

STANDARD CONDITIONS OF PURCHASE
To be read in conjunction with Air New Zealand Limited
Purchase Order

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INTRODUCTION

These terms and conditions (**Conditions**), together with the relevant Purchase Order to which they relate, constitute the entire agreement between Air New Zealand Limited (**Air NZ**) and the Supplier in respect of the supply of Goods and/or Services by the Supplier to Air NZ (**Agreement**) to the exclusion of any other terms and conditions of the Supplier.

By supplying Goods and/or Services to Air NZ, the Supplier will be taken to have accepted these Conditions.

Capitalised terms used in these Conditions have the meaning given to them in clause 20.

The Supplier should read these Conditions carefully. They include important details about:

- the Supplier's obligations and liability, including (at clause 12) the Supplier's indemnity,
- Air NZ's right to terminate (clause 14), and
- Air NZ's right to amend the Purchase Order (clause 1.3).

1. ACCEPTANCE OF CONDITIONS:

- 1.1 The Supplier shall provide the Goods and/or Services to Air NZ in accordance with each respective Purchase Order issued by Air NZ and accepted by the Supplier which shall be subject to these Conditions. The receipt by Air NZ of any terms and conditions, quotation form, sales confirmation or other proposal from the Supplier shall not, in the absence of a written acknowledgement by Air NZ expressly agreeing to same, have the effect of changing in any manner or adding to the Conditions.
- 1.2 Air NZ may enter into a Purchase Order for itself or as agent for and on behalf of one or more of its Related Companies.
- 1.3 Air NZ reserves the right to make changes to the specification or other requirements of the Purchase Order, but no variation to the contractual Conditions will be allowed unless expressly authorised in writing by Air NZ. If a change affects the time for performance, specification, delivery or the amount payable by Air NZ, the Supplier shall notify Air NZ immediately and the parties shall negotiate an adjustment. The Supplier shall continue to supply the Goods and/or Services during such negotiations.
- 1.4 The Supplier shall be deemed to have accepted these Conditions in respect of any Goods and/or Services it provides to Air NZ or Air NZ's Related Companies upon the earlier to occur of acceptance of the Purchase Order,

or commencement of delivery or provision of any part of such Goods and/or Services.

- 1.5 The Supplier agrees to be bound by and comply with Air NZ's Supplier Code of Conduct, as amended from time to time without notice. The most recent version of the Code of Conduct is available at <https://www.airnewzealand.co.nz/suppliers>.

2. PRICE AND PAYMENT:

- 2.1 All Suppliers must issue a valid tax invoice to Air NZ within 90 days of providing Air NZ with the relevant Goods and/or Services.
- 2.2 For international Suppliers only, Air NZ shall pay the Supplier's invoice to the Supplier's Bank Account within 30 days from the date of that invoice (provided that the invoice is received by Air NZ within 7 days of the date of that invoice).
- 2.3 For NZ based Suppliers only, Air NZ shall pay the Supplier's invoice to the Supplier's Bank Account, by no later than the 20th of the month following the date of supply (provided that Air NZ receives that invoice prior to the end of that month of supply).
- 2.4 If any invoice submitted by the Supplier is disputed, Air NZ will notify the Supplier of the reasons for that dispute, and will, subject to Air NZ's ERP system requirements either:
 - (a) pay the undisputed amount upon issuance and receipt of a replacement invoice solely for the undisputed amount, or;
 - (b) request a credit for the disputed amount and pay the undisputed amount as set out in clauses 2.2 and 2.3 subject to receipt of a credit note for the disputed amount.

Any disputed amount will be resolved in accordance with clause 17; unless otherwise agreed in writing with Air NZ.
- 2.5 All prices for the Goods or Services shall be regarded as inclusive of all expenses, taxes, duties and charges. If any expenses, taxes, duties and charges are agreed to be paid by Air NZ in respect of Goods and/or Services, the subject of a Purchase Order, such taxes, duties and charges shall be separately itemised on the Supplier's invoice but included in the total price.
- 2.6 Air NZ reserves the right to pay by electronic means.

3. PERFORMANCE OF SERVICES AND SUPPLY OF GOODS:

- 3.1 In providing the Goods and/or Services, the Supplier, will use its best endeavours not to interfere with any of the activities conducted by Air NZ or any other person at any delivery location.
- 3.2 The Supplier will deliver the Goods and/or Services to Air NZ within the delivery schedule at the relevant delivery location(s), as set out in the Purchase Order or as otherwise agreed by Air NZ in writing.
- 3.3 The Supplier warrants that all Goods and/or Services ordered pursuant to a Purchase Order and according to plans, drawings specifications or sample furnished or approved by Air NZ (which are hereby made a part of the Purchase Order as if fully set out herein) will conform thereto, or if not so ordered will be merchantable, fit and sufficient for the purpose ordered and will be in good condition, free from defects (including hidden defects) in design, materials and workmanship. All Supplier's warranties shall, as applicable, run to Air NZ, its Related Companies, its and their successors, assigns and customers and shall be construed as conditions as well as warranties and shall not be deemed to be exclusive.
- 3.4 The Supplier shall, and shall ensure that the Supplier's Representatives shall: (a) perform the Services with due care, skill and diligence and in a timely and professional manner; (b) provide Air NZ with such information, and prepare such reports, in relation to the Goods and/or Services as Air NZ may reasonably require; (c) give priority to Air NZ's requirements; (d) at its own cost, make good any errors or omissions in the Goods and/or Services of which Air NZ notifies the Supplier in writing during the term of the Agreement; (e) comply with all applicable laws and regulations including safety, health,

- environmental, sustainability and modern slavery laws; (f) comply with all applicable safety, health and environment guidelines, rules and procedures; (g) comply with all such policies, guidelines, rules and procedures provided by Air NZ including in relation to safety, health, environmental, sustainability and modern slavery matters; (h) comply with all reasonable access, security and identification requirements and procedures specified by Air NZ; (i) comply with all other reasonable directions and orders given by Air NZ's Representatives; and (j) ensure that the delivery locations are left secure, clean, orderly and fit for use by Air NZ.
- 3.5 All Services performed and materials used in connection therewith (or in relation to Goods) shall be at the risk and expense of the Supplier and shall be repaired or replaced by the Supplier in the event of any damage or destruction thereof prior to delivery to and acceptance by Air NZ.
- 3.6 If a Purchase Order requires Services to be performed by Supplier upon any Air NZ premises owned or controlled by Air NZ and/or Air NZ's customers, Supplier will comply with all health and safety and other requirements at the premises, keep the premises and the Services and Goods free and clear of all liens and will furnish Air NZ with certificates and waivers as required or provided by law or for Air NZ's insurance purposes. Supplier must maintain property damage insurance on any property belonging to Air NZ or its customer in the possession of Supplier or Supplier's suppliers, and shall be responsible for its safe return to Air NZ. Title to Air NZ supplied equipment will at all times remain in Air NZ and the Supplier shall ensure that the equipment carries Air NZ identification tags at all times.
4. **INSPECTION:**
- 4.1 Air NZ shall not be deemed to have accepted the Goods or Services unless and until it has had a reasonable opportunity to examine them for the purpose of ascertaining that they conform with the Purchase Order, notwithstanding any agreement by Air NZ to collect them or pay for their transport costs. Following Air NZ's inspection of Goods or Services, Air NZ may reject any Goods or Services which do not comply with the Purchase Order or which contain defective material or workmanship irrespective of date of payment.
- 4.2 Air NZ will upon written notice to the Supplier hold any rejected Goods at the Supplier's risk pending Supplier's instructions. If the Supplier fails to furnish Air NZ with instructions regarding the disposition of such Goods within a reasonable time, Air NZ may return the Goods to the Supplier at the Supplier's expense.
- 4.3 Supplier shall provide written notification to Air NZ when a non-conformance is determined to exist, or is suspected to exist, on product already delivered to Air NZ with written notification that shall include the following information:
- (a) Air NZ Purchase Order number(s).
 - (b) Affected process(es) or product number(s) and names.
 - (c) Description of the non-conforming condition and the affected engineering requirement (i.e. what it is and what it should be).
 - (d) Quantities, dates and destinations of delivered shipments.
 - (e) Suspect/affected serial number(s) or date codes.
- 4.4 Notification must occur within 5 business days of the Supplier knowing all the above information (or where it ought reasonably to have known). However, if the condition could possibly affect the safety of any flight, Supplier must submit all available information immediately.
5. **DELIVERY, RISK AND TITLE:**
- 5.1 **Title:** Title to the Goods transfer from the Supplier to Air NZ upon the earlier of:
- (a) delivery of the Goods to Air NZ; or
 - (b) payment for the Goods by Air NZ.
- 5.2 **Risk:** Responsibility for any loss or damage to the Goods remains with the Supplier until the Goods are delivered to Air NZ.
- 5.3 **Delivery:** Delivery of Goods will occur when both:
- (a) Goods are physically delivered to Air NZ at the place and between the hours specified by Air NZ on the Purchase Order (or as otherwise agreed by the parties); and
 - (b) Air NZ confirms the Goods have been delivered and accepted in accordance with clause 4.
- 5.4 **Time:** If no time for delivery is stipulated on the Purchase Order, the Supplier shall deliver the Goods or completed Services within a reasonable period of receiving the Purchase Order and within the hours of 9am and 5pm on a business day (local time of Air NZ at the delivery location).
- 5.5 **Clear title:** The Supplier agrees to transfer to Air NZ right, title and interest in and to the Goods free and clear of all liens, security interests or encumbrances.
- 5.6 **Delays:** The Supplier must advise Air NZ as soon as reasonably practicable of any delays or anticipated delays to delivery of the Goods.
- 5.7 **Early delivery:** Air NZ shall not be bound to accept delivery prior to the date of delivery specified and will not be liable for any loss or charge arising from its refusal to accept such delivery prior to the appointed delivery date.
- 5.8 **DAP:** Subject to any contrary terms in these Conditions or a Purchase Order, delivery of Goods shall be regarded as Delivered at Place, DAP (Incoterms 2020).
6. **COMPLIANCE WITH AIRWORTHINESS REGULATIONS:** Where applicable to the Services and/or Goods supplied, the Supplier shall comply with, and upon request of Air NZ furnish certificate of compliance with, all applicable rules, orders, regulations of the airworthiness authority specified in and/or requirements set out in the Purchase Order and shall indemnify and keep indemnified Air NZ and its Related Companies against any damages by reasons of violations of this clause.
7. **AIRCRAFT MATERIALS:**
- 7.1 All parts or materials for use on an aircraft which are provided for under a Purchase Order **must be accompanied by** a Signed, Serialised Certificate(s) of Conformance, Inspection or Airworthiness. If alternate parts are supplied, the certificate must be endorsed to the effect that they supersede or are completely interchangeable with the parts ordered. Compliance shall be in accordance with CAANZ Parts 19/21/43 AC 00-1, FAR21, FAA Advisory Circular AC21-2L or EASA AMC 145.A.50.
- 7.2 All Goods provided or Services returned under a Purchase Order shall be suitably packed and marked to secure lowest transportation costs and in accordance with the requirements of common carriers. All packaging must comply with ATA Spec 300. The use of styrofoam peanuts as packaging dunnage is prohibited. No additional charge will be allowed for packaging, boxing, crating or storage unless so stipulated in the Purchase Order. If Air NZ discovers damage to any Goods, Air NZ may at its discretion accept or reject the Goods. If accepted by Air NZ, subsequent rectification costs will be paid by the Supplier. Air NZ's count will be accepted as first and conclusive on all shipments not accompanied by packing lists. All O rings are to be individually packaged in light proof packaging and marked with applicable specification details and cure date.
- 7.3 All chemical, fluid, or similar products supplied must have the manufacturer's original label(s) attached to the container/s. Where product containers are overlabeled by a distributor, a statement of the content of the original label/s and the reason for the overlay must be included. A statement of conformance to the original manufacturer's label specifications must be also supplied for items decanted from bulk containers.
- 7.4 In respect of the supply of Aviation Authority approved and certified Goods or Services for aircraft use, the Supplier shall retain all records pertaining to such Goods or services for a period of at least seven years from the date of shipment. Records must be held in their current form

- and may not be amended, modified in any way or destroyed without the prior written consent of Air NZ. The Supplier must allow a person or persons authorised by Air NZ to inspect records during normal business hours and to take copies and extracts from the records. Air NZ, on giving reasonable notice, may enter the Suppliers premises to ensure that the Supplier is complying with its obligation under this Clause 7 or for any other purpose specified by Air NZ in its notice to the Supplier. The Supplier will give all reasonable assistance in relation to Air NZ's visit.
- 7.5 Notwithstanding clause 3.3 above, the warranty period for aircraft materials and services shall be as set out either in the applicable Aircraft Manufacturer Product Support agreement, the relevant Component Manufacturers Manual (CMM) or 12 months from delivery of aircraft materials/completion of services, whichever is the greater.
8. **PAYMENT OF TAXES AND DUTIES:**
Unless otherwise agreed by Air NZ in the Purchase Order, the Supplier will pay all taxes, charges and duties imposed by or on behalf of any government or country including all taxes levied on the net income of the Supplier. Unless specifically stated to the contrary in the Purchase Order or in any written notification by Air NZ to the Supplier, the Goods and Services which are the subject of the Purchase Order may be for export to Air NZ in New Zealand as the final destination and, if so, will not be subject to sales tax, GST, value added tax or any similar taxes imposed outside of New Zealand.
9. **INTELLECTUAL PROPERTY:**
9.1 The Supplier warrants that the Goods and/or Services furnished by the Supplier under this Agreement, and the use by Air NZ and / or its Related Companies, contemplated by this Agreement, does not and will not infringe any intellectual property rights of a third party. The Supplier will at its own expense defend any suit that may arise in respect thereto.
- 9.2 All intellectual property rights created by or on behalf of the Supplier for Air NZ, or arising out of the provision of the Services are assigned by the Supplier to Air NZ upon their creation.
10. **EXCUSABLE DELAY:**
No liability shall result from delay in performance or from non-performance under these Conditions caused by circumstances beyond the reasonable control of the party affected (including, but not limited to acts of God, fire, flood, war, sabotage, accident, Government act, order or regulation and global inability (other than as a result of inadequate forward planning processes) to obtain material, goods or equipment or transportation) which interfere with production. Air NZ deliveries delayed or not made because of such cause or event may be suspended, reduced or eliminated by Air NZ from the Purchase Order without charge.
11. **INSURANCE:**
The Supplier must maintain the necessary insurances to meet its obligations under each respective Purchase Order. In each case the sum insured shall not be less than the following unless specified in an individual Purchase Order or notified to the Supplier: Public & Products Liability (or aviation liability if applicable) \$20m, Professional Indemnity \$3m, Motor Liability \$2m (or \$20m if driving airside). The Supplier is required to provide evidence of insurances in the form of validated certificates of insurance on request.
12. **INDEMNITY:**
12.1 The Supplier indemnifies and shall keep indemnified Air NZ, its successors and assigns, its Related Companies, its and their Representatives from and against any and all claims, proceedings, costs, expenses, damages and losses arising out of or in any way connected with or related to a Purchase Order, these Conditions or the Goods provided or to be provided by or the Services performed or to be performed by or on behalf of the Supplier and relating to:
- any loss or damage to property (whether real or personal);
 - injury to any person including injury resulting in death;
 - any defect in the Goods or Services performed or their delivery or unloading by the Supplier;
 - any infringement of a third party's intellectual property rights; and
 - the failure of the Supplier and the Supplier's Representatives to comply with the safety, health, and environment guidelines, rules or procedures provided to the Supplier by Air NZ whilst at the Air NZ locations,
- except to the extent caused by the negligence or wilful misconduct of Air NZ, its Related Companies and its and their Representatives.
- 12.2 In the event the Goods are recalled either voluntarily or as a result of governmental direction, the Supplier will indemnify Air NZ against all loss, damage or liability whatsoever suffered or incurred by Air NZ arising directly as a result of the recall, except to the extent due to the negligent act or omission of Air NZ.
13. **NON PERFORMANCE:**
13.1 Air NZ is under no obligation to accept or pay for Goods or Services delivered or performed if:
- the Goods and/or Services fail to meet the quality specified in the Purchase Order; or
 - except to the extent provided in clause 3.3, the Supplier fails to make any delivery in the quantity or within the time specified or fails to otherwise comply with any of these Conditions.
- 13.2 In the event of non performance as set out in clause 13.1, Air NZ may either terminate the relevant Purchase Order or all or any part of the undelivered portion of the Purchase Order without charge and place a Purchase Order elsewhere for an equal or lesser quantity of Goods and/or Services of the same or substantially equal quality and charge the Supplier with any loss incurred.
- 13.3 Any failure of Air NZ to exercise such option with respect to any portion of the Purchase Order shall not constitute a waiver with respect to any undelivered instalments or waiver by Air NZ of any specific defaults by the Supplier.
- 13.4 Failure by Air NZ to cancel the Purchase Order or any part thereof when a right of cancellation pursuant to this clause 13 arises shall not constitute waiver by Air NZ of any of the Conditions of any Purchase Order with respect to any further or subsequent default by the Supplier which give rise to right of termination.
14. **TERMINATION:**
14.1 In addition to its rights in clause 13, Air NZ may by notice in writing to the Supplier terminate a Purchase Order in whole or in part if the Supplier is otherwise in breach of that Purchase Order and has failed to remedy the breach (where such breach is capable of remedy) within 10 business days of receipt of a request in writing from Air NZ to remedy the breach, such request indicating that failure to remedy the breach may result in termination of the Purchase Order.
- 14.2 Air NZ may terminate a Purchase Order without cause by giving the Supplier 7 day's written notice to that effect. In that case only, Air NZ shall pay to the Supplier: (i) for such of the Goods or Services completed prior to notice of termination and, if being shipped, it has been scheduled for shipment within 30 days immediately following the date of giving of such notice; (ii) for such of the Goods or Services only partially completed prior to notice of termination and, if being shipped, scheduled for shipment within 90 days following the date of giving of such notice, the Supplier's verifiable and reasonable cost of labour and material used to construct or work on such partially completed Goods, or Services together with reasonable and proportionate overhead charges; (iii) for material, not

- in process, which before the giving of notice of termination the Supplier has purchased or agreed to purchase, the cost of such material to Air NZ. Such payments made under this provision shall be subject to the Supplier using its best endeavours to minimise its financial loss by reworking or otherwise utilising completed Goods, partially completed Goods and raw materials, disposing of the same at the best price reasonable obtainable therefore, and/or discontinuing work. The total of such claim shall not, however, exceed the commitment value of the terminated Purchase Order.
15. **NON-ASSIGNABILITY:**
No Purchase Orders nor any monies due or to become due thereunder may be assigned by Supplier without the written consent of Air NZ.
16. **CONFIDENTIALITY:**
The Supplier and its staff must not, without Air NZ's prior written consent, disclose to any person (other than a person authorised by Air NZ or as may be required by law) any information whatsoever acquired by the Supplier in connection with a Purchase Order or these Conditions, nor advertise or publicly announce that it is supplying Goods or providing Services to Air NZ.
17. **DISPUTE RESOLUTION:**
Subject to clause 19.6, either party may require any dispute between the parties arising out of or connected to a Purchase Order (**Dispute**), which has not been resolved within 14 days, to be referred to the senior management of the respective parties (such personnel to have authority to settle such Dispute). If the Dispute is not resolved by the senior management of the respective parties within a further 14 days, then either party may commence court proceedings in New Zealand.
18. **PRIVACY:**
18.1 The parties acknowledge that, subject to clause 18.2, they do not intend to share any personal information (as defined in the Privacy Act 2020) (**Personal Information**) under or in connection with this Agreement.
18.2 If and to the extent that a party (**Disclosing Party**) discloses Personal Information about its Representatives to the other party, the Disclosing Party confirms that the disclosure is compliant with all applicable Privacy Laws including, in particular, the Privacy Act 2020.
18.3 Where the provision of any Goods or Services under this Agreement involves the Supplier collecting or processing Personal Information (other than Personal Information of Supplier's Representatives), the Supplier confirms they have fully complied with all applicable Privacy Laws and obtained any necessary permissions prior to supplying the Goods or Services to Air NZ.
19. **GENERAL:**
19.1 **Relationship of Parties:** Nothing expressed or implied in these Conditions will be deemed to constitute either party as the partner, agent, employer, fiduciary or joint venturer of the other party. Neither party has authority to bind or represent the other party in any way or for any purpose.
19.2 **Waiver:** Failure or delay by Air NZ to insist on strict compliance with these Conditions will not constitute a waiver of any of its rights under these Conditions.
19.3 **Severability:** If any part of these Conditions is held to be illegal or unenforceable it will be severed from these Conditions without affecting the legality or enforceability of the remaining Conditions.
19.4 **Notice requirements:** Every notice or other communication required to be served, given or made under or arising from this Agreement must be in writing and will be deemed to have been served, given or made to a party if it is:
(a) delivered to the address of that party set out in the Purchase Order (or such other address as is notified in writing by that party from time to time);
(b) posted by pre-paid post to such an address; or
(c) sent by email to the email address set out in the Purchase Order.
- 19.5 **Entire Agreement**
(a) These Conditions and each Purchase Order constitutes the entire agreement of the parties relating to its subject matter and supersedes all previous agreements, arrangements, understandings or representations relating to that subject matter, subject to clause 1.3. Without limiting the previous sentence, any other terms and conditions that the Suppliers provides to Air NZ will not apply and will have no legal effect, including any standard conditions of sale, invoices, standard terms of use, standard form licences or any other communication from the Supplier or the Supplier's contractors (even if an Air NZ Representative signs or otherwise purports to accept those terms and conditions).
(b) This clause is not intended to, and does not have the effect of, contracting out of the Fair Trading Act 1986.
- 19.6 **Jurisdiction and Governing Law:** These Conditions and each Purchase Order is governed by, and will be construed in accordance with, the laws of New Zealand and the parties submit to the non-exclusive jurisdiction of the New Zealand courts.
20. **INTERPRETATION:**
20.1 In these Conditions:
(a) **Agreement** has the meaning given to that term in the introduction;
(b) **Conditions** has the meaning given to that term in the introduction;
(c) **Goods** means goods or products supplied by the Supplier to Air NZ, as detailed in a Purchase Order, including their contents, labelling and packaging;
(d) **GST** means a goods and services tax or any similar tax imposed in New Zealand under the GST Act;
(e) **GST Act** means the Goods and Services Tax Act 1985;
(f) **Privacy Laws** means the Privacy Act 2020 and all applicable laws and regulations relating to the processing of personal data, data security and privacy, including where applicable the guidance and codes of practice issued by any supervisory authority;
(g) **Purchase Order** means the order submitted by Air NZ to the Supplier in writing requesting Goods and/or Services;
(h) **Related Company** has the meaning given to that expression in the Companies Act 1993;
(i) **Representative(s)** means any officer, director, employee, shareholder, agent, temporary/casual worker, third party supplier, subcontractor or agent of the person concerned but in Air NZ's case, does not include the Supplier or Supplier's Representatives;
(j) **Supplier** means the person, firm or corporation from which the Goods and/or Services have been ordered by Air NZ; and
(k) **Services** means the services provided by the Supplier to Air NZ, as detailed in a Purchase Order.
- 20.2 **Construction**
In these Conditions:
(a) a reference to "in writing" includes by email;
(b) "including" means "including, without limitation";
(c) these Conditions or any other document includes any variation, amendment, restatement or replacement;
(d) a statute or other law includes regulations and other instruments under it and any consolidations, amendments, restatements or replacements;
(e) the singular includes the plural and vice versa; and
(f) headings are inserted for convenience only and do not affect interpretation.