

Safe Air Limited (SAL) and the party (the **Supplier**) have agreed to enter into and be bound by the following terms and conditions to define each party's obligations where the Supplier provides goods or work to Safe Air Limited under a Purchase Order.

**1. SERVICES:**

Supplier agrees to provide goods, materials or services ("goods") to SAL and/or carry out work on SAL supplied equipment ("work") in accordance with each respective Purchase Order (the **Purchase Order**) issued by SAL and accepted by the Supplier, in accordance with the terms and conditions contained herein. SAL may enter into a Purchase Order for itself or as agent for and on behalf of one or more of its related companies. SAL reserves the right to make changes to the specification or other requirements of the contract, but no variation to the contract terms will be allowed unless expressly authorised in writing by SAL. If a change affects the time for performance or delivery or the amount payable by SAL, the Supplier shall notify SAL immediately and negotiate an adjustment.

**2. PRICE AND PAYMENT:**

SAL will make payments for the work and/or goods in accordance with SAL's normal terms of settlement following receipt of invoice in New Zealand or as otherwise described in the Purchase Order.

SAL's standard payment terms are Paid 20<sup>th</sup> following month invoice has been received unless otherwise contractually agreed.

Unless otherwise specified in a Purchase Order, all prices shall be regarded as F.O.B. delivery point and inclusive of all taxes, duties and charges that SAL has agreed to pay pursuant to paragraph 9. Any local taxes agreed to be paid by SAL in respect of goods, the subject of a Purchase Order, shall be separately itemised on the Supplier's invoice.

**3. AIRCRAFT PARTS:**

All parts or materials for use on an aircraft which are provided for under a Purchase Order **must be accompanied by** a Signed, Serialised Certificate(s) of Conformance, Inspection or Airworthiness. If alternate parts are supplied, the certificate must be endorsed to the effect that they supersede or are completely interchangeable with the parts ordered. Compliance shall be in accordance with CAANZ Parts 19/21/43 AC 00-1, FAR21, FAA Advisory Circular AC21-2D or EASA AMC 145.A.50.

All Chemical, Fluid, or similar products supplied must have the manufacturer's original label(s) attached to the container/s. Where product containers are over-labelled by a distributor, a statement of the content of the original label/s and the reason for the overlay must be included. A statement of conformance to the original manufacturer's label specifications must be also supplied for items decanted from bulk containers.

**4. PACKING:**

All goods provided or work returned under a Purchase Order shall be suitably packed and marked to secure lowest transportation costs and in accordance with the requirements of common carriers. All packaging must comply with ATA Spec 300. The use of Styrofoam peanuts as packaging dunnage is **prohibited**. No additional charge will be allowed for packaging, boxing, crating or storage unless so stipulated in the Purchase Order. If SAL discovers damage to any goods or work not packed to ensure proper protection, SAL may at its discretion accept or reject the goods. If accepted by SAL, subsequent rectification costs will be paid by the Supplier. SAL's count will be accepted as first and conclusive on all shipments not accompanied by packing lists. All O rings are to be individually packaged in light proof packaging and marked with applicable specification details and cure date.

**5. INSPECTION:**

SAL shall not be deemed to have accepted the goods or work unless and until it has had a reasonable opportunity to examine them for the purpose of ascertaining that they conform with the Purchase Order, notwithstanding any agreement by SAL to collect them or pay for their transport costs. Following SAL's inspection of goods or work, SAL may reject any goods or work which do not comply with the Purchase Order or which contain defective material or workmanship irrespective of date of payment. SAL may hold goods pending Supplier's instructions relating to any goods so rejected or may return them to Supplier at Supplier's expense.

**6. PERFORMANCE OF WORK:**

Where a Purchase Order calls for goods to be supplied or work to be performed by Supplier, all work performed and materials used in connection therewith shall be at the risk and expense of the Supplier and shall be replaced by Supplier in the event of any damage or destruction thereof prior to delivery to and acceptance by SAL. If a Purchase Order calls for work to be performed by Supplier upon any SAL premises owned or controlled by SAL and/or SAL's customers, Supplier will comply with all health and safety and other requirements at the premises, keep the premises and the work and goods free and clear of all liens and will furnish SAL with certificates and waiver as provided by law. Whenever any property belonging to SAL or its customer is in the possession of Supplier or Supplier's suppliers, Supplier shall be deemed the insurer thereof and shall be responsible for its safe return to SAL. For the avoidance of doubt, title to SAL supplied equipment will at all times remain in SAL and the Supplier shall ensure that the equipment carries SAL identification tags at all times.

**7. DELIVERY:**

Delivery shall mean the delivery of possession of the goods being delivered hereunder to SAL at the place and between the hours indicated by SAL on the Purchase Order and the transfer by Supplier to SAL of its right, title and interest in and to the goods which Supplier possesses, free and clear of all liens. If no time for delivery is stipulated the Supplier shall deliver the goods or completed work within a reasonable period of receiving the Purchase Order. SAL shall not be bound to accept delivery prior to the date of delivery specified and will not be liable for any loss or charge arising from its refusal to accept such delivery prior to the appointed delivery date. Upon delivery of the goods to SAL at the delivery location, title to as described below, and risk of accidental loss of or damage to such goods and exclusive care, custody and control thereof, will pass to SAL.

The time of delivery is of the essence and delivery of goods or performance of work shall be made at the place and between the hours indicated by SAL on the Purchase Order. If no time for delivery is stipulated the Supplier shall deliver the goods or completed work within a reasonable period of receiving the Purchase Order. SAL shall not be bound to accept delivery prior to the date of delivery specified and will not be liable for any loss or charge arising from its refusal to accept such delivery prior to the appointed delivery date.

Where shipping via SAL Shipper is stipulated in a Purchase Order, For shipments up to 40kg please ensure you ship via our DHL Express Account using the SAL Purchase Order Number stated as the Shippers Reference. For all shipments over 40kg or 40kg volumetric, oversized or DG shipments, please contact your local DB Schenker office to arrange pick-up of the shipment that will be shipped as Airfreight. Please also mark the AWB number on the commercial invoice, either the DHL or the Schenker one.

**8. COMPLIANCE WITH LAWS AND REGULATIONS:**

Supplier agrees to comply with federal, state and local laws and orders applicable to the execution of a Purchase Order. More specifically, these terms and conditions will be construed in accordance with, and will be governed by, the laws of New Zealand. Supplier shall comply with, and upon request of SAL furnish certificate of compliance with all applicable rules, orders, regulations of the airworthiness authority specified in and/or requirements set out in the Purchase Order in relation to all goods and/or work and shall indemnify SAL against any damages by reasons of violations of this paragraph.

**9. PAYMENT OF TAXES AND DUTIES:**

SAL will pay all taxes, charges and duties properly imposed on SAL by or on behalf of the Government of New Zealand in respect of the supply of the goods or work, other than those levied on the net income of the Supplier. The Supplier will pay all taxes, charges and duties imposed by or on behalf of any government or country other than the Government of New Zealand. Unless specifically stated to the contrary in the Purchase Order or in any written notification by SAL to Supplier, the goods and work which are the subject of the Purchase Order are for export to SAL in New Zealand as the final destination and as such are exempt from Sales and Goods and Services Tax. At the request of Supplier, SAL will furnish documentary evidence of such exemption.

**10. INTELLECTUAL PROPERTY:**

Supplier expressly warrants that the goods and/or work to be furnished hereunder and the production and sale thereof, does not and will not infringe any intellectual property rights; that Supplier will at its own expense defend any suit that may arise in respect thereto; and that Supplier will indemnify and hold harmless SAL, its related companies its and their successors and assigns, and the customers of any of them, from all loss and expense which may be incurred on account of any such alleged or actual infringement.

**11. REPORTING & AUDIT:**

In respect of the supply of goods or services for aircraft use, Supplier shall retain all records pertaining to such goods or services for a period of at least seven years from the date of shipment. Records must be held in their current form and may not be amended, modified in any way or destroyed without prior consent of SAL.

The Supplier will allow a person or persons authorised by SAL to inspect records during normal business hours and to take copies and extracts from the records.

SAL, and in some cases SAL's customer or related authority, on giving reasonable notice, may enter the Suppliers premises to ensure that the Supplier is complying with its obligation under this agreement or for any other purpose specified by SAL in its notice to Supplier. Supplier will give all reasonable assistance in relation to SAL visit.

**12. QUALITY:**

Supplier expressly warrants that all goods and/or work ordered pursuant to a Purchase Order and according to plans, drawings specifications or sample furnished or approved by SAL (which are hereby made a part of the Purchase Order as if fully set out herein) will conform thereto, or if not so ordered will be merchantable, fit and sufficient for the purpose ordered, will be free from defect in material and workmanship and will have been carried out by suitably qualified personnel. All Supplier's warranties shall, as applicable, run to SAL, its related companies, its and their successors, assigns and customers and shall be construed as conditions as well as warranties and shall not be deemed to be exclusive. Unless otherwise specified all goods and/or work furnished hereunder will be subject to final inspection and accepted or rejected by SAL within a reasonable time after delivery, irrespective of the date of payment therefor. SAL will upon written notice to the Supplier hold any rejected goods at the Supplier's risk pending Supplier's instructions. If Supplier fails to furnish SAL with instructions regarding the disposition of such goods within a reasonable time, SAL may return the goods to the Supplier at the Supplier's expense. Where a Supplier holds quality assurance certification, the Supplier will notify SAL promptly in writing should that certification be suspended or lost.

**13. EXCUSABLE DELAY:**

No liability shall result from delay in performance or from non-performance under these terms and conditions caused by circumstances beyond the control of the party affected (including, but not limited to acts of God, fire, flood, war, sabotage, accident, Government act, order or regulation and global inability (other than as a result of inadequate forward planning processes) to obtain material, goods or equipment or transportation) which interfere with production. SAL deliveries delayed or not made because of such cause or event may be suspended, reduced or eliminated by SAL from the Purchase Order without charge.

**14. INSURANCE:**

The Supplier must maintain the necessary insurances to meet its obligations under each respective Purchase Order. In each case the sum insured shall not be less than that specified in an individual Purchase Order, or if not so specified, shall not be less than either the total value of the goods being supplied under the Purchase Order or the full replacement cost of the SAL equipment being provided, whichever is the higher sum. The Supplier is required to provide evidence of insurances in the form of a validated certificate of insurance from its insurance company.

**15. INDEMNITY:**

The Supplier hereby irrevocably fully indemnifies SAL, its related companies, its and their officers, agents, subcontractors and employees from and against any and all claims, proceedings, costs, expenses, damages and losses arising out of or in any way connected with or related to these terms and conditions or the goods provided or to be provided by or the work performed or to be performed by or on behalf of the Supplier and relating to any loss or damage to property (whether real or personal); injury to any person including injury resulting in death; any defect in the goods or work performed or their delivery or unloading by the Supplier, except to the extent caused by the negligence or wilful misconduct of SAL, its related companies and its and their officers, agents, subcontractors or employees.

**16. NON PERFORMANCE:**

The failure of any goods and/or work delivered hereunder to meet the quality specified in the Purchase Order or, except to the extent provided in Paragraph 12 hereof, the failure of the Supplier to make any delivery in the quantity or within the time specified or to comply with any of the other terms and conditions hereof shall relieve SAL of any obligation to accept and pay for such goods or work performed. SAL may either terminate the relevant Purchase Order without charge or all or any part of the undelivered portion of the Purchase Order and place a Purchase Order elsewhere for an equal or lesser quantity of goods and/or work of the same or substantially equal quality and charge Supplier with any loss so incurred. Any failure of SAL to exercise such option with respect to any portion of the Purchase Order shall not constitute a waiver with respect to any undelivered instalments or waiver by SAL of any specific defaults by Supplier. Failure by SAL to cancel the Purchase Order or any part thereof when a right of cancellation pursuant to this paragraph 16 arises shall not constitute waiver by SAL of any of the terms and conditions of any Purchase Order with respect to any further or subsequent default by Supplier which give rise to right of termination.

**17. TERMINATION:**

In addition to its rights in paragraph 16, SAL may by notice in writing to the Supplier terminate a Purchase Order in whole or in part if the Supplier is otherwise in breach of that Purchase Order and has failed to remedy the breach (where such breach is capable of remedy) within five (5) days of receipt of a request in writing from SAL to remedy the breach, such request indicating that failure to remedy the breach may result in termination of the Purchase Order

SAL shall also be entitled to terminate a Purchase Order without cause by giving Supplier seven (7) days written notice to that effect. In that case only, SAL shall pay to Supplier: (i) for such of the goods or work completed prior to notice of termination and scheduled for shipment within thirty days immediately following the date of giving of such notice; (ii) for such of the goods or work only partially completed prior to notice of termination and scheduled for shipment within ninety days following the date of giving of such notice, the Supplier's documented cost of labour and material used to construct or work on such partially completed goods, together with proportionate overhead charges; (iii) For material, not in process, which before the giving of notice of termination the Supplier has purchased or agreed to purchase, the cost of such material to SAL. Such payments made under this provision shall be subject to the Supplier using its best endeavours to minimise its financial loss by reworking or otherwise utilising completed goods, partially completed goods and raw materials and/or disposing of the same at the best price reasonable obtainable therefor. The total of such claim shall not, however, exceed the commitment value of the terminated Purchase Order

**18. NON-ASSIGNABILITY:**

No Purchase Orders nor any monies due or to become due thereunder may be assigned by Supplier without the written consent of SAL.

**19. CONFIDENTIALITY:**

The Supplier and its staff must not, without SAL's prior written consent, disclose to any person (other than a person authorised by SAL) any information whatsoever acquired by the Supplier in connection with a Purchase Order issued hereunder, nor advertise or publicly announce that it is supplying goods or undertaking work for SAL, its related companies or customers.

**20. DISPUTE RESOLUTION:**

Either party may require any dispute between the parties arising out of or connected to a Purchase Order ("Dispute"), which has not been resolved within 14 days, to be referred to mediation, in the first instance to the senior management of the respective parties. If within 28 days of such referral, a resolution to the Dispute has not been achieved then the parties shall be entitled to jointly appoint a mediator, or if the parties cannot agree to a mediator within 14 days of a party referring the Dispute to formal mediation, to be appointed by the Chairperson of LEADR New Zealand Incorporated or the Chairperson's nominee. The mediator shall conduct the mediation in accordance with those guidelines agreed between the parties, or if not agreed within 14 days of the appointment of the mediator, in accordance with the guidelines set by the mediator. The costs and expenses of the mediator shall be shared by the parties equally. The provisions of this paragraph shall not limit or affect the rights of either party to apply to the court at any time for any interim or preliminary relief in respect of the Dispute.

**21. ENTIRETY:**

These terms and conditions and the Purchase Order constitute the entire agreement between the parties in relation to the goods or work contracted under the Purchase Order and no modifications thereof shall be binding unless mutually agreed to in writing. The receipt by SAL of any quotation form, sales confirmation or other proposal shall not, in the absence of a written acknowledgement by SAL expressly agreeing to same, have the effect of changing in any manner or adding to the terms and conditions hereof.

**22. JURISDICTION AND GOVERNING LAW:**

The parties shall accept the non-exclusive jurisdiction of the New Zealand Courts and agree that each Purchase Order shall be governed by and construed in accordance with New Zealand law.