



# TERMS AND CONDITIONS OF PURCHASE

V1.1

April 30<sup>th</sup>, 2025

## Terms & Conditions of Purchase

The terms and conditions below apply to all purchased goods and services which are submitted by AMR to Supplier and by signing an Order, delivering a Component, or performing a Service, the Supplier agrees to be bound thereby.

### 1. DEFINITIONS

AMR means AMR AERO Ltd.

EASA means the European Aviation Safety Agency.

FAA means the Federal Aviation Administration;

Airworthiness Directive means a directive from an Airworthiness Authority, requiring an inspection to or modification of a Component, part or system on an aircraft or the amendment of a procedure affecting the operation of an aircraft and which has been classified with a mandatory compliance by the Airworthiness Authority.

Component means any aircraft component supplied by Supplier to AMR and any Component supplied by AMR to Supplier on which Services are to be carried out, in each case pursuant to the terms hereof;

Delivery Date means the date on which the Components will be made available for collection by AMR as quoted by Supplier at the time of Order placement or as otherwise agreed by the parties in writing;

Beyond Economical Repair ("BER") means that the cost to repair a Component exceeds seventy-five percent (75%) of the Fair Market Value of that Component after repair;

Fair Market Value means the market value of the Component, as determined by Supplier, and, in the event of a dispute, it shall be the average of three (3) quotations received by AMR from recognised dealers in aircraft parts based in the United Kingdom;

Order means any purchase or repair order submitted by AMR to Supplier for the supply of Components or Services;

Party or Parties means Supplier or AMR as the context permits (collectively the Parties);  
Serviceable means a Component which meets all OEM and stated aviation authority standards for airworthiness, including in relation to its storage, and has no known defects which would render it unfit for service;

Services means any sale, test, inspection, repair, overhaul or modification services provided by Supplier to AMR pursuant to the terms hereof;

Services means a service bulletin communication from the Original Equipment Manufacturer (OEM), necessitating removal of a Component from the aircraft and requiring or recommending inspection, modification, or replacement of the Component;

Supplier means the party to these terms who supplies any Services to AMR;

USD means United States Dollars.

## **2.ORDER PROCESS**

2.1 Upon receipt of an enquiry from AMR, Supplier will provide AMR with a quotation which will state the Components and/or Services to be provided and the applicable charges payable in connection therewith. Where the quotation relates to the performance of Services, the quotation must be provided within five (5) working days of receipt of AMR's Component(s). All quotations must state the applicable Delivery Date or the number of days until Services will be completed.

2.2 The charges set out in Supplier's quotation shall be valid for thirty (30) days from the date of the quotation, thereafter charges are subject to change with notice by Supplier.

2.3 All charges quoted are inclusive of VAT.

2.4 Should AMR choose to accept Supplier's quotation it shall place an Order for the Components and / or Services by email (or via dedicated customer portal if applicable).

2.5 Invoices for the supply of Components and Services shall be issued by Supplier on collection of the Component(s) from Supplier's facility and all invoices will be paid in accordance with Clause 3 of this document.

2.6 Where AMR sends a Component to Supplier for the performance of Services, details of all costs to be incurred (to the extent that they exceed those set out in the quotation provided by Supplier pursuant to 2.1) and a findings/evaluation report must be provided to AMR for approval before performance of the Services. under no circumstances will AMR be liable for costs which have not been approved.

2.7 All Components supplied and repaired by Supplier shall be released with EASA, UK CAA and FAA release certification (and CAAC release certification if available) at no additional cost. If additional costs will apply these must be included in Supplier's quotation. All Components shall be compliant with the latest Airworthiness Directives and Service Bulletins as confirmed in the release certification. The use of PMA parts and DER repairs is not permitted unless otherwise agreed by AMR in writing.

2.8 Supplier will state the CMM & revision number in block 12 of the relevant release certificate (as applicable). Supplier must also state on the certification any applicable life & storage

restrictions in respect of each Component sent to the Supplier for the performance of Services.

2.9 All records associated with any Order placed pursuant to these terms and conditions will be kept for ten (10) years from the date of the Order.

2.10 AMR has a zero-tolerance approach to counterfeit parts. The Supplier agrees, warrants and represents to plan and implement reasonable and proportional processes within its organisation and/or supply chain to prevent the existence of (i) counterfeit parts and/or suspected counterfeit parts; and (ii) the release of unapproved and/or suspected unapproved parts in any Order.

### **3. PAYMENT**

3.1 All invoices will become due and payable by AMR thirty (30) days from receipt of Supplier's invoice which will be issued pursuant to Clause 2.5.

3.2 All invoices will be paid in USD and in fully cleared funds to Supplier's bank account, the details of which will be specified on the invoice.

3.3 AMR shall notify Supplier, within ten (10) days of the date of the invoice, if it wishes to dispute any invoice or part thereof. If no notification is received within this ten (10) day time period, invoices will be deemed accepted. Representatives of AMR and the Supplier will attempt to resolve any dispute, and should any dispute not be resolved by such representatives within thirty (30) days of the date of AMR's dispute notification, the dispute shall be settled in accordance with Clause 11. Notwithstanding anything in this Clause 3.3, AMR shall pay any part of an invoice which is not in dispute in accordance with this Clause 3.

3.4 In the event that any Component sent to Supplier for Services is found to be BER, Supplier shall notify AMR and AMR shall instruct Supplier as to whether the Component should be repaired, scrapped or returned in an "as is" condition. AMR shall be liable for all repair costs, transportation charges, taxes and duties, scrapping and workshop inspection charges which have been incurred in all cases. No Components are to be scrapped, and no unserviceable components are to be returned to AMR without AMR's prior written consent. Where Components are scrapped by Supplier, a scrap certificate shall be provided.

### **4. DELIVERY AND TRANSPORTATION**

4.1 Unless agreed otherwise in writing, all Components will be collected from Supplier's facilities in accordance with the incoterm ExWorks (Incoterms 2020) Return shipment of Components which have been sent to Supplier for Services may (with the prior written approval of AMR) be returned to AMR using AMR's shipping account, in which case Supplier shall ensure that the relevant Order number is used as the booking reference. A copy of the Component release certification and AWB must be sent to [returns@amraero.co.uk](mailto:returns@amraero.co.uk) when the Component is returned to AMR.

4.2 All Components will be packed for air and road transportation in accordance with ATA 300 regulations.

4.3 Supplier shall deliver all Components on and shall perform all Services by the Delivery Date specified in the Order and time shall be of the essence in respect of delivery. In the event the Supplier is unable to meet the Delivery Date quoted, Supplier shall inform AMR of the delay and shall advise AMR of a revised Delivery Date. Components will be delivered on a door-to-door basis in accordance with Clause 4.1.

4.4 Supplier shall provide reasonable notice of when the Components are available for delivery.

4.5 Nothing in these terms and conditions shall prevent Supplier from bringing forward the Delivery Date, or from completing performance of any Order prior to the time set forth in the quotation.

4.6 Components will be deemed accepted by AMR if no defects are notified to Supplier within twenty (20) days of collection of the Component in accordance with Clause 4.1.

## **5. WARRANTY**

5.1 Components in a Serviceable condition will be supplied to AMR with a six (6) month warranty, Components in an overhauled condition will be supplied to AMR with a twelve (12) month warranty and Components in factory new condition will be supplied to AMR with the greater of a three (3) year warranty or the remaining warranty term received with such Component by Supplier. All warranty periods shall commence on the date that the Components are made available for collection by AMR.

5.2 In the event of a warranty claim, Supplier will evaluate the Component or send the Component to a repair facility for evaluation, as applicable. If the Component is determined faulty, Supplier will, at its sole cost and expense, either repair or replace the defective Component and reimburse AMR for any reasonably incurred and adequately documented transportation fees incurred in transporting the defective Component to Supplier and back. If the workshop advises "no fault found" or if the warranty is denied, AMR is liable for all freight and shop evaluation fees.

5.3 The warranty provided shall not cover any damage to Components which has been caused by Foreign or internal object damage, accident, incident (including lightning strikes), incorrect installation, misuse, mishandling, non-compliant repair and / or modifications.

5.4 All other warranties or conditions (whether express or implied) as to quality, condition, description, compliance with sample or fitness for purpose (whether statutory or otherwise) other than those expressly set out in these terms and conditions are excluded from these terms to the fullest extent permitted by law.

## **6. TITLE AND RISK OF LOSS**

6.1 Title to Components sold to AMR pursuant to these terms shall transfer to AMR on delivery.

6.2 Title to any Components sent to Supplier for the performance of Services shall always remain vested in AMR, free and clear of any liens.

6.3 Supplier warrants that it has full legal and beneficial title in and to the Components sold pursuant to these terms and will pass such title, with full title guarantee to the AMR in accordance with this Clause 6.

6.4 Risk of loss for each Component sent to Supplier for Services shall pass to Supplier on delivery of that Component to Supplier's facility and shall remain with Supplier until that Component is redelivered to AMR in accordance with the terms hereof. If Supplier loses or damages a Component whilst in its care, custody or control, it shall be responsible for either the cost of the repair (if the Component is not beyond economical repair) or the replacement value of the Component (as reasonably determined by AMR) if the Component has to be replaced.

## **7. LIABILITY AND INDEMNITY**

7.1 The Supplier hereby indemnifies AMR, its customer and each of their affiliates and subsidiaries, (including their respective agents, directors, employees, officers, shareholders, subcontractors, successors and assigns) against all liabilities, claims, losses and damages of any nature, including, but not limited to, all expenses (including legal fees), costs, and judgements for property damage or injury to or death of any person and any other direct, indirect, incidental, consequential, economic or statutory civil damages, any of which arise out of or are in any way related to the provision of the Components or other Services provided pursuant to these terms and conditions.

7.2 Nothing in these terms shall limit or exclude Supplier's liability for death, personal injury caused by its negligence, the negligence of its employees, agents or subcontractors, or for fraud or fraudulent misrepresentation.

7.3 Supplier acknowledges and agrees that it is contributing to product and service conformity and product safety. The Supplier is aware of the importance of ethical behaviour and as such hereby agrees to comply with AMR's code of conduct (a copy of which can be provided upon request).

## **8. INSURANCE**

8.1 The Supplier shall carry and maintain such insurance in full force and effect and in types and amounts as would be carried by prudent companies engaged in the Supplier's industry. Such policies of insurance shall be primary with respect to the indemnity of Supplier set forth in

these terms and shall contain waivers of subrogation of the insurers in favour of AMR. The Supplier will provide AMR with certificates of insurance as may be requested by AMR from time to time.

## **9.FORCE MAJEURE**

9.1 Supplier will not be liable in any way in respect of late delivery or for any delay in performance due to causes beyond Supplier's reasonable control including, without limitation, embargoes, blockages, seizures or freeze of assets, delays or refusals to grant export or import licenses or the suspension or revocation thereof, or any other acts or omissions of government, fires, floods, severe weather, or any other acts of God, quarantines, third party labour strikes or lockouts, riots, insurrection, civil disobedience or acts of criminals or terrorists, war and, in the event of such delay the date of delivery shall be extended for a period of time as may be reasonable necessary to compensate for any such delay.

## **10. GOVERNING LAW AND JURISDICTION**

10.1 These terms, each Order and any disputes or claims arising therefrom (each a "Dispute") shall be governed by and construed in accordance with English law.

10.2 Any Dispute, including any question regarding existence, validity or termination of a contract, shall be referred to and finally resolved by arbitration under the LCIA rules, which Rules are deemed to be incorporated by reference into this clause. The number of arbitrators shall be one. The seat, or legal place, of arbitration shall be London, England. The language to be used in the arbitral proceedings shall be English.

10.3 Either Party may institute arbitration proceedings by giving written notice to that effect to the other Party.

10.4 Nothing in Clause 10.2 shall prevent or prejudice either party seeking interim relief from any court of competent jurisdiction.

## **11. MISCELLANEOUS**

11.1 A person who is not party to these terms or to any Order to which these terms apply shall have no rights

under such contract whether pursuant to the Contracts (Rights of Third Parties) Act 1999 or otherwise.

11.2 Where the Supplier delivers any other standard terms and conditions to AMR in respect of an Order, these terms and conditions shall prevail.

11.3 If any provision of these terms is found by any court or other authority of competent jurisdiction to be invalid, illegal or unenforceable, that provision or part-provision shall, to the

extent required, be deemed not to form part of these terms, and the validity and enforceability of the other provisions of these terms shall not be affected.

11.4 Any amendment, variation, modification of these terms shall be ineffective unless made in writing and signed by an authorised representative of each Party.

11.5 These terms contain the entire agreement between the Parties with respect to its subject matter. Each Party acknowledges that, in entering into these terms it has not relied on and shall have no right or remedy in respect of, any statement, representation, assurance or warranty (whether made negligently or innocently) other than as expressly set out in these terms. Nothing in this clause shall limit or exclude any liability for fraud.

11.6 The Parties declare that they each have the right, power and authority, and have taken all action necessary, to execute and deliver and to exercise their rights and perform their obligations under these terms.

11.7 Supplier may not sub-contract any Services or part thereof to any third party without the prior written consent of AMR. In the event that AMR's approval is granted, Supplier will be responsible for the performance of its subcontractors as if Supplier had performed the Services itself.

11.8 In the event of any conflict between the terms of any Order and these terms, these terms shall prevail. Such terms shall constitute the entire agreement between the Parties in relation to an Order and supersede all previous proposals, representations, agreements and other written and oral communications in relation thereto.

11.9 The Supplier shall not be permitted to assign or transfer all or any of its rights and/or obligations under this Agreement without the prior written consent of AMR.

11.10 Each Party hereby agrees to keep strictly confidential and not to disclose any Confidential Information to any third party without the other Party's prior written consent except when required by any laws or government rules. For the purposes of this Clause 11.10, Confidential Information means all information, materials, documents and data provided by the other Party hereunder which has been marked as confidential or has been so designated in writing within thirty (30) days after provision.