AVIALL AUSTRALIA PTY LIMITED ABN 38 006 224 764 (Seller)

TERMS AND CONDITIONS OF SALE

1. **Restricted Use**
   Aircraft parts are sold by Aviall Australia Pty Limited (Seller) on the condition that they will be used solely in the manufacture, repair and maintenance of civil or Australian Government aircraft or their engines and will not be used for any other purposes without Seller's permission and payment to Seller of any extra customs duty involved.

2. **On-Cost and Risk**
   All prices quoted are ex warehouse of Seller or its supplier in Australia or overseas. From the time of dispatch of the goods by Seller or its supplier until delivery to Buyer at its nominated or usual place of receipt, the risk of any loss or damage to or deterioration of the goods from whatever cause will be borne by Buyer. Insurance of goods in transit in either direction between Seller's or its supplier's warehouse and Buyer premises is Buyer's responsibility.

3. **Pricing and Increased Costs**
   Unless otherwise stated in respect of an order for goods to be supplied by Seller, the price quoted by Seller to Buyer or invoiced by Seller to Buyer will be exclusive of goods and services tax, sales tax and all other taxes and duties, will be the price prevailing at the relevant time and will be subject to increase as a result of any change in any relevant exchange rate, amount of customs duty, freight-charge or other cost to the Seller of acquiring the goods and having them delivered to Buyer that comes to the knowledge of Seller after the issue of Seller's quotation or invoice.

4. **Payment terms and Conditions**
   Terms of payment are strictly nett (without any set-off or counter claim) by the 20th day of the month immediately following the issue of the Seller's invoice. If buyer fails to pay by the due date or Buyer's credit worthiness is or becomes unsatisfactory Seller may terminate any relevant contract or suspend further deliveries under it by giving notice to Buyer to the effect and may charge Buyer interest on any overdue amount at the rate applicable to Seller's principal overdraft facility from time to time whether or not that facility is drawn upon.

5. **Lien**
   Notwithstanding that Seller may give Buyer credit for the payment of the price of the goods, Seller is entitled to retain possession of the goods until payment is received in full and in addition Seller has a general lien on all Buyer's goods in Seller's possession from time to time (although the goods or some of them might have been paid for) for the unpaid price of any goods received by Seller.

6. **Returned Goods**
   Goods purchased from Seller may not be returned without Seller's prior approval, which will be subject to the following conditions:
   
   (a) the goods must be in as new condition and in their original factory packaging;
   (b) the amount to be credited to Buyer for goods returned may be discounted by Seller by up to 15% of the invoice price to allow for restocking and handling charges;
   (c) the claim for a credit must be made within 7 days of delivery and the goods must be returned within 14 days after the date of the first invoice issued for them;
   (d) the goods must be in as new condition and in their original factory packaging;
   (e) the goods were the subject of a specific order by Seller to the manufacturer, their return will be subject to willingness of the manufacturer to accept them and the deduction of its charges for restocking and handling;
   (f) goods purchased on special sales, on the closing of a line or at a discount will not be returnable;
   (g) if the returned goods are damaged or lost in shipment to Seller, Buyer will have no claim against the Seller irrespective of the Buyer's rights to claim against the carrier;
   (h) acceptance of goods returned will be subject to Buyer informing seller why the goods are being returned and when they were purchased from Seller and the number of Seller's relevant invoice and delivery ticket.

   If Buyer fails to return the goods in accordance with the foregoing conditions of this clause, Buyer will be deemed to have accepted the goods on an ‘as-is-where-is’ basis with all existing patent and latent defects and irregularities and may not allege the goods are not in accordance with the contract.

7. **Recipient Created Tax Invoices**
   Where Buyer returns to the Seller a core, the Buyer will be deemed to have made a supply of the core to the Seller for the purposes of Australian goods and services tax. In the event of such a return of a core, the following terms and conditions at this Item 7 form a written Recipient Created Tax Invoice Agreement for Australian goods and services tax purposes.

   Unless otherwise agreed in writing prior to the return of the core, the Buyer agrees to the following terms with the Seller:

   (a) Seller will issue Recipient Created Tax Invoices for the supply of any core by the Buyer to the Seller.
   (b) The Buyer will not issue tax invoices in respect of those supplies.
   (c) The Buyer acknowledges that they are registered for GST when they provide the core.
   (d) The Buyer acknowledges that they will notify the Seller if they cease to be registered for GST.

   Further, the Seller agrees to:

   (a) Issue valid Recipient Created Tax Invoices for the supply of any core the Buyer makes within 28 days of the making of, or determining the value of the supply.
   (b) The Seller acknowledges that it is registered for GST at the time the Buyer provides the core.
   (c) The Seller acknowledges that it will notify the Buyer if it ceases to be registered for GST.
8. Title
Any goods delivered by Seller to Buyer remain the sole and absolute property of Seller as legal and equitable owner until all money due to Seller has been paid by Buyer but are at Buyer’s risk in accordance with clause 2. Until the goods are paid for, Buyer acknowledges that it is in possession of all goods as bailee for Seller and Buyer agrees to store the goods on its premises separately from its own goods or those of any other person and in a manner which makes them readily identifiable as Seller’s goods. Buyer’s right to possession of these goods will cease if it does anything or fails to do anything which would entitle a receiver to take possession of any assets or which would entitle any person to commence proceedings for the winding up of Buyer. Seller may for the purpose of examination or recovery of its goods enter upon any premises where they are stored or where they are reasonably thought to be stored and sever those goods from the land and take the goods. The entire proceeds of the goods will be held in trust for Seller and must not be mingled with any other money paid into any other bank account and must at all times be identifiable as Seller’s money. Buyer warrants that it is not at the time of entering into this agreement insolvent and knows of no circumstances which would entitle any creditor to appoint a receiver or to commence proceedings for winding up or to exercise any other rights over or against its assets.

9. Personal Property Securities regime
9.1 Definitions
For the purposes of this clause, the following definitions apply:

Seller Property means all property in which the Seller has an interest under the terms of the Transaction Documents or a Security Interest for the purposes of the PPS Law;

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

PPS Law means the PPSA and any amendment made at any time to any other law as a consequence of the PPSA;

Security Interest has the meaning given to that term in section 12 of the PPSA;

Transaction means any transaction contemplated by or in connection with any Transaction Document; and

Transaction Document means:

(a) a contract arising between Buyer and Seller in respect of goods;

(b) these terms and conditions;

(c) any document or agreement that the parties agree in writing is to be a transaction document for the purposes of a contract arising between Buyer and Seller in respect of goods or these terms and conditions;

(d) any document or written agreement that is entered into under any of the above; and

9.2 PPSA further steps
(a) If Seller’s opinion:
   (i) any Transaction Document contains or any of the Transactions create a Security Interest for the purposes of the PPS Law; or
   (ii) the PPS Law does or could affect Seller’s rights or obligations under or in connection with any Transaction Document,
   
   (each a PPSA Event), Seller may, at its discretion, do any of the following:
   (iii) register or give any notification in connection with any relevant Security Interest and exercise rights in connection with the Security Interest; and
   (iv) give notice to Buyer requiring it to do anything [at its expense] that Seller requires for the purposes of the relevant PPSA Event including, but not limited to, amending any Transaction Document, executing any new document or agreement, obtaining consents and supplying information.

(b) Buyer must comply with any notice received pursuant to clause 9.2(a) within the time stipulated in the notice.

10. Seller’s right to terminate Transaction Documents
If:
(a) any action referred to in clause 9.2 is not taken to Seller’s satisfaction; or
(b) despite such action Seller determines that its rights or obligations under or in connection with the Transactions or any Transaction Document have been or will be materially adversely affected,

then Seller may give notice to Buyer cancelling all or any of the Transaction Documents or any other document in connection with the Transactions and requiring:
(c) full repayment of all outstanding monies; and
(d) the return of all Seller Property within the control of Buyer,

within 30 days after the date of notification.
10.2 General
(a) Buyer irrevocably and unconditionally waives its right to receive from Seller any notice under the PPS Law (including notice of a verification statement) unless required by the PPS Law and if the notice cannot be excluded.

(b) Buyer must not register a Security Interest against Seller without its prior written consent.

(c) Buyer must notify Seller immediately of any change in its name, address, and any other information provided to Seller to enable Seller to register a financing change statement under the PPS Law if required.

(d) The parties agree that the subject matter referred to in section 275(1) of the PPS Law is confidential and each party must not disclose any such information to a third party.

10.3 Contracting out
(a) The following provisions of the PPS Law do not apply and, for the purposes of section 115 are "contracted out" of these terms, namely sections 95, 96, 121(4), 125, 130, 132(3)(d), 132(4), 135, 142 and 143.

(b) The parties agree that Seller has the power to retain, deal with or dispose of any property seized by it in the manner specified in sections 123, 125, 126, 128, 129 and 134(1) of the PPS Law and in any other manner it deems fit.

11. Force Majeure
11.1 Where a party is unable, wholly or in part, by reason of force majeure to carry out any obligation under these terms and conditions and the party:
(a) gives the other party prompt notice of that force majeure with reasonably full particulars thereof and, insofar as known, the probable extent to which the first party will be able to perform or delayed in performing that obligation; and
(b) uses all possible due diligence to remove that force majeure as quickly as possible – that obligation is suspended so far as it is affected by the force majeure during the continuance thereof.

11.2 An obligation to pay money is never excused by the majeure.

The requirement that any force majeure be resolved with all possible diligence does not apply to the settlement of strikes, lockouts or other labour disputes, or claims or demands by any government on terms contrary to the wishes of the party affected.

11.3 In these terms and conditions "force majeure" means an act of God, strike, lockout or other interference with work, war declared or undeclared, blockade, disturbance, lightning, fire, earthquake, storm, flood, explosion, government or quasi-government restraint, expropriation, prohibition, intervention, direction or embargo, unavailability or delay in availability of equipment or transport, inability to delay in obtaining governmental or quasi-government approvals, consents, permits, licenses, authorities, or allocations, any other cause whether of the kind specifically enumerated above or otherwise which is not reasonably within the control of the party affected.

12. Limitation of Remedy and Liability
12.1 To the extent all owed by law, the warranties, conditions, representations, obligations and liabilities of Seller and remedies of Buyer set forth in these terms and conditions, are exclusive and in substitution for, and Buyer hereby waives, releases and renounces all other warranties and other obligations and liabilities of Seller, and any other rights, claims and remedies of Buyer against Seller, express or implied, arising in contract (including warranty), in tort, (whether or not arising from the negligence of the Seller), at equity, under statute or otherwise at law or otherwise, with respect to any non-conformance or defect in any goods supplied by the Seller or other things provided under these terms and conditions, including but not limited to:

(i) any implied warranty of merchantability or fitness;
(ii) any implied warranty arising from course of performance, course of dealing or usage of trade;
(iii) any obligation, liability, right, claim or remedy in tort, whether or not arising from the negligence of Seller; and
(iv) any obligation, liability, right, claim or remedy for loss of or damage to any property of Buyer.

Seller shall have no obligation or liability, whether arising in contract (including warranty), tort (whether or not arising from the negligence of Seller), at equity, under statute or otherwise at law, for loss of use, loss of revenue or loss of profit or for any other indirect, incidental, consequential loss or damage or any other form of pure economic loss including business downtime costs and business interruption with respect to any non-conformance or defect in any goods supplied by the Seller or other things provided by the Seller under these terms and conditions.

12.2 Regardless of the nature of any claim or action, whether in contract, tort (including negligence) or otherwise, any liability of Seller or its servants or agents with respect to or arising from or in connection with the supply of goods or any antecedent negotiations or representations will be limited, to the fullest extent permitted by law, to one or more of the following as Seller may decide, namely:

(i) the replacement of the supply of equivalent goods or payment of the cost of such replacement or supply;
(ii) the repair or payment of the cost of repair of the goods or the performance of any services in connection therewith;
(iii) the supply of the services again; or
(iv) the payment of the cost of having the services supplied again.

12.3 Seller is not liable in respect of any loss or damage unless advised thereof in writing within 21 days of the loss or damage coming to the notice of Buyer or its servants or agents.

12.4 To the fullest extent permitted by Australian law, the liability of Seller (including liability for its officers, employees, subcontractors or agents) to Buyer for the payment of money for all claims, losses, expenses and damages arising out of or in
connection with Seller's performance in respect of these terms and conditions is limited to a total cumulative aggregate amount of the lesser of the price of the goods or [AU$1,000.00 for all such liabilities for all claims, actions, damages, costs, expenses, suits, proceedings and compensation made, incurred or sustained by Buyer against Seller for all and any wilful misconduct or unlawful or negligent act or omission or breach of contract arising out of or in connection with these terms and conditions.

13. Waiver
A waiver by Seller of a breach of any of the provisions of these terms and conditions is not to be construed as a waiver of any subsequent breach of any of these terms and conditions.

14. Non-Assignment
Buyer may not assign any right under the contract between Seller and Buyer in respect of goods without Seller's prior written approval. Seller may in its discretion and without notification to Buyer sub-contract the supply of all or part of the goods Seller has contracted to sell to Buyer.

15. Delay in Fulfilment of Order
Seller is not liable for any delay occurring in the supply of goods including any indirect or consequential loss suffered by Buyer as a result of delay by Seller.

16. U.S. and International Trade Control Laws and Regulations
Buyer will comply with all applicable import, export and sanctions statutes, laws, regulations and guidelines of Australia and the United States and of any jurisdiction in which Buyer does business, and with all applicable export and import licenses and their provisos. Buyer shall not make any dispositions, re-exports or diversion of the goods purchased from Seller except as U.S. laws may expressly permit.

Any trade data exchanged or obtained is for reference only and is not to be used for conducting Customs business as defined under 19 CFR Part 111. Seller makes this data available for informational purposes only. It may not reflect the most current legal developments, and Seller does not represent, warrant or guarantee that it is complete, accurate or up-to-date. This information is subject to change without notice. The information is not intended to constitute legal advice.

Buyer acknowledges the export transactions from the United States that are routed are as defined in the U.S. Export Administration Regulations, 15 C.F.R. § 772.1 and Federal Trade Regulations, 15 C.F.R. § 30.1(c). Buyer as the foreign party shall be considered the Foreign Principal Party in Interest (FPPI) for these transactions, and as the FPPI authorizes their U.S. agent to facilitate the export of items from the United States on the Buyer’s behalf and prepare and file the electronic export information (EEI) in the Automated Export System (AES). Buyer will comply with 15 C.F.R. § 30.3(e)(2) and 758.1(h)(1)(i) by supplying US Agent with a Power of Attorney or other form of written authorization and will provide a copy to the Seller, upon request. Buyer will also instruct their US Agent to provide Seller a copy, upon request, of the AES transaction and Airwaybill within 5 days of export to export@Aviall.com. Seller will provide all EEI to Buyer's US Agent as required under 15 C.F.R. § 30.3(e)(1) to complete the AES filing.

17. Transportation Security Requirements
Buyer agrees to: (i) comply with all applicable transportation security laws and regulations, and (ii) provide proper identification and purchase order number when picking up goods from Seller and agrees to make a good faith effort to require its agents (including but not limited to, brokers and freight forwarders) to do the same.

18. Governing Law
A contract arising between Buyer and Seller in respect of goods will be governed by the laws in force in Victoria, Australia.

19. Vienna Convention
The operation of the United Nations Convention on contracts for the International Sale of Goods is excluded from any contract between Seller and Buyer where Buyer has a place of business outside of Australia.

20. Supersession
These terms and conditions supersede all prior terms and conditions of sale between Seller and Buyer and all customs and usages that might have occurred between them.

21. Acceptance
The Buyer will be deemed to have accepted all of the terms and conditions in this document on placement of any order with the Seller.

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