

STANDARD TERMS AND CONDITIONS OF SALE

By accepting the extension of credit or any quotation furnished by Air NZ the Customer is deemed to accept these terms and conditions (as amended from time to time notwithstanding any Customer terms and conditions that may accompany such notification of acceptance or any other communication.

1. **Validity:** Any quotation Air New Zealand Limited (Air NZ) issues remains firm for 30 days unless otherwise advised in writing.
2. **Payment Terms:** All rates and charges are exclusive of GST. Payment terms are full settlement on the 20th of the month following the invoice date unless otherwise specified herein. Air NZ reserves the right to charge interest at the rate of 2% per month on all accounts outstanding beyond above terms. Title in all Materials supplied by Air NZ under or in relation to these terms and conditions will remain with Air NZ until complete payment of all amounts due has been received.
3. **Dispute Resolution:** The parties agree that they will attempt to resolve any disputes in good faith. Any dispute under or relating to this Agreement between the Customer and Air NZ must be referred:
 - (a) initially for resolution by senior representatives of each party, who will endeavour to resolve the dispute within 7 days of the giving of notice of a dispute by a party;
 - (b) if the dispute is not resolved in accordance with clause 3(a) and the parties agree:
 - (i) to the dispute being referred to mediation, arbitration, expert determination or some other form of alternative dispute resolution process (each a Dispute Resolution Process);
 - (ii) on the identity of the mediator, arbitrator, independent expert or other appropriate person; and
 - (iii) on the guidelines or rules to govern the applicable Dispute Resolution Process, then the mediator, arbitrator, independent expert or other person agreed by the parties will conduct the Dispute Resolution Process in accordance with those guidelines agreed between the parties.

If the parties cannot reach agreement under clause 3(b) within 5 days, either party may commence court proceedings in New Zealand relating to any dispute arising under this Agreement.
4. **Taxes:** Any taxes, (other than taxes on the net income of Air NZ by the New Zealand Government) levied in respect of payments due to Air NZ by the Customer shall be for the account of the Customer and Customer shall indemnify Air NZ to ensure that Air NZ receives and retains a net sum, on the normal due date for payment, equal to the sum it would have received and retained under the relevant invoice had no taxes been levied. Taxes in this instance include interest and penalties arising from late payment of any tax liability. The Customer will pay all taxes, charges and duties imposed by or on behalf of any government or country other than the Government of New Zealand.
5. **Freight & Storage:** Unless specifically included in any quoted price all freight costs will be additional and will be invoiced at actual cost plus handling fee. Air NZ recommends that customers send goods free into store (FIS). The Customer shall assume all risk of loss of or damage to the Customer's goods in transit to and from the Customer's place of business and the Air NZ facility, regardless of whether or not Air NZ organises and/or consigns the freight. Air NZ strongly recommends that the customer fully insures its property during transit. Air NZ reserves the right to charge storage fees for all Customer goods while in its possession.
6. **Currency:** Unless specified, the currency quoted is New Zealand Dollars (NZD).
7. **Cancellation:** Customers cancelling after acceptance of order by Air NZ may incur costs associated with specifically purchased spares.
8. **Scrap:** Parts assessed as "scrap" (assessed at a repair cost in excess of 65% of the current list price), or any item which is not retrieved by the Customer within: (i) three (3) months of Air NZ ceasing work on that property, or (ii) fourteen (14) days of Air NZ sending notice to the last known address of the Customer, will be disposed of by Air NZ at the customer's cost, unless in respect of parts assessed as "scrap" the customer has specifically requested otherwise in writing. The Customer indemnifies Air NZ against all costs, expenses and liabilities incurred by Air NZ arising from any exercise of Air NZ's rights under this clause.
9. **Exchange Goods:** Exchange goods may be offered when available. All exchange costs are based on the Customer's goods being repairable. If it is found during rework that the item is not repairable the Customer will be charged the difference between the exchange price and replacement at current list price.
10. **Lien:** Air NZ will have a general lien on all property of the Customer in Air NZ's possession or control, together with any property belonging to a third party supplied by or at the direction of the Customer, for all sums due to Air NZ by the Customer. If such sums are in excess of three (3) months overdue, Air NZ will have the right to sell any such property to the extent necessary to recover payment of all amounts due, including (without limitation) storage costs, interest and expenses, provided that such sale may not take place until at least one (1) month after the date Air NZ sent notice of sale to the last known address of the Customer. This lien will survive if the property is from time to time removed from Air NZ's possession. Air NZ will endeavour to obtain a fair market price, but will not be obliged to adopt any particular sale procedure. Customer warrants that it is the legal and beneficial owner of all property placed in Air NZ's possession, or that it is otherwise entitled to place the property with Air NZ subject to these terms, and the Customer indemnifies Air NZ against all costs, losses, expenses and liabilities arising from any exercise of Air NZ's rights under these terms. Customer warrants that all such property will be free of encumbrances at all times.
11. **Exchange Rate Variation:** Air NZ reserves the right to vary a quote to reflect any significant variations, in exchange rate.
12. **End User Requirements:** The Customer warrants that all end user certifications or approvals, if any, that are necessary to satisfy foreign government end user requirements, have been obtained.
13. **Insurance:** Customer shall arrange and maintain the following policies of insurance:

(a) an All Risks Aviation Spares Policy or All Risks Property Insurance Policy covering Property while at Air NZ's facility and whilst in transit to and from Air NZ's facility. Air NZ will only be liable for damage to Customer's Property as a result of Air NZ's gross negligence or wilful misconduct whilst in Air NZ's care, custody and control.

(b) Aviation Legal Liability policy covering liability for third party property damage, death and bodily injury. Air NZ is to be named as an additional insured party and the policy must contain a cross liability condition to the effect that despite Air NZ being named as additional insured, the insurance shall operate in all respects as if a separate policy had been issued covering each insured party.

The insurance policies referred to in (a) and (b) above must be primary and without right of contribution from Air NZ or any insurance effected by Air NZ and the Customer shall cause its insurers to waive any rights of contribution against Air NZ.

WARRANTY

14. Air New Zealand Limited warrants that all items will be free from defects or failures due to faulty workmanship by Air NZ for 1000 operating hours or 6 months from re-delivery of the goods, whichever expires first, unless otherwise agreed in writing.
15. The Customer must notify Air NZ in writing within 30 days of any such failure becoming apparent and shall allow Air NZ a reasonable opportunity for inspection and any adjustment or replacement as Air NZ so decides.
16. To the fullest extent permitted by law, Air NZ's obligations and liability and the Customer's remedy for defects or failures due to faulty workmanship are solely and exclusively limited to correction of the defect or failure by Air NZ at its own expense including all transportation charges incurred in connection therewith, provided that:
 - a. Subsequent to the completion of work by Air NZ the goods were operated and maintained by the customer in accordance with the manufacturer's and/or Air NZ's (written) instructions;
 - b. The goods were used in normal operations for its intended purpose, were not subject to misuse and were not repaired or altered by anyone other than Air NZ; and
 - c. Any faulty goods under this clause will be repaired or replaced as Air NZ decides at its sole discretion.
17. Any goods that are the subject of a warranty claim under this provision must be accompanied by a copy of the Release Certificate and be returned to Air NZ, at the Engineering Base originally engaged in the service provided, using Air NZ's designated freight forwarder.

LIABILITY

18. To the fullest extent permitted by law the above warranty is exclusive and no other warranty either expressed or implied whether statutory or otherwise, including warranties of merchantability or fitness for purpose nor any affirmation of fact or promise is given by with respect to the performance of work on any component or part supplied hereunder. Air NZ shall not be liable to the Customer for any indirect loss or damage, or for any consequential losses, loss of revenues or profits, or loss of use whatsoever and howsoever caused or arising. Air NZ's total liability to the Customer is limited to the amount paid by the Customer to Air NZ in respect of the relevant work order.
19. The Customer hereby indemnifies Air NZ, its related companies, its and their officers, agents, subcontractors and employees from and against any and all claims, proceedings, costs, expenses, damages and losses arising out of or in any way connected with the goods provided (or to be provided) or the work performed (or to be performed) and which relates to any loss of, or damage to, property (whether real or personal); injury to any person including injury resulting in death; or any defect in the goods or work performed, except to the extent caused by the gross negligence or wilful misconduct of Air NZ, its related companies and its and their officers, agents, subcontractors or employees.
20. These terms will be construed in accordance with and will be governed by, the laws of New Zealand. These terms will apply to all work carried out by Air NZ for the Customer, notwithstanding any other terms attached to or incorporated in any purchase order, notification of acceptance or any other communication from the Customer. Air NZ may from time to time update these terms. All such changes will be deemed to take effect 30 days after being posted to the website and it is the Customer's responsibility to periodically check the website for any such changes.

ACCEPTANCE

The signatory to this Document confirms that he/she has read, understood and agrees to comply with the Terms and Conditions and further confirms that he/she is authorised by the Company to sign on its behalf.

Company Name

Date

Name of Signatory

Signature

Name of Witness

Signature

THE SIGNED DOCUMENT MUST BE RETURNED TO Air NZ CREDIT MANAGEMENT