

## STANDARD TERMS AND CONDITIONS

This Agreement contains important terms affecting your rights and you should read these terms and conditions carefully. Your attention is drawn to the following terms in particular:

**15.1 Limited Warranty:** To the extent permitted at law CJ Aero Engineering provides a limited warranty against defective workmanship for ninety days or one hundred flying hours (whichever occurs first).

**16.1 Limited Liability Exclusions:** CJ Aero Engineering's liability is limited to statutory warranties under the Australian Consumer Law and any expressly stated in the agreement. All other conditions, warranties, or guarantees, whether express or implied, are excluded or waived.

**16.2 Aircraft Damage Exclusion:** CJ Aero Engineering excludes liability for any loss, damage, injury, or death related to the Aircraft, its parts, or the Customer's property, regardless of the cause or circumstances, unless directly caused by CJ Aero Engineering's wilful misconduct or gross negligence, or as specified in the clause 15.

**16.3 Liability Cap Limitation:** To the extent permitted at laws, the liability of CJ Aero Engineering is limited to the amount the Customer has paid or is required to pay under the agreement.

**16.5 Customer Indemnity Obligations:** The Customer indemnifies CJ Aero Engineering against losses, liabilities, and costs arising from property damage, personal injury, intellectual property infringements, acts of omission, failure to comply with policies, and tax-related claims, except in cases of CJ Aero Engineering's wilful misconduct or gross negligence.

**20 Lien and Pledge:** Customer agrees that CJ Aero Engineering has a lien on the Aircraft, engines, parts, and accessories for any amounts owed. If payment is not made within 14 days of the due date, CJ Aero Engineering is not obligated to release the Aircraft.

### 1. APPLICATION

- 1.1. These general terms and conditions (**General Terms**): apply to and govern all of the Services supplied by CJ Aero Engineering to Customer and any Parts supplied by CJ Aero Engineering in the course of providing the Services.
- 1.2. The only terms and conditions which are binding upon CJ Aero Engineering relating to the supply by CJ Aero Engineering of the Services to Customer (including any Parts supplied in the course of providing the Services) are: those set out in these General Terms or otherwise agreed to in writing and signed by CJ Aero Engineering; and those which are imposed by law and which cannot be lawfully excluded. To the maximum extent permitted by law all other conditions, terms and warranties are excluded. Unless otherwise expressly agreed in writing by CJ Aero Engineering, these General Terms supersede any terms contained in any document issued by Customer and any terms in any document issued by Customer do not apply.

### 2. DEFINITIONS

- 2.1. In these General Terms, unless a contrary intention appears:
 

**Additional Costs** has the meaning given in clause 8.4

**Agreement** means: the agreement between CJ Aero Engineering and Customer consisting of the terms set out in the Aircraft Work Authorisation, these General Terms; and any other terms agreed in writing and signed by the Parties relating to the Aircraft Work Authorisation; or where applicable, any maintenance services agreement between CJ Aero Engineering and Customer which expressly incorporates these General Terms;

**Aircraft** means the aircraft described in the Agreement and upon which CJ Aero Engineering may perform the Services, including all of its engines, airframes, auxiliary power units, fitted components, and equipment used or installed on the

Aircraft and documentation;

**Aircraft Work Authorisation** means the authorisation form, purchase order or work order setting out, among other things, the Services to be performed by CJ Aero Engineering in respect of a particular Aircraft and the proposed charges for performing the Services;

**Business Day** means a day that is not a Saturday, Sunday or any other day which is a public holiday or a bank holiday in Cairns or the place where an act is to be performed or a payment is to be made;

**Confidential Information** has the meaning given in clause 25.5;

**Consequential Loss** has the meaning given in clause 16.4;

**Customer** means the natural or legal person engaging CJ Aero Engineering to provide the Services and for whom CJ Aero Engineering has agreed to provide the Services;

**CJ Aero Engineering** means Yates Aero Engineering Pty Ltd trading as CJ Aero Engineering ABN 27 135 492 269;

**Dispute** has the meaning given in clause 24.1;

**Exchange and Return Policies** has the meaning given in clause 8.1;

**Facility** means the CJ Aero Engineering maintenance facility located in Australia as determined or notified by CJ Aero Engineering;

**Indemnified Parties** means CJ Aero Engineering and its Related Bodies Corporate, Subsidiaries, Holding Companies, agents and subcontractors and their respective employees, officers and directors, successors and assigns;

**Input Date** means the date on which any Services are scheduled to commence, and the Aircraft has been delivered to the Facility and made available to CJ Aero Engineering, as agreed;

**Insolvency Event** has the meaning given in clause 23.2;

**Parts** means the spare parts, goods, materials, equipment, accessories and any other items or consumables utilized or installed by CJ Aero Engineering in performing the Services;



**Party** means individually CJ Aero Engineering and/or Customer as applicable;

**PPSA** means the Personal Property Securities Act 2009 (Cth);

**PPSR** means the Personal Property Security Register established under the PPSA;

**Re-Delivery Date** means the time and date on which Services are completed and the Aircraft or Part is made available to Customer for re-delivery;

**Related Body Corporate**, Subsidiary and Holding Company each has the meaning given in section 9 of the Corporations Act 2001;

**Relevant Period** means the period commencing the Input Date and ending on the Re-Delivery Date;

**Services** means any services agreed to be performed by CJ Aero Engineering for the Customer including, Aircraft maintenance services;

**Taxes** means any and all sales, use, business, gross income, personal property, transfer, fuel, leasing, value added, excise, gross receipts, franchise, stamp, income, levies, imposts, withholdings or other fees, taxes or duties of any nature, together with any penalties, fines, charges or interest payable in relation to such amounts;

**Third Party Contract** has the meaning given in clause 8.1.iii;

**Warranty** has the meaning given in clause 15; and

**Warranty Period** has the meaning given in clause 15.

### 3. SERVICES

- 3.1. CJ Aero Engineering agrees to provide the Services to the Customer for the fees and charges at the applicable Facility or at such other location agreed between the Parties.
- 3.2. CJ Aero will endeavour to provide the Services within the timing including in the relevant quotation (if any) however a number of factors may impact the estimated timing. Customer acknowledges and agrees that dates and times for performance set out in any Agreement are estimates only and should not be relied upon by Customer.

### 4. RE-DELIVERY

- 4.1. CJ Aero Engineering will notify Customer of the Re-Delivery Date, at which time the Aircraft and Parts will be available for collection by the Customer at the Facility. If Customer fails to collect the Aircraft and Parts within 48 hours CJ Aero Engineering may charge hangarage/storage fees from the date notice was given until the Aircraft or Parts are collected. CJ Aero Engineering may terminate hangarage/storage arrangements at any time immediately upon 7 days written notice to the Customer.
- 4.2. If any Aircraft and Parts are not collected within 21 days following notification from CJ Aero Engineering of the Re-Delivery Date, CJ Aero Engineering may dispose of such Aircraft or Parts by public auction and will forward the proceeds to the Customer (after the deduction of any unpaid charges and fees, interest in accordance with clause 9.6 and any other costs or charges incurred).

### 5. QUOTATIONS

- 5.1. Quotations issued by CJ Aero Engineering are estimates only.
- 5.2. Quotations issued by CJ Aero Engineering and accepted by Customer and any orders submitted by Customer to CJ Aero Engineering will not be binding on CJ Aero Engineering unless and until confirmed and agreed in writing by CJ Aero Engineering.
- 5.3. CJ Aero Engineering:
  - i. shall not under any circumstances be limited to recovering from Customer the amount indicated in a quotation; and
  - ii. may claim and recover from Customer and Customer must pay all amounts payable by Customer to CJ Aero Engineering under the Agreement.

### 6. AIRCRAFT WORK AUTHORISATION

- 6.1. Each valid Aircraft Work Authorisation signed or agreed in writing by CJ Aero Engineering and signed or agreed in writing by Customer constitutes a separate agreement for the supply of the Services on these General Terms.

### 6.2. SCOPE AND AUTHORITY

CJ Aero Engineering may, but is not obliged, in its sole and absolute discretion, to:

- i. perform any additional or alternative work on, or supply any Parts required for, or fit such Parts to, the Aircraft to ensure the airworthiness of the Aircraft, notwithstanding that the same may not be reflected on or referred to in any Aircraft Work Authorization provided by CJ Aero Engineering to Customer, and
- ii. carry out any modifications, alterations, maintenance, checks and the like on the Aircraft which are required or recommended by the manufacturer or supplier of such Aircraft; and
- iii. refer, or delegate any work to any other person or company.

### 6.3. SUBCONTRACTING

CJ Aero Engineering may subcontract part of the Services (but not the whole of any particular Services without the prior written consent of the Customer), subject always to CJ Aero Engineering adhering to the applicable civil aviation maintenance regulations and providing the Customer with relevant information when so requested.

### 7. CHARGES AND PRICES

- 7.1. CJ Aero Engineering shall charge Customer for the Services and Parts at CJ Aero's standard rates (or the rates or the amounts agreed between the Parties).
- 7.2. CJ Aero Engineering's prices, fees and charges are not subject to any discounts unless expressly agreed in writing by CJ Aero Engineering.
- 7.3. Subject to clause 5, unless otherwise stated by CJ Aero Engineering in writing, all quotations are valid for fourteen days only.
- 7.4. All Parts supplied or fitted in terms of or pursuant to a confirmed Aircraft Work Authorization are supplied net of any inbound freight charges. Such charges will be invoiced separately.
- 7.5. Where the whole or any portion of any quoted price is either directly or indirectly affected by variations in the exchange rate, including but not limited to, currency devaluations, an increase or decrease in the price of the Services or Parts occasioned by any such variations and devaluations shall be for Customer's account. In the case of imported Parts, the exchange rate applicable to the price of such Parts shall be the official exchange rate current at the time the part is receipted into CJ Aero Engineering's inventory system.

### 8. EXCHANGE, CORE UNITS AND UNUSED PARTS

- 8.1. Customer must at all times:
  - i. strictly comply (time being of the essence) with CJ Aero Engineering's or the supplier's policies and procedures, including Part or item return timeframes or deadlines (as notified by CJ Aero Engineering or the supplier from time to time) relating to ordering, exchanging and returning (as applicable): removed ("core") Parts or items; and unused ("non-core") Parts or items (**Exchange and Return Policies**); and
  - ii. comply with the terms of any agreement entered into between Customer and an original manufacturer or supplier of Parts or items required for performing the Services (**Third Party Contract**).
- 8.2. If a Part or item is ordered by or on behalf of Customer from a supplier on an "exchange basis" the removed ("core") unit must be returned to the supplier or CJ Aero Engineering in accordance with the applicable Exchange and Return Policies.
- 8.3. Unless otherwise permitted under the Exchange and Return Policies, Customer must not return any ordered (unused "non-Core") Part or item ordered on an exchange basis to the supplier or CJ Aero Engineering without the supplier's or CJ Aero Engineering's (as applicable) prior written consent. Customer must pay to the supplier or if required by CJ Aero Engineering, reimburse CJ Aero Engineering for all of the freight and export costs incurred in connection with returning any Parts or items to the supplier.



8.4. Additional fees, penalties, charges, legal costs and other costs (including additional freight and export costs and in some cases the full cost of a Part or item ordered on an exchange basis) (**Additional Costs**) may be payable by Customer if:

- i. any removed ("core") Part or item is deemed by CJ Aero Engineering or the supplier to be irreparable;
- ii. the cost of repairing any removed ("core") Part or item is more than originally assumed or estimated;
- iii. Customer fails to comply with any Third Party Contract; or
- iv. Customer fails to comply with the Exchange and Return Policies, including by failing to return any removed ("core") or unused Part or item within the required timeframe or within the timeframe notified by CJ Aero Engineering,

8.5. Customer must pay any Additional Costs (as defined above) to CJ Aero Engineering, or where required by CJ Aero Engineering, to the supplier.

## 9. PAYMENT TERMS

- 9.1. Customer must pay all amounts payable under the Agreement on the due date for payment without set off or counterclaim and free and clear of and without deduction for or on account of any present or future Taxes, charges, levies, imposts, duties.
- 9.2. If Customer is compelled by law to make the deduction Customer will ensure that the deduction does not exceed the minimum legal liability therefore and Customer shall pay to CJ Aero Engineering such additional amounts as may be necessary to ensure that CJ Aero Engineering receives a net amount equal to the full amount that would have been received had the payment not been made subject to such.
- 9.3. Unless otherwise agreed in writing by CJ Aero Engineering, Customer must pay all amounts due to CJ Aero Engineering under or pursuant to these General Terms for the Services (including any Parts and other consumables (including oils, fluids and hardware) supplied or used by CJ Aero Engineering in providing the Services) in AUD or other specified currency on the Re-Delivery Date prior to release of the Aircraft or Parts.
- 9.4. CJ Aero Engineering may in its sole discretion decide to grant Customer a credit facility for 14 days from the issue of an invoice or on such other terms and subject to such rate of interest as CJ Aero Engineering may decide. The approval and continuation of any such credit facility may be revoked by CJ Aero Engineering on immediate notice. Until such time as a credit facility is in place, payment shall be made by Telegraphic Transfer immediately on receipt of the Invoice.
- 9.5. Time is of the essence in respect of Customer's obligation to pay for the Services supplied by CJ Aero Engineering to Customer.
- 9.6. Interest shall be charged at the rate of 5% per annum above the RBA target cash rate.
- 9.7. Customer must pay the costs of all telegraphic transfer and bank charges incurred in connection with the supply of the Services.

## 10. DELAY

- 10.1. CJ Aero Engineering will not be responsible for and shall have no liability of any kind (including liability for Consequential Loss) arising from, as a consequence of, or in connection with any delay in returning the Aircraft to service after providing the Services.

## 11. OWNERSHIP

- 11.1. Title to and ownership of all Parts supplied by CJ Aero Engineering or fitted to an Aircraft in the course of providing the Services remains vested in CJ Aero Engineering until payment in full for such Parts has been paid by Customer and received by CJ Aero Engineering, notwithstanding delivery of the Aircraft to Customer to which such Parts have been fitted.

## 12. EXPORT LICENCES AND EXPORT CONTROL

- 12.1. If all or any Parts required for the Services are to be imported the acquisition of such Parts will be subject to all requisite export licences and other licences, permits and authorizations being granted by the country concerned.

12.2. The Customer must at its cost comply with the provisions and requirements of all export or import control laws, regulations or obligations imposed by and as amended from time to time of Australia, and any other or any other applicable country.

12.3. The Customer indemnifies and holds harmless CJ Aero Engineering from and against any and all claims, losses, damages, expenses, costs, demands, liabilities and proceedings suffered or incurred by CJ Aero Engineering and arising from or in respect of Customer's failure to comply with any of the provisions and requirements specified in clause 12.2.

## 13. GOODS AND SERVICES TAX AND OTHER TAXES

13.1. In this clause 12:

- i. GST means GST as defined in A New Tax System (Goods and Services Tax) Act 1999 as amended (GST Act) or any replacement or other relevant legislation and regulations;
- ii. words or expressions used in this clause which have a particular meaning in the GST law (as defined in the GST Act), any applicable legislative determinations and Australian Taxation Office public rulings, have the same meaning, unless the context otherwise requires;
- iii. any reference to GST payable by a Party includes any corresponding GST payable by the representative member of any GST group of which that Party is a member; and
- iv. any reference to an input tax credit entitlement by a Party includes any corresponding input tax credit entitlement by the representative member of any GST group of which that Party is a member.

13.2. Unless GST is expressly included, the consideration to be paid or provided under any other clause of the Agreement for any supply made under or in connection with the Agreement does not include GST. To the extent that any supply made under or in connection with the Agreement is a taxable supply, the GST exclusive consideration to be paid or provided for that taxable supply is increased by the amount of any GST payable in respect of that taxable supply and that amount must be paid at the same time as the GST exclusive consideration is to be paid or provided.

A Party's right to payment under clause 12.2 is subject to a valid tax invoice being delivered by the supplier to the recipient of the taxable supply.

13.3. To the extent that a Party is required to reimburse or indemnify another Party for a loss, cost or expense incurred by that other Party, that loss, cost or expense does not include any amount in respect of GST for which that other Party is entitled to claim an input tax credit. To the extent that any consideration payable to a Party under the Agreement is determined by reference to a cost incurred by a Party, or to a price, value, sales, revenue or similar amount, the GST exclusive amount of that cost, price, value, sales, revenue or similar amount must be used.

13.4. Any other Taxes (other than those assessed upon or chargeable by reference to income or profits), duties, or other impositions or levies imposed by competent fiscal or taxation authorities upon any charge, matter or thing arising by reason of the supply of the Services or Parts to Customer shall be chargeable to Customer.

## 14. WARRANTIES AS TO CAPACITY

14.1. In addition to and despite all other warranties, express or implied, in the Agreement, Customer warrants that:

- i. it is authorised and empowered to enter into the Agreement and to do all things that will be required by the Agreement; and
- ii. all things have been done or will be done as may be necessary to render the Agreement legally enforceable in accordance with its terms and fully valid and binding on it.

## 15. WARRANTY AND LIABILITY

15.1. To the extent permitted at law, CJ Aero Engineering provides a limited warranty that the Services performed by CJ Aero Engineering for Customer will be free from defective workmanship for ninety days or one hundred flying hours



- (whichever occurs first) from the date of Re-Delivery Date of that Aircraft by CJ Aero Engineering (**Warranty Period**).
- 15.2. If it is established to CJ Aero Engineering's satisfaction a failure has occurred due to a breach of the warranty referred to in clause 15.1(Warranty) by CJ Aero Engineering during the Warranty Period due CJ Aero Engineering's defective workmanship:
- i. CJ Aero Engineering will, at CJ Aero Engineering's option:
    - (a) repair or replace the defective Parts where the Part is defective due to the breach of warranty; and/or
    - (b) perform the Services that are the subject of the breach of warranty again to the extent necessary to remedy the defective workmanship at no cost to Customer; and
  - ii. to the extent permitted at law, CJ Aero Engineering's liability for breach of the Warranty will be limited to repairing or replacing the defective Parts or performing the relevant Services again in accordance with this clause 15.2.
- 15.3. In order to make a Warranty claim Customer must:
- i. notify CJ Aero Engineering in writing within five (5) days of discovering the failure or defect or the need for repairs, replacements or corrections or within five (5) days of the date on which Customer ought to have become aware of that need having regard to the relevant facts and circumstances; and
  - ii. give CJ Aero Engineering access to the Aircraft as soon as reasonably practicable after the defect or failure was discovered in order to assess the defect or failure.
- 15.4. The Warranty does not apply if any one or more of the following applies:
- i. Customer has not taken all precautions to prevent an aggravation of the damage;
  - ii. the failure or defect is attributable to a latent defect, rust, corrosion, the entry of any foreign materials, lightning or bird strike or normal wear and tear;
  - iii. the repaired Aircraft has been modified, installed, maintained or repaired other than by CJ Aero Engineering in a manner which, in CJ Aero Engineering's sole discretion, is or was likely to adversely affect its operation or which has caused the failure or defect;
  - iv. Customer or a third party appointed by Customer has attempted to repair the defect or failure without the prior inspection and authorization of CJ Aero Engineering;
  - v. the repaired Aircraft or Parts have not at all times been maintained, serviced or operated strictly in accordance with: the manufacturer's maintenance and service bulletins instructions or manuals (including the component maintenance manual); the Aircraft's flight manual; and any other applicable instructions or specifications; including the instructions of CJ Aero Engineering,
  - vi. the repaired Aircraft shall have failed either directly or indirectly, as a result of misuse, negligence or accident other than by CJ Aero Engineering itself; or
  - vii. Customer fails to notify CJ Aero Engineering in writing within five (5) days of discovering the failure or defect or the need for repairs, replacements or corrections or within five (5) days of the date on which Customer ought to have become aware of that need having regard to the relevant facts and circumstances.
- 15.5. CJ Aero Engineering's obligations under the Warranty are expressly limited to the costs of labour and materials required to replace or repair the defect at CJ Aero Engineering's maintenance facilities at the Facility or a mutually agreed location.
- 15.6. The Aircraft, engine or component to be repaired or serviced under the Warranty must be returned to CJ Aero Engineering for rectification with transport charges prepaid and on the basis that CJ Aero Engineering does not assume and Customer must pay the cost of returning the Aircraft, engine or component to Customer.
- 15.7. If it is necessary to perform the work arising from the Warranty at a location other than the Facility (as defined

above), CJ Aero Engineering 's liability will be limited to the lesser of:

- i. the reasonable cost of direct labour and Parts required to complete such work; and
  - ii. where (at Customer's request) the work is carried out other than at CJ Aero Engineering 's Facility the cost that would have been incurred if CJ Aero Engineering had done the works. If the Aircraft or Part is required to be moved from its current location to the place where the Warranty work is to be carried out, then such transportation costs will be at Customer's expense.
- 15.8. If CJ Aero Engineering repairs or replaces any Part under this Warranty, the warranty in respect of the Services relating to the repaired or replaced Part shall be extended for the Warranty Period. The extension does not apply to any other Parts.
- 15.9. CJ Aero Engineering does not give any warranty Part or accessory to the Aircraft unless otherwise agreed in writing by CJ Aero Engineering.
- 15.10. To the extent permitted at law CJ Aero Engineering shall not be in any way liable or responsible to Customer under this warranty clause in the event any monies due or owing hereunder has not been paid by Customer to CJ Aero Engineering on its due date.
- 15.11. Our Parts and Services come with guarantees that cannot be excluded under the Australian Consumer Law. For major failures with the service, you are entitled:
- i. to cancel your service contract with us; and
  - ii. to a refund for the unused portion, or to compensation for its reduced value.
- 15.12. You are also entitled to choose a refund or replacement for major failures with Parts. If a failure with the Parts or a Service does not amount to a major failure, you are entitled to have the failure rectified in a reasonable time. If this is not done you are entitled to a refund for the Parts and to cancel the contract for the Services and obtain a refund of any unused portion. You are also entitled to be compensated for any other reasonably foreseeable loss or damage from a failure in the goods or service.
- 15.13. Nothing in these terms is intended to have the effect of contracting out of any applicable provisions of the Competition and Consumer Act 2010 (Cth) and the Australian Consumer Law, or comparable legislation in any other jurisdiction, except to the extent permitted by those Acts where applicable.
- 16. LIMITATION OF LIABILITY and INDEMNITY**
- 16.1. The only conditions, guaranties and warranties which are binding on CJ Aero Engineering relating to the Services supplied by CJ Aero Engineering, the Aircraft or Parts repaired or maintained by CJ Aero Engineering or the agreement are those (if any) required to be binding by statute and which cannot be excluded and those expressly set out in the agreement. To the maximum extent permitted by law CJ Aero Engineering will not be liable under any other conditions, terms, guarantees or warranties and all other conditions, terms, guarantees and warranties of any kind (whether express or implied) are excluded or waived by Customer.
- 16.2. CJ Aero Engineering shall not be liable and excludes all liability for: any loss or destruction of or damage to the Aircraft, Aircraft engine, Aircraft equipment or accessory; the contents or any part of the Aircraft; or Customer's property; or the injury to or death of any person howsoever arising and from any cause whatsoever, including by fire, theft, or accident, and whether or not such loss, damage, destruction, injury or death is caused:
- i. while Aircraft, Aircraft engine, Aircraft equipment or accessory; the contents or any part of the Aircraft; or Customer's property was: in CJ Aero Engineering's possession; in CJ Aero Engineering's hangars; left in the open, parked, being taxied or test flown; or undergoing inspection, repair or maintenance; or
  - ii. by the supply to Customer of any Services or Parts.



except to the extent set out in clause 15 (Warranty and Liability) or directly caused by CJ Aero Engineering's wilful misconduct and gross negligence.

- 16.3. To the extent permitted at law, the total liability of either Party for any claim arising under or in connection with these General Terms or the Agreement, whether in contract, tort, or otherwise, shall be limited to an amount not exceeding the total amount payable by Customer to CJ Aero Engineering under these General Terms or the Agreement at the time the claim arises.
- 16.4. Without in any way limiting or affecting the generality of clause 16.2, neither CJ Aero Engineering nor any other Indemnified Party shall, under any circumstances whatsoever incur or have any liability for any: loss of: profits, data; reputation, business, business opportunities (including opportunities to enter into or complete arrangements or contracts with third parties), anticipated savings, contracts, or goodwill; corruption of data; increased or wasted overheads or expenses; and any other economic, special, indirect or consequential damages or losses of whatsoever nature and howsoever caused; whether in contract (including under any indemnity or warranty), in tort (including negligence), in equity, under statute or otherwise and whether due to any wrongful or negligent act or omission by CJ Aero Engineering or any of its directors, servants, officers, employees, agents, representatives or invitees or not (Consequential Loss).
- 16.5. To the fullest extent permitted by law, Customer indemnifies CJ Aero Engineering and any other Indemnified Party against: all losses incurred by CJ Aero Engineering or any other Indemnified Party; all liabilities incurred by CJ Aero Engineering or any other Indemnified Party; and all costs actually payable by CJ Aero Engineering or any other Indemnified Party to its own legal representatives (whether or not under a costs agreement) and other expenses incurred by CJ Aero Engineering in connection with a demand, action, arbitration or other proceeding (including mediation, compromise, out of court settlement or appeal); howsoever arising in connection with:
  - i. loss of or damage to any property (including, the Aircraft and Customer's property), except to the extent directly caused by CJ Aero Engineering's wilful misconduct and gross negligence;
  - ii. death of or injury to persons including but not limited to Customer's employees, officers and directors, customers, passengers, agents and sub-contractors, except to the extent directly caused by CJ Aero Engineering's wilful misconduct and gross negligence;
  - iii. any infringement of third-party rights including patents trademarks, trade names, copyright or other intellectual property rights, arising from the performance or provision of the Services including any rights vested in information supplied by Customer for use by CJ Aero Engineering in performing the Services;
  - iv. any act or omission of Customer, its employees, officers and directors (including personnel of Customer's agents and sub-contractors), and any third parties; arising out of or in connection with or in consequence of the performance of the Services;
  - v. any failure by Customer to comply with clause 8, including the Exchange and Return Policies; or
  - vi. all claims for Taxes arising from the provision of the Services, which result from Customer's failure to properly import into or export from Australia the Aircraft or Part.
- 16.6. CJ Aero Engineering holds the rights under these General Terms expressed to be for the benefit of any other Indemnified Party as agent of and trustee for such Indemnified Party, and such Indemnified Party must be treated to this extent as a party to the Agreement.

## 17. OBLIGATIONS OF CUSTOMER

- 17.1. The Customer warrants that during the Relevant Period, as at the Input Date and at all material times:

- i. it has or shall obtained all relevant approvals to allow the Aircraft to be delivered to CJ Aero Engineering for the performance of the Services; and
  - ii. the current condition and all defects in the Aircraft which should be reasonably known to the Customer are notified to CJ Aero Engineering.
- 17.2. At the Customer's sole risk and expense, the Customer undertakes to CJ Aero Engineering that it shall:
    - i. maintain responsibility for maintenance management control of the Aircraft;
    - ii. respond with timely decisions on all matters or queries of whatsoever nature as and when referred to it by CJ Aero Engineering during the Relevant Period;
    - iii. prior to the Aircraft being delivered, provide CJ Aero Engineering with access to the airworthiness; and
    - iv. comply with all applicable Customs and Excise requirements for the delivery of the Aircraft and Parts or for the performance of the Services prior to delivery of the Aircraft or Parts to CJ Aero Engineering for the provision of the Services.

## 18. INSURANCE

- 18.1. Except as provided in this clause below, Customer will be responsible for any insurance for the Aircraft.
- 18.2. Customer undertakes to obtain and maintain in full force and effect during the Warranty Period insurance on terms acceptable to CJ Aero Engineering in respect of the Aircraft, Parts, goods, property and personnel including:
  - i. Aircraft third party, passenger legal liability insurance for a limit of liability of at least USD250 million in respect of any one occurrence;
  - ii. War and allied perils liability (per AVN52E) for a limit of liability of at least USD250 million (or such other amount as agreed by CJ Aero Engineering in writing) in the annual aggregate;
  - iii. Hull all and war risks of loss or damage whilst flying and on the ground; and
  - iv. All risks of loss or damage to Parts, goods, and Customer's property not attached to or forming part of an Aircraft.
- 18.3. Unless otherwise agreed in writing by CJ Aero Engineering, the insurance procured by Customer in accordance with clause 18.2 shall:
  - i. expressly accept the terms of clause 16 (Limitation of Liability and Indemnity);
  - ii. provide for insurers to waive any and all rights of subrogation against the Indemnified Parties;
  - iii. name J Aero Engineering as additional insured for its respective rights and interests subject to a severability of interest clause and shall provide:
    - (a) that the Indemnified Parties shall not be prejudiced by any breach of warranty or other act or omissions by Customer which may render a claim by Customer under the policy void or voidable; and
    - (b) such insurance shall be first to react and primary to any other similar cover already held by the Indemnified Parties.
- 18.4. Evidence of the insurance required by Customer under this clause shall be provided to by Customer to CJ Aero Engineering upon CJ Aero Engineering's request
- 18.5. CJ Aero Engineering warrants that it shall maintain during the Relevant Period, hangar keepers and aircraft product liability Insurance evidence of which shall be provided to Customer upon Customer's reasonable request.

## 19. FORCE MAJEURE

- 19.1. CJ Aero Engineering will not have any liability or be deemed to be in breach of the Agreement for any delay in performance or failure to perform or part performance only of any of its obligations due to any cause beyond its reasonable control, including any of the following: strike, lock-out, ban or other industrial action or disturbance; sabotage, vandalism, terrorism, civil commotion, riot, invasion, war, threat of or preparation for war, explosion, or fire; storm, flood, subsidence, epidemic, natural physical disaster, or adverse



weather conditions; national emergency; impossibility or denial of the use of a port, airport or station facilities or railway, shipping, aircraft, motor transport or any other method of transport; shortage of labour, transportation, fuel, power or plant, machinery, equipment, Parts or material; breakdown of machinery, plant, equipment or facilities; law, rule or regulation of any government or governmental agency, executive or administrative order or act of general or particular application; act or policy of any state or government or any other authority having jurisdiction over either Party; a supplier failing to deliver any Parts required to perform the Services; government or any other boycott or sanction or embargo directed at CJ Aero Engineering, Australia, its government, nationals or any person connected with Australia; or other event outside CJ Aero Engineering's reasonable control (**Force Majeure Event**).

- 19.2. Notwithstanding the Customer's obligation to pay money, or any obligations of the Customer that may delay the payment of money, CJ Aero Engineering's obligations under these General Terms or the Agreement shall be suspended for the duration and to the extent that CJ Aero Engineering is unable to perform those obligations due to the occurrence of a Force Majeure Event as set out in clause 19.1.

## 20. LIEN AND PLEDGE

- 20.1. Customer acknowledges and agrees that all Aircraft, Aircraft engines, Parts and accessories which come into the possession of or under the control of CJ Aero Engineering and whether or not they are in CJ Aero Engineering's possession shall be subject to a contractual lien and be pledged for all amounts due by Customer or any of its Related Bodies Corporate to CJ Aero Engineering in respect of work being done; Services rendered and Parts supplied or fitted; and for all amounts which Customer now owes or may at any time become owing to CJ Aero Engineering under any agreement between CJ Aero Engineering and Customer. If Customer does not pay CJ Aero Engineering then subject to the provisions of clause 23 and without limiting CJ Aero Engineering's other rights and remedies, CJ Aero Engineering shall not be obliged to release the Aircraft, Aircraft engines or Parts to Customer.
- 20.2. If the Customer is on pre paid terms, Customer shall make payment for the full amount of the invoice prior to release of the aircraft or shipment of parts.

## 21. PPSA

- 21.1. If a lien is granted under clause 20, then as security for Customer's payment and any other obligations of the Customer due to CJ Aero Engineering under the Agreement, Customer grants to CJ Aero Engineering a first priority security interest in all Aircraft, Aircraft engines, supplied Parts and accessories under the PPSA. Customer agrees to execute such documents and complete any filings on the PPSR as CJ Aero Engineering may reasonably request in order to perfect the security interest granted to CJ Aero Engineering hereunder in accordance with the PPSA.
- 21.2. To the extent permitted by the PPSA:
- Sections 125, 142 and 143 of the PPSA do not apply (unless the Customer is otherwise notified in writing by CJ Aero Engineering);
  - Any right to receive a notice or statement arising by virtue of sections 129, 130, 132, 134 and 135 of the PPSA is waived and
  - Any right to receive a copy or any notice of any verification statement confirming registration of a financing statement or a financing change statement relating to any security interest under or provide for by these conditions is waived.

## 22. HANGARAGE/STORAGE

- 22.1. If the Customer fails to comply with any of these General Terms or the Agreement or to accept delivery of the Aircraft, Aircraft engine, Parts or accessory concerned within 48 hours after being called upon by CJ Aero Engineering to so do, Customer shall be required to reimburse CJ Aero Engineering

for any hangarage fees, or rental and storage charges incurred by CJ Aero Engineering.

## 23. TERMINATION

- 23.1. Without prejudice to any other rights CJ Aero Engineering may have, CJ Aero Engineering may terminate the Agreement, or any incomplete part of the Agreement or suspend the provision of the Services, if Customer commits a breach of any of the General Terms of such agreement (including the failure by Customer to take delivery of the goods) and fails to remedy such breach having been given 14 (fourteen) days' written notice to do so by CJ Aero Engineering, or an Insolvency Event occurs in relation to Customer.
- 23.2. On termination of any agreement or any uncompleted part thereof for any reason whatsoever:
- The amounts then owed, whether due or not by either Party in terms of any agreement shall become due and immediately payable.
  - CJ Aero Engineering may retake possession of any Parts or other items in respect of which ownership has not passed to Customer.
  - CJ Aero Engineering shall be entitled to cancel any further deliveries in terms of any agreement with Customer.
- 23.3. For the purposes of clause 23, Insolvency Event means the happening of any one or more of the following events:
- an application is made to a court for an order or an order is made that a body corporate be wound up or that a liquidator or provisional liquidator be appointed to a body corporate; a body corporate enters into, or resolves to enter into, a scheme of arrangement, deed of company arrangement or composition with, or assignment for the benefit of, all or any class of its creditors, or it proposes a reorganisation, moratorium or other administration involving any of them; resolves to wind itself up or otherwise dissolve itself, or gives notice of intention to do so, or is otherwise wound up or dissolves; is unable to pay its debts as they fall due or is or states that it is insolvent or is treated as or presumed insolvent under any applicable legislation; or takes any step to obtain protection or is granted protection from its creditors, under any applicable legislation;
  - a receiver, receiver and manager, trustee, administrator or similar official is appointed over any or all of the assets or undertaking of a body corporate;
  - any of the following liquidation events occur in relation to Customer: provisional liquidation, administration, receivership, compromise, arrangement, amalgamation, reconstruction, winding up, dissolution, assignment for the benefit of creditors, arrangement or compromise with creditors, bankruptcy or death; and
  - anything analogous or having a substantially similar effect to any of the events specified above happens under the law of any applicable jurisdiction.

## 24. DISPUTES

- 24.1. If any dispute, controversy or claim arises in connection with, or relating to the Agreement, these General Terms or the services provided pursuant to this Agreement (including any question regarding the Agreement's existence, validity or termination) (Dispute), a Party to the Dispute must give to the other Party a notice specifying the Dispute, what action the Party requires to remedy or resolve the Dispute and requiring its resolution under this clause 24.1 (Notice of Dispute). A senior representative of each Party must confer within 7 days after the Notice of Dispute is given to try to resolve the dispute in good faith.
- 24.2. If the Dispute is not resolved within 30 days after the Notice of Dispute is given to the other Party or parties, then either Party may refer the Dispute to and require the Dispute to be resolved by arbitration in accordance with the ACICA Arbitration Rules. If a Party refers a Dispute to arbitration pursuant to this clause then:
- the Dispute must be resolved by arbitration in accordance with the ACICA Arbitration Rules;



- ii. the seat of arbitration shall be Cairns, Australia;
- iii. the language of the arbitration shall be English; and
- iv. the number of arbitrators shall be one.

## 25. CONFIDENTIALITY

- 25.1. The Parties must at all times:
- i. keep the other Party's Confidential Information confidential;
  - ii. not publish, disclose or circulate to any person a Party's Confidential Information except to the extent: permitted, or necessary to comply with its obligations under the Agreement; or necessary the purpose of legal proceedings relating to the Agreement; and
  - iii. only disclose the Confidential Information to its employees, contractors, agents, legal and financial advisors on a need to know basis for the purposes of complying with the Agreement and only after making them aware of the confidential nature of the information.
- 25.2. The obligations of the Parties under this clause 25 will survive and continue after the discontinuance or termination of the Agreement or the contractual relationship between the Parties or any part of the same and be binding on authorised assignees and successors in title.
- 25.3. This clause 25 does not apply to any information which:
- i. is publicly available at the date of the Agreement;
  - ii. becomes publicly available subsequent to the date of the Agreement (other than as a result of the wrongful disclosure by a Party or disclosure in breach of the Agreement); or
  - iii. is required to be disclosed by any applicable law, statute or statutory authority.
- 25.4. On termination of the Agreement or earlier on any reasonable request by the disclosing Party: the recipient must promptly return to the disclosing Party or (if required by the disclosing Party) destroy any or all copies of Confidential Information in its possession or control; and cease using the Confidential Information. Despite any provision to the contrary if a Party is required by law to retain or use the Confidential Information then it may retain copies of or use the Confidential Information to the extent necessary to comply its obligations under any applicable laws.
- 25.5. In the Agreement **Confidential Information** means:
- i. all propriety information of a Party becoming available or coming into the possession or knowledge of the other Party under or in relation to the Agreement, including a Party's performance under the Agreement;
  - ii. in the case of CJ Aero Engineering: the fees, charges and labour rates payable by Customer under these General Terms or the Agreement or other commercial terms relating to these General Terms; and all information relating to the business and financial affairs of CJ Aero Engineering or any Indemnified Party and all technical data, pricing and charges information, pricing and charges strategies and discounts, know how, trade secrets, engineering or other data, designs, specifications, processes and formulae; and
  - iii. all information which is marked "confidential" or ought reasonably to be known by the recipient to be confidential; and
  - iv. any information that would at law be considered secret or confidential information of a Party.

## 26. Notices

- 26.1. A notice or other communication connected with the Agreement (Notice) has no legal effect unless it is in writing.
- 26.2. In addition to any other method of service provided by law, the Notice may be:
- i. sent by prepaid priority post to the address of the addressee set out in the Agreement or subsequently notified;
  - ii. sent by email to the email address (if any) of the addressee notified set out in clause 26.4, or subsequently notified; or
  - iii. delivered at the address of the addressee set out in the Agreement or subsequently notified.

- 26.3. If the Notice is sent or delivered in a manner provided by clause 26.2, it must be treated as given to and received by the Party to which it is addressed:
- i. if sent by post, on the 3rd Business Day (at the address to which it is posted) after posting;
  - ii. if sent by email before 4pm on a Business Day at the place of receipt, on the day it is sent and otherwise on the next Business Day at the place of receipt; or
  - iii. if otherwise delivered before 4pm on a Business Day at the place of delivery, upon delivery, and otherwise on the next Business Day at the place of delivery.

- 26.4. CJ Aero Engineering's email address is:  
[admin@cjaero-engineering.com.au](mailto:admin@cjaero-engineering.com.au)

## 27. GENERAL

- 27.1. (Entire Agreement) These General Terms and Agreement constitutes the entire agreement and understanding between the parties on everything connected with the subject matter of the Agreement and must be in writing and in English and supersedes any prior agreement, statements, representations or understanding on anything connected with that subject matter.
- 27.2. (Severability) If one or more of these General Terms are not enforceable for any reason whatsoever, the remaining conditions shall continue in force and effect.
- 27.3. (Waiver) No failure or delay to exercise a power or right by a Party under these General Terms or any other provision of the Agreement operates as a waiver of that power or right. The exercise of a power or right does not preclude either its exercise in the future or the exercise of any other power or right. A waiver is not effective unless it is in writing. Waiver of a power or right is effective only in respect of the specific instance to which it relates and for the specific purpose for which it is given.
- 27.4. (Governing law) The law of New South Wales governs the Agreement. The Parties submit to the non-exclusive jurisdiction of the courts of New South Wales.
- 27.5. (Variation) An amendment or variation to the Agreement is not effective unless it is in writing and signed by the Parties.
- 27.6. (Costs) Each Party must pay its own costs and outlays connected with the negotiation, preparation and execution of the Agreement.
- 27.7. (Further assurance) Each Party must promptly at its own cost do all things (including executing and if necessary, delivering all documents) necessary or desirable to give full effect to the Agreement.
- 27.8. (No joint venture) The Agreement does not create or evidence a partnership or joint venture.
- 27.9. (Assignment) Customer may not assign or otherwise transfer or deal with the Agreement except with the prior written consent of CJ Aero Engineering.
- 27.10. (Continuing obligations) All of the rights and obligations of each Party to these General Terms which are expressed to survive termination of the Agreement, or which by their nature or context must survive termination of the Agreement, will survive the termination of the Agreement.
- 27.11. (Inconsistency) If there is any inconsistency between the terms of Aircraft Work Authorisation Proposal/Quotation and these General Terms then the General Terms prevail to the extent of the inconsistency.
- 27.12. (Interpretation) In these General Terms, unless the contrary intention appears:
- i. Reference to:
    - (a) one gender includes the others; the singular includes the plural and the plural includes the singular; a person includes a body corporate; a party includes the party's executors, administrators, successors and permitted assigns;
    - (b) a thing includes the whole and each part of it separately;
    - (c) a statute, regulation, code or other law or a provision of any of them includes: any amendment or replacement of it; and another regulation or other



statutory instrument made under it, or made under it as amended or replaced; and

- (d) dollars mean Australian dollars unless otherwise stated.
- ii. "Including" and similar expressions are not words of limitation.
- iii. Where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have a corresponding meaning. Headings and any table of contents or index are for convenience only and do not form part of the Agreement or affect its interpretation. A provision of these General Terms or the Agreement must not be construed to the disadvantage of a Party merely because that Party was responsible for the preparation of the Agreement or the inclusion of the provision in the Agreement.
- iv. If a Party consists of more than 1 person, the Agreement binds each of them separately and any 2 or more of them jointly. An obligation, representation or warranty in favour of more than 1 person is for the benefit of them separately and jointly. A Party, which is a trustee, is bound both personally and in its capacity as a trustee.





the aircraft maintenance experts

TURBINE - PISTON - AGRICULTURAL

## ACCEPTANCE OF TERMS AND CONDITIONS

SIGNED

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FOR AND ON BEHALF OF (CUSTOMER)

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DATE

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