



1 December 2023

CM: E22/491

Doc: D31924/23

[REDACTED]
Operator's Representative
Pel-Air Aviation Pty Ltd

Dear [REDACTED]

Variation Approval

Operator Initiated Variation (OIV) - Stage 2 Phased Approach v2

1. I refer to the Operator Initiated Variation (**OIV**) - Stage 2 Phased Approach v2 dated 27 October 2023 issued by Pel-Air Aviation Pty Ltd (**the Operator**) to NSW Ambulance pursuant to clause 20.16 of the Fixed-wing Air Ambulance Services contract between NSW Ambulance and the Operator (**Contract**).
2. NSW Ambulance recognises the critical importance of the Services to be provided under the Contract. NSW Ambulance therefore maintains its continued commitment to assist Pel-Air in circumstances such as those outlined in the OIV, as has been the case on several occasions during the Term to date.
3. Subject to paragraph 5 of this letter, the NSW Ambulance Representative hereby approves the OIV by issuing this Variation Approval as contemplated by clause 20.17(a)(i)(A) of the Contract on the conditions outlined in this letter.
4. All capitalised terms used in the Variation Approval have the meaning given in the Contract unless defined otherwise in this Variation Approval.

Scope of the Variation Approval, including conditions

5. It is a condition precedent to the NSW Ambulance Representative's approval of the OIV that the Operator, the Owner, NSW Ambulance and the Financier each sign the Framework Deed Letter provided at Attachment 1 to this letter (or such other equivalent letter as may be agreed by NSW Ambulance's Representative). Unless and until that condition precedent is satisfied, this Variation Approval is of no effect.
6. NSW Ambulance Representative confirms that the scope of the Variation Approval with conditions is as follows:
 - (a) the Operator will provide a PC-24 Aircraft registration number [REDACTED] (**Stage 1 PC-24 Aircraft**) for the period:
 - (i) commencing on 1 December 2023; and

- (ii) ending on the earlier of:
 - (A) [REDACTED]
 - (B) the Date of Handover of Stage 2; or
 - (C) the last day of the Term;

 - (b) the Stage 1 PC-24 Aircraft will be available for tasking under the Contract in the phased manner contemplated by paragraph 6(e) of this letter only after the NSW Ambulance Representative is satisfied that the "Stage 2 Phased Readiness Requirements" in paragraph 6(c) of this letter (**Stage 2 Phased Readiness Requirements**) have been fulfilled. The NSW Ambulance Representative will give the Operator a written notice confirming the date on which the Stage 2 Phased Readiness Requirements have been fulfilled (**Readiness Confirmation Notice**).

 - (c) the Stage 2 Phased Readiness Requirements are all of the following requirements:
 - (i) the Operator has completed the delivery of PC-24 Aircraft training to at least [REDACTED] NSW Ambulance Flight Nurses;
 - (ii) the Operator has completed PC-24 Aircraft training for an adequate number of Pilots for the intended operations;
 - (iii) the Operator has in place all maintenance and other support facilities (including tooling and spare parts) at the Base required for the Stage 1 PC-24 Aircraft; and
 - (iv) the Stage 1 PC-24 Aircraft is otherwise capable of being used by the Operator as part of the Services in accordance with the Contract;

 - (d) the Operator must use its best endeavours to fulfill all of the Stage 2 Phased Readiness Requirements, and obtain an appropriate AOC for the Stage 1 PC-24 Aircraft, as soon as possible.

 - (e) the Operator must make the Stage 1 PC-24 Aircraft available for tasking under the Contract on a staged basis immediately after both of the following have occurred:
 - (i) the NSW Ambulance Representative has given the Readiness Confirmation Notice; and
 - (ii) the Operator holds an appropriate AOC for the Stage 1 PC-24 Aircraft,
- in accordance with the following phases:
- (iii) **Phase 1a (to commence on date of Readiness Confirmation Notice)**. Operational availability of [REDACTED] of the Stage 1 PC-24 Aircraft;

- (iv) **Phase 1b (to commence by agreement as soon as practicable).** Operational availability of [REDACTED] of the Stage 1 PC-24 Aircraft;
- (v) **Phase 1c (to commence by agreement as soon as practicable following Phase 1(b)).** Operational availability of [REDACTED] of the Stage 1 PC-24 Aircraft;
- (vi) **Phase 1d (to commence by agreement as soon as practicable following Phase 1(c)).** Operational availability of [REDACTED] of the Stage 1 PC-24 Aircraft;
- (vii) **Phase 2 (to commence by agreement as soon as practicable following Phase 1(d)).** Operational availability of the PC24 in accordance with the Contract [REDACTED] and [REDACTED];
- (viii) **Phase 3 (to commence on the Date of Handover of Stage 2).** Achievement of Date of Handover of Stage 2,

together the (Phases);

- (f) the Operator must use its best endeavours to progress through the Phases as soon as possible (including by moving through or bypassing individual Phases where appropriate and agreed with NSW Ambulance);
- (g) [REDACTED] are Nominated Subcontractors for the purpose of Stage 1 in respect of the Stage 1 PC24 Aircraft;
- (h) the Date for Handover for Stage 2 is agreed to be on or around [REDACTED];
- (i) the existing Aircraft availability requirements for Stage 1 (including as set out in section 10(a)(i) of the Specification) will continue to apply during Phase 1a, Phase 1b, Phase 1c, Phase 1d and Phase 2, as if the Stage 1 PC-24 Aircraft was a B350 Aircraft. For the avoidance of doubt, this means that:
 - (i) the Operator will have 5 x B350 Aircraft and 1 x PC24 Aircraft available to perform the Services (the Operator is not entitled to remove the 5th B350 Aircraft unless and until Readiness for Handover in respect of Stage 2 is achieved and in accordance with clause 6.1(c) of the Contract);
 - (ii) the Operator's KPI requirements for Stage 1 will continue to apply, however the Operator will use the PC-24 Aircraft as part of fulfilling the Aircraft availability requirements under the Contract (as and when contemplated by the Phases). The Operator may also continue to provide a B350 Aircraft in place of the Stage 1 PC-24 Aircraft at times when the Stage 1 PC-24 Aircraft is undergoing reasonable scheduled maintenance or servicing;

- (j) [REDACTED]
- (k) the terms of the Contract will otherwise apply to the Stage 1 PC-24 Aircraft as if it was an Aircraft under the Contract.

Fees for the Variation

7. If the Operator has complied with the terms of this Variation Approval, the Operator is entitled to claim payment of the amounts in paragraphs 8, 9 and 10 of this Variation Approval as part of the payment claim process under clause 17 of the Contract.

8. On or after the following dates, the Operator is entitled to claim the following

[REDACTED]

- (a) [REDACTED]
- (b) [REDACTED]
- (c) [REDACTED]
- (d) [REDACTED]
- (e) [REDACTED] and
- (f) [REDACTED]

[REDACTED]

9. On and from the date of this letter, the [REDACTED] Payment for the Stage 1 PC-24 Aircraft is to be paid by NSW Ambulance to the Operator in accordance with **Attachment 2** of this letter. For this purpose, Attachment 2 of this letter will replace the [REDACTED] of the Contract.

10. After:

- (a) the NSW Ambulance Representative has given the Readiness Confirmation Notice; and
- (b) the Operator holds an appropriate AOC for the Stage 1 PC-24 Aircraft,

the Flying Hour Payment for the Stage 1 PC-24 Aircraft will apply as stated in Schedule 2 [REDACTED] of the Contract in respect of actual Flying Hours for the Stage 1 PC-24.

Confirmation

11. In accordance with clause 20.17(d)(ii), NSW Ambulance requests that Pel-Air confirms it will proceed to implement the Variation on the basis set out in this Variation Approval.
12. Should you wish to discuss this matter further, please contact me on [REDACTED].
After 4 December please contact [REDACTED].

Yours sincerely

[REDACTED]

[REDACTED]

NSW Ambulance Representative

Attachment 1 - Framework Deed Letter

Attachment 2 - [REDACTED] Payment for the Stage 1 PC-24 Aircraft





