified Shipping Method;
 - 10.1.10 Priority;



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- ✓ Next Flight Out (Aircraft Serial Number is required.)
- ✓ Same Day
- ✓ Routine;

10.1.11 Customer's Required Date;

10.1.12 Complete serial number of faulty unit if applicable; and

10.1.13 Also required for some third-party suppliers: if applicable

- ✓ Aircraft Landings and Cycles

Article 11 - CANCELLATION OF ORDERS

- 11.1 In the event a Customer cancels an Order that has been accepted in writing by DHC, DHC, at its option, shall be entitled to recover from Customer, as liquidated damages and not as a penalty, an amount based upon the following parameters:
- 11.1.1 If work accomplished on the Order has been limited to DHC's order processing department, no cancellation charges shall apply;
 - 11.1.2 If the Order is in work in the warehouse but has not left DHC's facility, a \$50.00 fee per Order line shall apply;
 - 11.1.3 If production planning has been completed on the Order, or shop orders have been written on the Order, or if DHC has placed a corresponding order with the Vendor but no shop time or material charges have been incurred against the Order, the cancellation charge shall be the greater of 10% of the price of the cancelled Order, or the actual cancellation charge incurred by DHC;
 - 11.1.4 If shop time or material charges have been made against the Order, the cancellation charge shall be based on the cost of such time and materials, plus overhead; and
 - 11.1.5 If a shelf stock Part covered by the Order can be absorbed into DHC's inventory without increasing DHC's normal maximum stock level, no cancellation charges shall apply.
- 11.2 DHC may terminate the whole or part of an Order at any time by written notice to Customer if Customer is in default in carrying out any of its obligations under these General Terms and Conditions, or if Customer becomes insolvent or performs or permits any act of bankruptcy, liquidation, reorganization or if a receiver, trustee or custodian is appointed of Customer or a substantial part of Customer's assets. On termination, DHC shall have no further obligation to Customer and Customer shall reimburse DHC for all legal fees and other expenses incurred by DHC in recovering any sums due regardless of whether the order has been terminated or not.



Article 12 - RETURN OF PARTS

- 12.1 Prior to sending any Parts to DHC, Customer shall first complete an online Return of Material Authorization form and/or obtain authorization from the Customer Service Representative. Customer shall then, at their own expense, deliver the Parts to the facility designated by the Customer Service Representative within thirty (30) Days of authorization. The duly completed Return of Material Authorization form must accompany the returned Parts. DHC shall have the right to refuse the return of non-stock class Parts.
- 12.2 Customer's failure to include a duly completed Return of Material Authorization form with the returning Parts, or to deliver such Parts at the facility instructed by the Customer Service Representative, or to provide documents pursuant to Article 12.5, may result in one or more of the following:
- 12.2.1 DHC may return such Parts to Customer at Customer's sole risk and expense;
 - 12.2.2 DHC may charge re-certification fees;
 - 12.2.3 DHC may refuse warranty coverage to Customer;
 - 12.2.4 Customer's account may not be credited for the return of such unused Parts; and
 - 12.2.5 DHC may bill Customer for the outright replacement value of the Parts provided as an advance Exchange pursuant to Article 14.
- 12.3 A restocking fee of \$500.00 may be charged to Customer for each unused Part returned. Each returned Part is subject to DHC's quality inspection, which may lead to requiring Customer to provide payment to DHC for recertification fees for such Parts. DHC may charge recertification and/or transportation fees if the tamper-proof seal is not intact when an unused electronic Part is returned.
- 12.4 Unused Parts are not eligible for return after 30 Days from such Parts respective delivery to Customer.
- 12.4.1 Acceptance of the return of an unused Part after 30 Days is at the sole and exclusive discretion of DHC, and a \$100.00 charge per Day, in addition to the \$500.00 restocking fee, may be charged to Customer for every Day beyond 30 Days.
- 12.5 All original documentation must be returned with the Part, including certification documents and any logbooks, maintenance cards, or other time tracking documentation required for Time Limits/Maintenance Checks (TLMC parts).
- 12.6 In addition to the completed Return of Material Authorization form, Customer must also enclose a commercial invoice when the shipment is going to cross international borders in order to prevent the shipment from being delayed by customs authorities.



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12.6.1 The commercial invoice required from Customer should contain the following information:

- ✓ Part number of the Parts being returned
- ✓ Description of the Parts being returned
- ✓ Return of Material Authorization number
- ✓ Country of origin
- ✓ Value of the Part being returned (Currency = U.S. Dollars)
- ✓ Airway bill or tracking number

12.6.2 At the time of shipment, Customer shall submit an advance notification to DHC.

Article 13 - IMPORT & EXPORT REGULATIONS

13.1 The parties hereto shall, at all times, comply with any applicable U.S., Canadian, and other applicable export, re-export, and import laws, regulations and requirements, including but not limited to, the U.S. Department of Commerce's Export Administration Regulations, the U.S. Department of State's International Traffic in Arms Regulations ("ITAR"), and the U.S. Department of Treasury's Office of Foreign Assets Control regulations. The Customer shall be the importer of record of the Parts.

Article 14 - COMPONENT EXCHANGE

14.1 Customer's Core must be an identical part number to the Exchange Part shipped by DHC to Customer and be in an economically repairable condition. Any Core that is not a like-for-like part number return must be authorized by DHC prior to return.

14.1.1 The Core is expected to arrive at the DHC's designated facility within 15 Days for domestic shipping and within 20 Days for shipments crossing international borders after the date on which DHC shipped the serviceable Exchange Part.

14.1.2 For operators within the EU, the Core is expected to arrive at the DHC's facility in Frankfurt within 15 Days after the date on which the DHC shipped the serviceable Exchange Part.

14.1.3 For operators in Brazil, Russia, India and China ("BRIC Regions") and Africa, the Core is expected to arrive at the DHC's facility within 30 Days after the date on which the DHC shipped the serviceable Exchange Part.

14.1.4 Cores not arriving at DHC's designated facility within the above-mentioned deadlines will be subject to late return charges pursuant to Article 15.

14.2 In the event of Exchange Parts supplied directly by a Vendor, the Vendor's terms and conditions shall apply, including, but not limited to, applicable timeline and late Core penalties.

14.3 The provisions of Article 12 apply equally to the return of any Core.



- 14.4 DHC reserves the right to refuse to provide Exchange Parts at its sole discretion.
- 14.4.1 For example, and not as a limitation, DHC may refuse to provide an Exchange Part to an aircraft or Core involved in an event, incident, accident or upset resulting in visible or hidden damage to such aircraft or such Core. Customer shall fully disclose the damage history of the Core and/or the aircraft in the Return of Material Authorization for such Part.
- 14.5 Prices for access to the Exchange Parts for like Cores are quoted as a percentage of the Catalogue new price. The repair of the exchange units may, at times, be quoted on normal repair/overhaul for like Cores. Occasionally, parts not considered normal to the repair/overhaul (example: pistons, housings, armatures, etc.) will be required. These parts will be billed in addition to the price for the Exchange Part.
- 14.6 Additional expenses incurred due to the repairable condition of the Core, MOD status, or configuration on return delivery will be billed to the Customer in addition to the price of the Exchange Part.
- 14.7 DHC reserves the right to substitute a new Part, in lieu of an Exchange Part, when an overhauled or repaired Exchange Part is not available. Prior coordination with the Customer will always be attempted under this circumstance but cannot be guaranteed. The Exchange Part price will be increased to compensate for the new Part.
- 14.8 Customer understands to determine that a Core conforms to its type design and is in a condition for safe operation once it is overhauled or repaired, Customer must provide DHC with the history of a Core upon return to DHC. Customer shall disclose to DHC in writing in the Return of Material Authorization if an aircraft from which the Core was removed (or if the Core itself) was involved in an event, incident, accident or upset resulting in visible or hidden Damage to an aircraft or Core. For purposes of these General Terms and Conditions, the term "Damage" means an aircraft Core that has been subjected to a condition outside the design intent and exceeding the design limit of the aircraft. Examples of Damage conditions include, but are not limited to, water, heat, fire, ice, frost, stress, impact, flutter, humidity, F.O.D., collision, torsion, bending, compressing, shearing, cracking, bulging, breaking, scraping, cutting, failing, sooting, scorching, melting, burning, freezing, corroding, seizing, shorting, slicing, galling, spalling, gouging, fretting, deforming, exposure to environmental elements, improper preservation and the like. Customer represents and warrants that Customer has provided the full and complete history of the Core in the Return of Material Authorization that is known to Customer including whether the Core and/or an aircraft from which the Core was removed has Damage history. Customer understands that DHC is relying on Customer representations with respect to the history of the Core and that Customer's failure to disclose any Damage history of the Core or an aircraft from which the Core was removed will be deemed a false and misleading statement and a breach of these General Terms and Conditions. DHC reserves the right to pursue all legal and equitable remedies in the event of a breach of this Article 14.8 and to such other and further action as DHC deems appropriate, including but not limited to, refusing to do business with Customer. DHC also reserves the right to refuse to provide Exchange Parts and/or to reject a Core in its sole discretion.
- 14.9 The provisions of this Article 14 apply equally to the return of a Core associated with dedicated



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DHC campaigns, except that the deadline for the Core to arrive at the DHC's designated facility shall be 10 Days.

Article 15 - LATE RETURN CHARGE FOR CORES

- 15.1 A flat charge of \$500.00 applies to any late returns. Beyond five Days late an additional \$100.00 per Day charge applies.
- 15.2 For any Cores not returned to DHC within 30 Days of the date on which DHC shipped the serviceable Part (within 40 Days for operators in BRIC Regions and Africa and within 10 Days for Cores returned pursuant to Article 14.9), Customer will be deemed to have purchased the serviceable Part, and Customer will be invoiced the equivalent of the current Catalogue new price for outright purchase, in addition to any charges previously incurred. Acceptance of Cores received after 30 Days will be at the sole discretion of DHC.
- 15.3 DHC reserves the right to refuse credit and return Cores at Customer's expense for Cores that are (i) not like-for-like Part numbers, (ii) disassembled Parts, (iii) incomplete Parts, (iv) accompanied by incomplete Return of Material Authorization forms, (v) Beyond Economical Repair (BER), or (vi) missing or have incomplete logbooks or cards.
- 15.4 DHC reserves the right to recover any charges assessed by Vendor for any damages found that are not caused by normal wear and tear or for late returns. Furthermore, in the event of Exchange Parts supplied directly by a Vendor, the Vendor's terms and conditions shall apply, including but not limited to applicable timeline and late Core penalties.

Article 16 - PARTS WARRANTY

- 16.1 For Parts manufactured by DHC or to its detailed design, DHC warrants that, at the date of delivery of a Part to Customer, such Part shall be free from defects in material, workmanship and design, having regard to the state of the art as of the date of such design.
- 16.2 Warranty Period
 - 16.2.1 The warranty shall remain in effect for any defect covered by the warranty that becomes apparent during the 12-month period following delivery of the initial Part.
- 16.3 Warranties from Vendors
 - 16.3.1 DHC has made or shall make reasonable efforts to obtain favorable warranties from Vendors supplying Vendor Spare Parts excluded from the warranty under Article 16.1 above. Except as specifically provided below, DHC shall have no liability or responsibility for any such defects in such Vendor Spare Parts, and the warranties for Vendor Spare Parts shall be the responsibility of the Vendor and a matter as between Customer and that Vendor.



16.4 Exceptions

16.4.1 DHC has no obligation or responsibility under the warranties set out in Articles 16.1, 16.2 and 16.3 for:

- (a) Normal wear and tear and the need for regular maintenance and overhaul;
- (b) Unapproved modification or changes;
- (c) Operations beyond those for which the aircraft in which the Part is installed has been certified;
- (d) Foreign Object Damage (FOD) or Customer-induced damage;
- (e) Part not operated or maintained in accordance with DHC documentation furnished or available to Customer (including Service Bulletins and airworthiness directives);
- (f) Defect not becoming apparent within the warranty period;
- (g) Defect not reported by Customer in writing to DHC within the period of time referred to in Article 16.6 herein; or
- (h) Any indirect, special, incidental or consequential damage caused by the failure of the Part.

16.4.2 In the event that a Part returned under a warranty claim is subsequently established to be serviceable, then DHC shall be entitled to charge and recover from Customer any reasonable costs incurred by DHC in connection with such warranty claim. However, in the event that repetitive in-service failure occurs on a particular Part, which is subsequently identified by DHC on a repeated basis to be "no fault found", then DHC and Customer shall discuss and mutually agree on a course of further action to help identify the source of the recurring failure. In the event the fault is ultimately confirmed to be a legitimate warranty claim, DHC will reimburse Customer for any costs Customer paid to DHC pursuant to this Article 16.4.2.

16.5 Repair, Replacement or Rework

16.5.1 DHC's sole obligation and liability under this warranty is expressly limited to, at DHC's election, correction by the repair, replacement or rework of the defective Part. The repaired, replaced or reworked Part which is the subject of the warranty claim shall then be warranted under the same terms and conditions for the then un-expired portion of the warranty period. In the event DHC elects to replace a defective Part under this warranty, DHC may supply a repaired or overhauled Part which has a configuration identical to, or higher than, the defective Part that is being replaced under warranty.



16.6 Claims Information

16.6.1 Customer's obligation hereunder is subject to submission of a warranty claim in writing to DHC within 15 Days of the defect becoming apparent to Customer.

16.7 Timely Correction

16.7.1 DHC shall make the repair, replacement or rework, following receipt of the defective Part, with reasonable care and dispatch.

16.8 Approval, Audit, Transportation

16.8.1 All warranty claims shall be subject to audit and approval by DHC. DHC will use reasonable efforts to advise Customer in writing the disposition of Customer's warranty claim within 30 Days following the receipt of the claim and return of the defective Part to DHC's designated facility. DHC shall notify Customer of DHC's disposition of each claim.

16.8.2 Customer shall deliver the defective Part at the facility designated by the Customer Service Representative in accordance with Article 12.1. The repaired or replacement Part shall be delivered to Customer Free Carrier (FCA) Incoterms® 2020 from DHC or its Vendor's designated facility.

16.9 THE WARRANTY OBLIGATIONS AND LIABILITIES OF DHC AND THE RIGHTS AND REMEDIES OF CUSTOMER SET FORTH IN THESE TERMS ARE EXCLUSIVE AND ARE IN LIEU OF, AND CUSTOMER HEREBY WAIVES AND RELEASES ALL OTHER WARRANTIES, CONDITIONS, OBLIGATIONS, REPRESENTATIONS OR LIABILITIES, EXPRESS OR IMPLIED, ARISING BY LAW, IN CONTRACT, CIVIL LIABILITY OR IN TORT, OR OTHERWISE, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR OF ANY IMPLIED CONDITION, AND ANY WARRANTIES ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE AND ANY OTHER OBLIGATION OR LIABILITY ON THE PART OF DHC TO ANYONE OF ANY NATURE WHATSOEVER BY REASON OF THE DESIGN, MANUFACTURE, SALE, REPAIR, RENTAL, OR USE OF THE PARTS DELIVERED HEREUNDER.

Article 17 - EXCUSABLE DELAY

17.1 In the event DHC is delayed in the performance of its obligations or responsibility under an Order due directly or indirectly to a cause which is beyond DHC's reasonable control or without DHC's fault or negligence (an "Excusable Delay"), DHC shall not be liable for, nor shall DHC be deemed to be in default under the respective Order or these General Terms and Conditions on account of such delay in delivery of the material or other performance hereunder and the time fixed or required for the performance of any obligations or responsibility in the Order or these General Terms and Conditions shall be extended for a period equal to the period during which any such cause or the effect thereof persists. Excusable Delay shall be deemed to include, without limitation, delays occasioned by the following causes:

(a) force majeure or acts of God;



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- (b) war, warlike operations, act of the enemy, armed aggression, civil commotion, insurrection, riot, or embargo;
- (c) fire, explosion, earthquake, lightning, flood, drought, windstorm, or other action of the elements or other catastrophic or serious accidents;
- (d) epidemic or quarantine restrictions;
- (e) any legislation, act, order, directive or regulation of any governmental or other duly constituted authority;
- (f) strikes, lockout, walkout, and/or other labour troubles causing cessation, slow-down or interruption of work;
- (g) shortage or delay in delivery of supplies, materials, accessories, equipment, tools or parts;
- (h) delay or failure of carriers, subcontractors, or suppliers for any reason whatsoever; or
- (i) delay in obtaining any airworthiness approval or certificate, for any equivalent approval or certification, by reason of any law or governmental order, directive or regulation, or any change thereto, or interpretation thereof, by a governmental agency, the effective date of which is subsequent to the date Customer's Order is accepted by DHC, or by reason of any change or addition made by DHC or its affiliates or requested by a governmental agency to the compliance program of DHC or of its affiliate, or any part thereof, as same may have been approved by the applicable regulatory authorities, or change to the interpretation thereof to obtain any such airworthiness approval or certificate.

Article 18 - LIMITATION OF LIABILITY

- 18.1 DHC SHALL NOT BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, SPECIAL, INCIDENTAL, AND / OR PUNITIVE DAMAGES OF ANY KIND OR NATURE UNDER ANY CIRCUMSTANCES, NOR SHALL DHC BE LIABLE FOR LOST PROFITS, LOSS OF GOODWILL, LOSS OF BUSINESS OPPORTUNITY AND/OR LOSS OR DAMAGE FOR OR ARISING OUT OF ANY LACK OR LOSS OF USE OF ANY AIRCRAFT, EQUIPMENT OR ANY PARTS FOR ANY REASON.
- 18.2 DHC's total liability arising under or in connections with these General Terms and Conditions, whether in tort (including negligence or breach of statutory duty) contract, misrepresentation, restitution or otherwise, shall be limited to the total amount paid to and received by DHC under these General Terms and Conditions.
- 18.3 To the extent applicable laws do not allow the limitations set forth in these General Terms and Conditions, these General Terms and Conditions shall be modified only to the extent required by applicable laws.



Article 19 - INSPECTION

- 19.1 All Parts are subject to inspection by Customer at destination. Use of Parts or failure to give notice of rejection within 30 Days after Customer's receipt shall constitute acceptance. Acceptance shall be final and Customer waives the right to revoke acceptance for any reason, whether or not cause for rejection is known to Customer at the time of acceptance or deemed acceptance. Customer's remedies for defects discovered before acceptance are exclusively provided for in Article 19.2 below.
- 19.2 Any notice of rejection shall specify the reasons for rejection. If DHC concurs with a rejection, DHC shall, at its option, correct, repair or replace the rejected Part. Customer shall, upon receipt of DHC's written instructions, deliver the rejected Part to DHC in accordance with Article 12.1. The repaired or replacement Part for the rejected Part will be delivered to Customer Free Carrier (FCA) Incoterms® 2020 from DHC or its Vendor's designated facility.

Article 20 - GENERAL PROVISIONS

- 20.1 These General Terms and Conditions are governed by and are to be construed in accordance with the laws of Alberta, Canada. The parties have agreed to exclude the application of the United Nations Convention on contracts for the International Sale of Goods.
- 20.2 By placement of Orders or acceptance of the Parts covered thereby, Customer has expressly agreed to these General Terms and Conditions.
- 20.3 Customer shall not assign any of its rights or delegate any of its obligations under these General Terms and Conditions without DHC's prior consent. DHC may, without Customer's consent, transfer, sell, or assign any receivable or other right or interest that DHC may have or acquire under these General Terms and Conditions.
- 20.4 The courts of Alberta shall have jurisdiction to hear and determine all claims, disputes, action, or suits, which arise under these General Terms and Conditions, or any Order requested or accepted hereunder. The failure at any time to enforce any provision of these General Terms and Conditions will not be a waiver of any such right to enforce or of the right thereafter to enforce each provision. These General Terms and Conditions contain the entire and only agreement between the parties respecting the subject matter hereof. If any provision, word, phrase, article, or other element of these General Terms and Conditions is found illegal or unenforceable by a court of competent jurisdiction, the remainder of these General Terms and Conditions shall not be affected and shall continue to be the rights and obligations of the parties hereto. THE PARTIES WAIVE ALL RIGHTS TO JURY TRIAL IN ANY DISPUTES OR LITIGATION ARISING DIRECTLY OR INDIRECTLY HEREUNDER.
- 20.5 DHC may: (a) assign any Order to any of its affiliates; or (b) assign any of its rights to receive money under an Order to any party.
- 20.6 A waiver of a breach or default under these General Terms and Conditions and conditions shall not be a waiver of any other breach or default. The failure of a party to enforce compliance with any term or condition of these General Terms and Conditions and conditions shall not constitute a waiver of such term or condition.