

Terms and Conditions

These terms and conditions apply to all services for component maintenance by Leader Aviation Services Pty Ltd.

1. Acceptance

In addition to the ways set out in the quotation, the Customer may accept a quotation by:

- (a) placing a purchase order with Leader Aviation Services;
- (b) paying the cost;
- (c) paying a deposit of 10% (once credit approved) or
- (d) signing the quotation and returning it to Leader Aviation Services (once credit approved).

2. Quotation

- (a) Leader Aviation Services will perform the Services for the Quoted Cost as adjusted in accordance with these terms and conditions.
- (b) The offer constituted by Leader Aviation Services giving the quotation described in clause 2(a) may only be accepted by the Customer within 30 days of the date of quotation.
- (c) If the Equipment is delivered after the Anticipated Start Date, Leader Aviation Services may elect to continue under these standard terms and conditions and adjust the Anticipated Completion Date and the Quoted Cost to take into account any rescheduling and further costs incurred by Leader Aviation Services and further costs incurred by Leader Aviation due to the delay.
- (d) Any further charges must be based on the Standard Scale and anticipated price fluctuations for Parts including price movements caused by changes in currency rates;
- (e) If any Additional Services and Parts are necessary, an extra charge will be made based on the Standard Scale.
 - (i) Where the Additional Services and Parts are required, a description of the Additional Services and Parts and an amended quotation of the costs involved will be submitted to the Customer for approval prior to the work commencing.
- (f) If the Customer does not accept the quotation of additional costs within 14 days, Leader Aviation Services may end this Agreement by notifying the Customer in writing.
 - (ii) In the event of Clause 2(f) the Customer must pay Leader Aviation Services within a further 30 days of Leader Aviation Services invoice the amount determined by Leader Aviation Services as due for the

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Services completed and Parts used in the Service to the time of ending the Agreement.

(iii) Any amount invoiced under clause 2(f)(i) will be calculated using the Standard Scale.

(g) Where the customer chooses to supply parts for use in the Service being provided by Leader Aviation Services, a surcharge to the quoted labour rate may apply as detailed in the quotation.

3. Delivery, Collection and Warranty

(a) The Customer must deliver the Equipment together with its Records to the Premises before the Anticipated Start Date. Work will not commence until adequate records have been received.

(b) The Customer must arrange for collection of the Equipment when the Services have been completed. Leader Aviation Services may repack the Equipment appropriately at the Customer's cost.

(c) If the Equipment is not collected within 7 days of Leader Aviation Services notifying the Customer that the Services are complete, the Customer must pay Leader Aviation Services reasonable hangarage or storage charges from the time of notification to collection. Leader Aviation Services may end any hangarage or storage arrangement on 7 days notice to the Customer.

(d) The Customer warrants to Leader Aviation Services that it is either the owner of the Equipment or has the approval and consent of the owner to authorise the performance of the Services.

4. Specifications

(a) Leader Aviation Services will perform the Services in accordance with the requirements of the CA Regulations, the manufacturer's maintenance schedule, Leader Aviation Services own standards and, if accepted by Leader Aviation Services, the Customer's approved maintenance schedule. If there is any conflict between the standards other than the CA Regulations then the following order of precedence applies between the other standards:

(i) Leader Aviation Services own standards;

(ii) the manufacturer's maintenance schedule; and

(iii) the Customer's approved maintenance schedule.

(b) In performing the Services, Leader Aviation Services may overhaul, repair, rectify, inspect and test (including by test flight) the Equipment.

(c) All parts identified as scrap/unserviceable & requiring replacement during the repair/overhaul of a component, will have an unserviceable label completed and attached. The scrap/unserviceable parts are held in quarantine until the work order is completed and disposed of as detailed:

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- (i) Returned to the customer (only if requested).
 - (ii) Held in quarantine for a period of 6 months, after which time they become the property of Leader Aviation Services and may be disposed of or retained pending repair and or future repair development at the discretion of Leader Aviation Services.
 - (iii) Destroyed, they will be sufficiently damaged to prevent them re-entering service, and the customer supplied with a certificate of destruction (only if requested).
 - (iv) Parts may be held as training aids in quarantine indefinitely. However, when removed from quarantine they will be sufficiently damaged / controlled so as to prevent them re-entering the inventory
- (d) After consulting with the Customer, Leader Aviation Services may in its discretion use its own parts for the Services instead of the Customer Supplied Parts if it considers the Customer Supplied Parts are inadequate or inappropriate.
- (i) In this case an amended quotation per Clause 2(e)(i) and 2(f) will apply.

5. Time

- (a) Leader Aviation Services will make reasonable endeavours to complete the Services by the Anticipated Completion Date.
- (b) Leader Aviation Services will not be liable for any failure (whether total or partial) to perform its obligations where the failure results from:
 - (ii) labour disputes (whether involving employees of Leader Aviation Services or of others on whom Leader Aviation Services may be relying to fulfil its obligations under this clause);
 - (iii) inability to obtain Parts or consumable items for whatever reason; or
 - (iv) any cause or causes beyond the reasonable control of Leader Aviation Services.

6. Payment for Services

- (a) The Customer must pay Leader Aviation Services a deposit for the Services equal to the replacement parts value upon accepting quotation of Leader Aviation Services . All parts and services must be paid prior to release of goods. Unless any other method of payment was previously agreed in writing by Leader Aviation Services.
- (b) An invoice signed by Leader Aviation Services stating the amount due and payable by the Customer to Leader Aviation Services under this Agreement at the date mentioned in the invoice is conclusive evidence that the amount stated is the amount due and payable by the Customer to Leader Aviation Services under this Agreement on the date mentioned in the invoice.

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- (c) All taxes, including tax on goods and services relating to the Services must be paid by the Customer to Leader Aviation Services on demand. Leader Aviation Services will provide the Customer with a tax invoice in relation to any supply under this Agreement as and when required by any law imposing a goods and services tax.
- (d) If any money due to Leader Aviation Services is not paid on time as detailed within the invoice it may bear interest at the Commonwealth Bank of Australia's Overdraft Index Rate (or replacement reference) plus 3% per annum, from the time payment is due until actual payment.

7. Warranties

- (a) Subject to this clause, Leader Aviation Services undertakes that it will remedy any defects which under proper use appear in the Equipment as a direct result of the Services within a period of 300 hours or 6 months after completion, whichever period is the shorter. Excluded from this warranty are Customer Supplied Parts and defects attributable to:
 - (i) the failure by the Customer to preserve, install, operate, maintain or alter the Equipment in accordance with the applicable recommendations or approvals of Leader Aviation Services or the manufacturer; or
 - (ii) Customer Supplied Parts; or
 - (iii) misuse, neglect or accident, whether in operation, transit or storage; or
 - (iv) any component, having been rectified, repaired or overhauled by Leader Aviation Services in accordance with the appropriate manufacturer's specifications and test procedures, which subsequently fails due to a deficiency or omission in such manufacturer's specification or test procedures and not as a result of the Services ; or
 - (v) the Customer opening or attempting to repair a sealed system or Component.
- (b) Any claim made under clause 7(a) must be made to Leader Aviation Services in writing together with (if possible) the component in question (all transportation charges and labour charges to remove and replace the equipment are to be prepaid by the Customer) and with a full report of the nature and condition of the defect. The claim must be made within 48 hours of the Customer becoming aware of the defect. If it is not, Leader Aviation Services is not obliged to remedy the defect.
- (c) If a faulty part is replaced under a Warranty Claim, the replacement will be charged at its full price (including, where applicable, cost of installation by Leader Aviation Services). A credit will be issued upon acceptance of the Warranty Claim for such proportion of the cost of the replaced part as the unexpired portion of the warranty bears to the original warranty period for the item, based on hours flown or hours run as appropriate. The replacement part will be entitled to the benefit of a new warranty as specified in clause 7.

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- (d) Leader Aviation Services at its option in honouring any Warranty Claim may either repair or replace a faulty component. Where a faulty component is repaired or rectified, it will be entitled to the benefit of the balance of the unexpired warranty period applicable to it.
- (e) Parts not manufactured by Leader Aviation Services, Customer Supplied Parts and repair, rectification and overhaul work carried out by sub contractors are not included in the warranty contained in Clause 7(a). However, the benefit of any guarantee or warranty given to Leader Aviation Services by such manufacturers or sub contractors shall, insofar as it is legally possible so to do, be transferred to the Customer. Leader Aviation Services will upon the request of the Customer and at the Customer's cost, assist it in attempting to enforce the provisions of any such guarantee or warranty.
- (f) Leader Aviation Services may not be approved by the manufacturer to undertake all or part of the Services. Leader Aviation Services is not liable for any loss and this agreement is not affected because Leader Aviation Services is not approved by the manufacturer to undertake all or part of the Services
- (g) Subject to clause 7(h), the warranty contained in this clause is the only warranty applicable to the work executed by Leader Aviation Services and all other warranties express, implied or statutory, written or oral are, to the extent permitted by law, excluded. The Customer agrees that the exclusion is fair and reasonable.
- (h) Notwithstanding any other provision of the Agreement, Leader Aviation Services liability, in the case of conditions, warranties, rights or remedies which are implied under the *Trade Practices Act*, is limited to, at Leader Aviation Services option, where relevant the replacement or repair of the relevant component or the supplying of the service again, or the payment of the cost of either, as the case may be.

8. Indemnity

Subject to clause 7, the Customer undertakes and agrees to indemnify Leader Aviation Services against all Claims which Leader Aviation Services or the Customer may sustain, incur or pay arising out of or in connection with any of the Services (including damage to or loss of the Equipment) unless such Claims result solely from the wilful act or gross negligence of Leader Aviation Services. Again, subject to clause 7, Leader Aviation Services is not liable for any loss of income or profit or other consequential loss in connection with the Services under this agreement and the Customer indemnifies Leader Aviation Services against these Claims.

9. Insurance

The Customer will be responsible for insuring the Equipment.

10. Intellectual Property

Any intellectual property devised by Leader Aviation Services whether pursuant to any contract for services or not shall be the property of Leader Aviation Services unless otherwise agreed in writing.

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11. Termination

Leader Aviation Services may terminate the Agreement if the Customer:

- (a) commits any act of bankruptcy;
- (b) is unable to pay its debts when due;
- (c) has a liquidator, provisional liquidator, administrator, manager, receiver or receiver and manager appointed to it or its assets or if any steps are taken for such an appointment;
- (d) has an order or resolution made or passed for its winding up;
- (e) enters into or resolves to enter into any arrangement composition or compromise with or an assignment for the benefit of any of its creditors; or
- (f) allows any execution to be issued in relation to its property;

and all money owing by the Customer to Leader Aviation Services becomes immediately due and payable.

12. Costs of Enforcement

The Customer must on demand pay any costs or charges, (including legal costs on a solicitor and own client basis or on a full indemnity basis, whichever is higher) incurred by, imposed on or levied by Leader Aviation Services in relation to the enforcement of the Agreement.

13. Notices

Any notice under the Agreement must be in writing signed by the party giving it and delivered personally or sent by prepaid post or facsimile to the address of the recipient shown on the quotation or any other address that the recipient has notified the sender for the purpose of this clause and is effective, in the case of post, three days after posting or in the case of facsimile, at the time of despatch. In the case of notices to Leader Aviation Services, they must be marked for the attention of its Directors.

14. General

- (a) The Customer must not without the prior written consent of Leader Aviation Services assign any of its rights or powers under the Agreement.
- (b) Any provision of the Agreement which is prohibited or unenforceable in any jurisdiction is, as to that jurisdiction, ineffective to the extent only of the prohibition or unenforceability without invalidating the remaining provisions of the Agreement or affecting the validity or enforceability of the provision in any other jurisdiction.
- (c) Failure to exercise or delay in exercising, any right, power or remedy does not impair or operate as a waiver of any right, power or remedy. No single or

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partial exercise of any right, power or remedy precludes its further exercise or the exercise of any other rights, powers or remedies. Any waiver is effective only to the extent that it is in writing.

- (d) The Agreement constitutes the entire agreement between the parties.
- (e) The Agreement is governed by South Australian law. The Customer irrevocably submits to the non-exclusive jurisdiction of South Australian courts and all courts which hear appeals from those courts.

15. Definitions

In these terms and conditions:

Additional Services and Parts means those unforeseen services and parts that Leader Aviation Services, whilst performing the Services, considers necessary to render the Equipment airworthy or serviceable;

Agreement means the agreement between Leader Aviation Services and the Customer as constituted by these terms and conditions and the relevant Quotation;

Anticipated Completion Date is the date marked as such on the Quotation by Leader Aviation Services, and if no date is marked is the date on which the Services and Additional Services and Parts may reasonably expect to be completed;

Anticipated Start Date means within 60 days of the date of the quotation as marked on the Quotation or the other date marked as such on the Quotation by Leader Aviation Services;

Authorised Officer means any director or secretary of a corporation or any person approved by the board of the corporation as an authorised officer for the purposes of this Agreement;

CA Regulations means the Civil Aviation Regulations in force under the Civil Aviation Act 1988 (Cth) as amended or substituted from time to time;

Claims includes claims, actions, proceedings, costs, losses, damages, charges and expenses;

Component means a constituent part of a mechanical system;

Customer means the customer named in the Quotation and includes its servants and agents;

Customer Supplied Parts means parts supplied by the Customer to Leader Aviation Services for use in the Services;

Equipment means any aircraft or part of an aircraft furnished by or on behalf of the Customer and upon which or relation to which the Services are performed;

Leader Aviation Services means Leader Aviation Services Pty Ltd (ACN 135 313 496) of 7 Heath Street, Lonsdale, South Australia 5160;

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Parts means all parts or components, whether new or overhauled, supplied by Leader Aviation Services and fitted to the Equipment in the course of performing the Services including those parts set out in the Quotation;

Premises means Leader Aviation Services premises at 7 Heath Street, Lonsdale, South Australia 5160 or other place Leader Aviation Services notifies the Customer from time to time;

Quoted Cost means the total of the amounts set out in the Quotation; and

Records means:

- removal tag stating serial number, date of removal, reason for removal, TSO and TSN (and CSO and CSN if applicable);
- log card if applicable; and
- all other documents, records, warranties or written information relating to the Component.;

Services means the work to be or which is performed by Leader Aviation Services on in relation to the Equipment described in the Quotation and the Additional Services and Parts;

Standard Scale means Leader Aviation Services standard charges for performing work as determined by Leader Aviation Services from time to time; and is available at Leader Aviation Services premises.

Warranty Claim means a Claim made under clause 7(a).

17. Interpretation

- (a) headings do not affect interpretation;
- (b) the singular includes the plural and vice versa; and
- (c) reference to a gender includes the other genders.