

## AIR CHARTER TERMS AND CONDITIONS

### 1. RECITALS

- a) AIR ARNHEM is the operator of aircraft charter services within Australia.
- b) THE CHARTERER requires AIR ARNHEM to operate the Aircraft to provide flights for THE CHARTERER between two or more points for the purpose of delivering Freight and/or Passengers.
- c) This document sets out the terms and conditions which apply to the Service provided.

### 2. DEFINITIONS

**"Actual Weight/s"** is the weight of each item of Freight and/or Passenger measured in kilograms.

**"Additional Fuel"** is fuel that is required to be carried on a Service in addition to the normal flight fuel requirements due to weather or operational requirements that will allow the aircraft to travel to an alternate airfield if a safe landing at the scheduled Airport is not possible.

**"Agreed Price"** is the price quoted to THE CHARTERER in writing or verbally to perform the Service and confirmed as acceptable by THE CHARTERER by issuing a written or verbal instruction to complete the Service.

**"Aircraft"** means any Aircraft operated by AIR ARNHEM to perform a Service.

**"Airport"** means any place used as a landing place for an Aircraft.

**"Baggage"** means any items belonging to a Passenger that is not accessible to the Passenger and/or crew during a Service.

**"Cancellation Fees"** are fees payable to AIR ARNHEM if THE CHARTERER cancels the Service within the specified times of Clause 4.3.

**"Chief Pilot"** AIR ARNHEM's personnel in charge of operations in regards to CASA regulations.

**"Contract"** A written agreement between AIR ARNHEM (Operator) and other person/s or organisation (THE CHARTERER) stating what they have agreed upon in relation to aircraft charter services for a specific period of time.

**"Dangerous Goods"** are articles or substances which are capable of posing a risk to health, safety, property or the environment and which are shown and/or classified in the IATA Dangerous Goods Regulations (current edition).

**"Dimensions"** means the length, width and height as measured in centimetres of each item of Freight to be carried.

**"Freight"** means any item other than a Passenger required by THE CHARTERER to be carried on a Service in accordance with these Terms and Conditions.

**"Ground Handling Charges"** mean any charges incurred by AIR ARNHEM in performing the Service at Airports other than Gove Airport and unless specifically notified as included in the quotation will be charged in addition to the Agreed Price (Ground Handling Charges include but are not limited to afterhours fees incurred by AIR ARNHEM such as Flight Crew meals, accommodation and transport, refueller call out fees and overtime rates charged by suppliers).

**"No Show"** means Passengers who do not arrive within the appropriate allocated time for departure. See Pilot Wait Times 4.4.

**"Passenger"** means any person required by THE CHARTERER to travel on any Service.

**"Parties"** means AIR ARNHEM and THE CHARTERER.

**"Payload"** means the total loading available to be carried by an Aircraft and includes Passengers, their Baggage and Freight.

**"Pilot/s"** means the person/s engaged by AIR ARNHEM to operate the Aircraft for the Service and is the person who has absolute control of the Aircraft and the Service.

**"Quotation"** means the document or verbal advice providing THE CHARTERER with the Wet Charter Cost.

**"Service"** means the operation of an Aircraft as required by THE CHARTERER for the purpose of delivering Freight and/or Passengers between two or more Airports.

**"Wet Charter Cost"** means the price charged is inclusive of all aeronautical fees associated with the operation of the Aircraft and includes fuel, air navigation charges, landing fees, maintenance costs, insurance, parking fees, flight crew and the loading or unloading of the Freight at Gove Airport and any other fees incurred by AIR ARNHEM in order for AIR ARNHEM to carry out its obligations pursuant to these Terms and Conditions but excludes Ground Handling Charges unless specified as included.

**"Weather"** means any variation in climate or temperature that may impact on the Service.

**"Weight"** means the relative mass or the quantity of matter contained by it, giving rise to a downward force and measured in kilograms.

### 3. SERVICE

- 3.1. AIR ARNHEM agrees to provide the Service to THE CHARTERER in accordance with these Terms and Conditions.
- 3.2. AIR ARNHEM shall operate the Service via the most efficient route as determined by the Pilot of the Aircraft, inclusive of technical stops.
- 3.3. THE CHARTERER agrees to pay AIR ARNHEM the Agreed Price and any applicable Ground Handling Charges incurred providing the Service.

### 4. INVOICES, CHARGES, CANCELLATIONS AND PILOT WAIT TIME FEES

- 4.1. Where there is a Government or Other Contract in place, terms and conditions will be as per Contract.
- 4.2. Non Contract or where not specified in a Contract:
  - a. AIR ARNHEM shall issue a tax invoice to THE CHARTERER upon acceptance of the Quotation for the Wet Charter Cost at the Agreed Price for the Service.
  - b. AIR ARNHEM shall issue a tax invoice to THE CHARTERER upon receipt of any Ground Handling Charges associated with providing the Service.
  - c. Any fees incurred by AIR ARNHEM in the transfer of funds shall be paid for by THE CHARTERER.

#### 4.3. Cancellations

If THE CHARTERER cancels the Service, THE CHARTERER must pay to AIR ARNHEM cancellation penalty fees as follows:

- a. in the event that THE CHARTERER cancels the Service **up to four (4) hours** of the scheduled departure time for the Service – the applicable penalty fee shall be 100% of the Agreed Price;
- b. in the event that THE CHARTERER Passengers are a “No Show” or any time our aircraft has departed the aircraft base to perform the service - the applicable penalty fee shall be 100% of the Agreed Price;
- c. in the event that THE CHARTERER cancels the Service **between four (4) and twenty-four (24) hours** of the scheduled departure time for the Service - the applicable penalty fee shall be 50% of the Agreed Price.
- d. in the event that THE CHARTERER cancels the Service **between twenty-four (24) and thirty-six (36) hours** of the scheduled departure time for the Service – the applicable penalty fee shall be 10% of the total cost.
- e. in the event that THE CHARTERER cancels the Service **after thirty-six (36) hours** of the scheduled departure time for the Service – there will be no cancellation fee.

#### 4.4. Pilot Wait Times

- a. It is the responsibility of THE CHARTERER/Passengers to update AIR ARNHEM as to any changes which might affect the Service as scheduled.
- b. AIR ARNHEM Pilots will wait 15 minutes after the scheduled departure time for Passengers.
- c. AIR ARNHEM Pilots will endeavour to contact the Passengers if they have been given a contact phone number by THE CHARTERER and there is appropriate telephone reception.
- d. If Passengers have not arrived for their charter after this time, AIR ARNHEM Pilots will continue to their next destination and Passengers will be deemed “No Show”.
- e. in the event THE CHARTERER/Passengers request a Pilot to wait longer than the allowed 15 minutes past their scheduled departure time, a Pilot wait fee, at the discretion of AIR ARNHEM, may be charged at the rate of \$100 per hour (including GST).

#### 4.5. Overdue Invoices

- f. Any outstanding amount not paid by the due date as detailed on the AIR ARNHEM Invoice will incur interest charges at the rate equivalent to the Westpac Bank Altitude Business Gold Visa Card cash advance interest rate.
- g. Outstanding invoices will accrue daily.
- h. Outstanding invoices include any invoice for Services, Ground Handling Charges and cancellation penalty charges.

### 5. ABORTED SERVICE

#### 5.1. If:

- a. Service is diverted or returns to Gove Airport due to inclement Weather; or
- b. the destination Airport is closed due to any reason and the Service must be diverted to another Airport,

Then in the event that the actual flying time is longer than the normal flying time for the Service as originally scheduled, THE CHARTERER shall be liable to pay AIR ARNHEM:

- c. for the Agreed Price; and
    - d. for any additional flying time, THE CHARTERER shall pay AIR ARNHEM for the Service based on the charges generated by the AIR ARNHEM quotation system, such charges under this clause including air navigation charges, landing fees, Aircraft costs and any other cost incurred by AIR ARNHEM by providing the Service to THE CHARTERER.
- 5.2. Where a flight is unable to be completed due to mechanical failure, a replacement aircraft shall be provided by AIR ARNHEM to complete the flight at no additional cost to THE CHARTERER.
- 5.3. Where a replacement aircraft is not available, AIR ARNHEM shall provide a substitute aircraft of the same standard as the Aircraft. If an aircraft of the same standard is not available, AIR ARNHEM shall use its best endeavours to provide a suitable aircraft, provided that the use of any aircraft other than the Aircraft shall be subject to agreement by THE CHARTERER. Any additional cost involved for a substitute aircraft shall be borne by AIR ARNHEM.
- 5.4. The Parties acknowledge that Weather conditions may require that the Aircraft carry Additional Fuel for extended flying time. In that event, the Payload available in the Aircraft may be reduced and AIR ARNHEM shall not be responsible for being unable to provide the complete Service.
- 5.5. If AIR ARNHEM determines, in its sole discretion, that by reason of Weather conditions it is necessary to carry Additional Fuel on the Aircraft and the Additional Fuel will impact on the available Payload requirements, then AIR ARNHEM shall give notice in writing to THE CHARTERER who in turn will advise AIR ARNHEM in writing whether they wish to delay the Service or reduce the Payload to accommodate the Additional Fuel.
- 5.6. Nothing in this clause affects the charge payable by THE CHARTERER for the Service.

## **6. PASSENGERS, FREIGHT, AND CHECK IN TIMES**

- 6.1. Prior to AIR ARNHEM accepting any Freight or Passengers to be carried on any Service, THE CHARTERER will supply to AIR ARNHEM:
  - a. When Passengers are to be carried:
    - the name and contact details of each Passenger; and
    - the Actual Weight of each Passenger.
  - b. When Freight is to be carried:
    - the actual weight of each item of Freight;
    - the Dimensions of each item of Freight;
    - a detailed description of each item of Freight; and
    - where Dangerous Goods are to be carried - a copy of the Shipper's Declaration.
- 6.2. Prior to agreeing to provide a Service, AIR ARNHEM will determine whether the Freight and/or Passengers can be loaded and carried on the Aircraft.
- 6.3. THE CHARTERER shall ensure that all Freight will be clearly labelled and will have affixed an airways bill certifying the contents and its suitability for carriage by air.
- 6.4. AIR ARNHEM may reject any Passengers or freight that do not comply with the Civil Aviation Act or AIR ARNHEM Policies and Procedures.

## 6.5 Check In times for Passengers and freight:

- a. Passengers: THE CHARTERER is to advise Passenger/s that check in with AIR ARNHEM is at least 15 minutes prior to departure.
- b. Freight: THE CHARTERER is to contact AIR ARNHEM Chief Pilot prior to the charter flight to make arrangements. Check in time is at least 30 minutes prior to departure.

## 7. OBLIGATIONS OF AIR ARNHEM

- 7.1. All Pilots engaged by AIR ARNHEM to operate the Aircraft shall have an Airline Transport Pilot's License or Commercial Pilot's License, a Command Instrument Rating and minimum flying times in accordance with AIR ARNHEM aviation policies.
- 7.2. AIR ARNHEM shall operate the Aircraft in accordance with all relevant laws and regulations.
- 7.3. AIR ARNHEM shall ensure that each item of Freight is restrained in accordance with the Aircraft Flight Manual and Aviation Regulations using only aviation approved restraint equipment.
- 7.4. AIR ARNHEM shall maintain the following insurances:
  - a. Workers' Compensation Insurance Cover which shall comply with the law of the Northern Territory;
  - b. Insurance which is compulsory under the laws for the time being in force in the State/Territory where work is carried out and the Commonwealth of Australia governing the use of motor vehicles and aircraft and shall not be less than:
    - i. Aircraft Combined Single Limit Liability Insurance of not less than \$20,000,000 for each separate occurrence;
    - ii. Passenger Liability Insurance in accordance with the Civil Aviation Act; and
    - iii. Hull Insurance on all aircraft used by AIR ARNHEM in the performance of these Terms and Conditions with a minimum cover equal to or greater than the fair market value of each aircraft.
    - iv. Premises Liability Insurance
    - v. Business Package Insurance
- 7.5. AIR ARNHEM shall, upon request, provide to THE CHARTERER copies of renewed insurance policies in the form of certificates of currency containing policy numbers, names of insurers, insured parties and the expiration dates of the policies to enable THE CHARTERER to determine whether those policies meet the requirements of clause 7.4 of these Terms and Conditions.

## 8. GENERAL INDEMNITY

- 8.1. AIR ARNHEM is liable to THE CHARTERER for, and must indemnify and keep indemnified THE CHARTERER against any claim, loss or expense which is brought, paid, suffered or incurred by THE CHARTERER or any of THE CHARTERER'S personnel as a result of any negligent, unlawful or deliberately wrongful act or omission by AIR ARNHEM or its staff in providing the Service.
- 8.2. THE CHARTERER is liable to AIR ARNHEM for, and must indemnify (and keep indemnified) AIR ARNHEM against, any claim, loss or expense which is brought, paid, suffered or incurred by AIR ARNHEM or any of AIR

ARNHEM personnel as a result of:

- a. any negligent, unlawful or deliberately wrongful act or omission by THE CHARTERER or
- b. any member of THE CHARTERER's personnel; or
- c. a breach of THE CHARTERER's obligations under these Terms and Conditions.

## 9. RELEASE

Save for the obligations contained in clause 4 of these Terms and Conditions, the Parties release and discharge each other from any claim, action, damage, loss, liability, cost, charge or expense that it suffers or may have against the other in the event of a delay in the performance of the Parties' respective obligations under these Terms and Conditions if such a delay is not a result of the actions or inactions of the respective Party.

## 10. FORCE MAJEURE

Neither Party shall be liable for any failure of or delay in the performance of any of its obligations under these Terms and Conditions to the extent that such failure is due to causes beyond its reasonable control, including but not limited to, acts of God, war, strikes or labour disputes, embargoes, government orders, pandemics or any other force majeure event.

## 11. DISPUTE RESOLUTION

- 11.1. If any dispute arises between THE CHARTERER and AIR ARNHEM then the complainant must provide written notice to the other Party setting out:
  - a. the nature of the dispute that has arisen; and
  - b. a proposed course of action to resolve the dispute.
- 11.2. Within 14 days of the date of the notification the Parties must meet to negotiate, in good faith, a resolution of the dispute.
- 11.3. If the Parties are unable to resolve the dispute in accordance with clause 11.1(b) of these Terms and Conditions the Parties must attend a mediation with a mediator to be agreed or if not agreed to be nominated by the President of the Law Society of the Northern Territory with the mediation to be administered in accordance with the current mediation rules of the Law Society of the Northern Territory.
- 11.4. The Parties must not commence legal proceedings in relation to these Terms and Conditions without having first acted in accordance with clauses 11.1 to 11.3 of these Terms and Conditions.

## 12. TERMINATION

THE CHARTERER may terminate these Terms and Conditions at any time however the Cancellation Fees detailed in clause 4.3 of these Terms and Conditions remain in force notwithstanding such termination.

## 13. TAXES AND COSTS

- 13.1. AIR ARNHEM shall be solely responsible and liable for all taxes, costs, charges or imposts levied against AIR ARNHEM which are levied or charged in any manner whatsoever due to AIR ARNHEM carrying out the Service and any other operations or activities carried out pursuant to the terms of these Terms and Conditions.
- 13.2. Goods and Services Tax (GST) will be added to each invoiced charge at the current legislated rate and in

accordance with applicable taxation laws.

## 14. CONFIDENTIALITY

14.1. These Terms and Conditions are confidential.

14.2. The contents of all undertakings, activities and operations under or contemplated by these Terms and Conditions shall, except as otherwise required by an applicable law, be treated as confidential and each Party shall take or cause to be taken all reasonable precautions necessary to prevent the disclosure of the contents to any person other than the Party and their respective legal and financial advisers and such other persons approved by the Party to receive such confidential information.

## 15. ASSIGNMENT

15.1. Neither Party shall, without the prior written consent of the other Party, assign, mortgage or charge any or all of its rights or obligations under or pursuant to these Terms and Conditions.

15.2. Notwithstanding clause 15.1, THE CHARTERER may assign its interest in these Terms and Conditions to any related corporation or any subsidiary or affiliated corporation of THE CHARTERER without the necessity for obtaining the prior written consent of AIR ARNHAM.

## 16. ENTIRE AGREEMENT

These Terms and Conditions constitutes the entire agreement between the Parties and supersedes all prior negotiations, representations, proposals, undertakings and agreements, whether written or oral, relating to the subject matter of these Terms and Conditions.

## 17. MODIFICATIONS AND WAIVER

17.1. A purported modification, variation or amendment of these Terms and Conditions or any waiver of any rights of any Party shall not have any force or effect unless and until the same is in writing, executed by the Parties or, in the case of a waiver, is executed by the Party whose rights are thereby waived.

17.2. No waiver by any Party of any breach or default under these Terms and Conditions by any other Party nor any delay in the exercise of any power or remedy which may become exercisable as a result of such breach or default shall operate or be construed as a waiver of any other preceding or succeeding breach or default by such other Party whether of a like or different character.

## 18. GOVERNING LAW

These Terms and Conditions shall be governed by and construed in accordance with the laws for the time being in force in the Northern Territory of Australia.