

Fair Wear and Tear



Introduction

Fair wear and tear is best described as a vehicle returned in reasonable condition at lease end, taking into account the vehicle's age, mileage and intended usage.

SG Fleet adopts a fair and transparent approach in respect to our end-of-lease return processes.

As a member of the Australian Finance Industry Association (AFIA), we abide by the AFIA published industry guidelines for adjudication of end of lease damage.

We have created minimum standards in relation to the expected condition of each returned lease vehicle.

These standards are widely known as fair wear and tear and are comprehensively detailed in our Fair Wear and Tear Guidelines over the following pages.

Following return to SG Fleet, each vehicle will undergo a detailed inspection in relation to its interior and exterior condition within 24 business hours.

Inspection results are captured and photos of any unfair wear and tear (UFWT) damage are recorded. For every vehicle, a condition and appraisal report is produced - with items clearly itemised, photographed and expertly managed.



Acceptable and unacceptable

It's said a picture is worth a thousand words, so to make it easier for you to understand fair wear and tear, you'll find images of what is – and what is not – acceptable throughout this guide.

Naturally, it is a challenge to cover every single form of damage that could occur. But by the time you've finished this guide, you'll have an excellent idea of the minimum standard expected for returned vehicles.

Please note that the assessment of fair wear and tear is generally dependent upon the age and mileage of the vehicle under inspection.

Certain breakages and damage however are not acceptable, regardless of age and mileage, and these, amongst others, include missing items or broken glass, accident and impact damage.

In all cases, we will always assess damage recharges fairly, charging on a repair rather than replacement basis, where possible.

When we complete our inspection we will prepare a condition report which identifies any damage on the vehicle outside the acceptance of fair wear and tear.



Returning the vehicle

Basically, everything that you were given with the vehicle when it was delivered to you must be returned with the vehicle.

This includes, but is not limited to:

- All sets of keys, including master and spare keys
- All original documents such as the owner's manual (if applicable) etc
- Evidence of the signed/stamped service history
- Registration plates (if applicable)
- Radio code cards
- SDs, CDs or DVDs for satellite navigation (delete stored locations for security, such as your home address)
- All removable audio equipment (such as 'face off' units)
- All optional equipment fitted to the vehicle that is not a permanent fixture (tow bars, rear door sun shades etc)
- All emergency equipment supplied with the vehicle (jack, wheel brace, warning triangle, first aid kit etc)
- The spare wheel must be on-board (if applicable) and meet legal requirements
- In case your vehicle has a 'tyre mobility set', it must be in a working condition (sealing compound and a12v compressor that plugs into the cigarette lighter)
- The original hub caps
- EV charging cables if supplied by OEM

Remove all personal items

Please remove all rubbish and ensure the vehicle is clean before its return.

Remember to remove all personal effects and check all storage areas in your vehicle, including the boot, glove box, door pockets, seat back pockets and all other storage spaces.

While we make every effort to retrieve and store any items left behind for driver collection, we cannot accept responsibility for any lost items.

Also, remember to delete any private data from satellite navigation and Bluetooth phone book settings.

Please ensure your vehicle service and WOF is up-to-date.



Pre-collection appraisal tips

To avoid any unforeseen damage charges, there are a few things you can do before your vehicle is collected and taken away for appraisal.

Use this guide in full:

Use this guide to look around the vehicle and make notes of any visible damages that you may spot. Your own pre-collection inspection helps you to understand specifically what damage there is on the vehicle and helps avoid any surprises in terms of unexpected costs.

Ensure your vehicle is clean inside and out:

When you inspect your vehicle and, also importantly, on the day of collection, ensure the vehicle is in a clean condition inside and out. If your car is dirty, it makes it more difficult to spot and make note of any damage.

If the car is excessively dirty, additional cleaning required may incur costs.

Inspect your vehicle in natural daylight:

Park your vehicle in good natural daylight, avoiding shadow cover from trees etc. This will help you spot any dents or scratches that may otherwise be difficult to see.

Inspect your vehicle when it is dry:

A wet car will make it much harder for you to spot and make note of any scratches and dents. If the car has just been washed, or it has been raining, make sure it's dried thoroughly before inspection.

How best to spot dents:

You are more likely to spot dents if you look down a vehicle's panel in profile (side on), rather than looking head on. Also, view the vehicle from different angles.

Inspect all panels:

Don't forget to inspect the lamps, windscreen and mirrors, and the less obvious panels of a vehicle, such as the roof or those below bumper height.

Be objective:

Inspect and appraise your vehicle as objectively as you can, using the tips above. Consider asking a friend or colleague to help you.



Tyres, stickers and cleaning

Tyres

The fair wear and tear appraisal also includes the inspection of tyres.

Many manufacturers no longer include a spare wheel and instead equip their cars with a so-called "Tyre Mobility Set" consisting of a sealing compound and an air compressor (12 Volt).

If your car is equipped with a Tyre Mobility Set, then it must be on-board and in a working condition, when the car is returned. In case the vehicle was supplied with a spare wheel, it is mandatory that the spare wheel must be on-board when the car is returned.

Stickers

Advertising stickers, sign writing, decals (including glue residue), regardless of size or condition, can have an impact on resale value of the vehicle. As a result, they must be completely and cleanly removed prior to selling the vehicle, regardless of whether they are on the bodywork or glass area.

Any costs incurred by SG Fleet for the removal of the above will be recharged. Please refer to your SG Fleet Relationship team for the specific agreements regarding the method of returning in relation to stickers.

Cleaning

Unpleasant smells and/or stains in the vehicles' interior can affect a returned vehicle's used value. You may therefore feel it is necessary to have your vehicle completely cleaned using a professional cleaning company before it is returned.

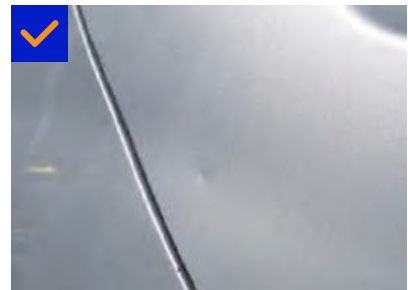


Vehicle exterior body and paint

Acceptable condition



- Chips and scratches up to 10cm, provided that they can be removed by mechanical polishing
- Scuffs and abrasions up to 2cm, provided that they can be removed by mechanical polishing
- Dents up to 2cm, given that there are no more than two dents per panel
- Areas of stone chipping, given that less than 25% of the panel is affected, and no corrosion has developed
- Chips that have properly been touched up prior to corrosion development



Vehicle exterior body and paint

Unacceptable condition



- Scratches that will polish out, but are longer than 10cm
- Any chips, scratches, scuffs and abrasions, not possible to be removed via mechanical polishing
- Dents, scuffs and abrasions larger than 2cm
- More than two dents per panel
- Hail damage
- Stains caused by bird or bat droppings
- (Stone) chipping, covering more than 25% of the panel
- Incorrect repaint work, showing a colour difference
- Incorrect repair work
- Corrosion development on any type of damage
- Paint discolouration through external impacts, such as incorrect chemical usage



Vehicle exterior sills and door seals

Acceptable condition



- Scuffing, scratches or abrasions on sills of the loading compartment, providing that this has not affected the function of the bumpers, lights etc.

- Abrasions on the sills of back or side doors of the loading compartments providing that this has not affected the function of the doors



Vehicle exterior sills and door seals

Unacceptable condition



- Damage which has deformed the sill
- Scuffing, scratches or abrasions on sills of the loading compartment, affecting the function of the bumpers, lights etc.
- Abrasions on the sills of back or side doors of the loading compartments, affecting the function of the doors
- Damaged door seals



Vehicle exterior grille and bumper

Acceptable condition



- Chips and scratches up to 10cm, provided that they can be removed by mechanical polishing
- Scuffs and abrasions up to 2cm, provided that they can be removed by mechanical polishing
- For textured or non-painted bumpers: scratches and scores up to 10cm are acceptable
- For textured or non-painted bumpers: scuffs and abrasions up to 2cm are acceptable
- Dents up to 2cm, with a maximum of 2 dents per bumper or grille
- Discolour through external impacts, e.g. weather condition

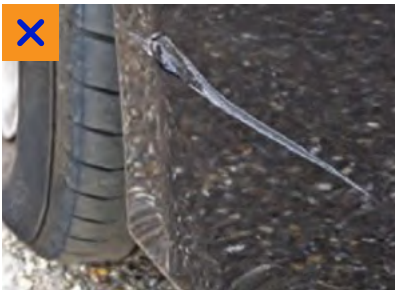


Vehicle exterior grille and bumper

Unacceptable condition



- Scratches that will polish out, but are longer than 10cm
- For painted bumpers: any chips, scratches, scuffs and abrasions, not possible to be removed via mechanical polishing
- Scuffs and abrasions larger than 2cm
- Dents larger than 2cm
- More than two dents per grille or bumper
- Broken or cracked or deformed grilles and bumpers
- Damage due to incorrect usage of chemicals



Vehicle exterior tyre wear and wheel rims

Acceptable condition



- Tyres with a minimum tread of 1.6mm or tyre treads that meet local legal requirements
- On the face of the wheel trim, rim or alloy: one scratch, scuff or abrasion
- On the border of the wheel trim, rim or alloy: one scratch, scuff or abrasion up to 10cm
- All tyres, including the spare, must meet motor registry requirements and comply with the vehicle manufacturer's recommendations of tyre type, size and speed rating

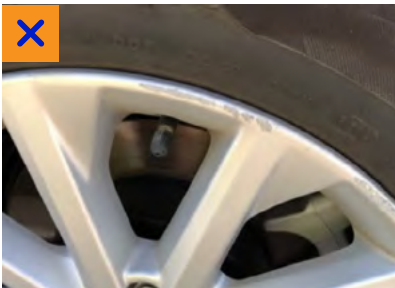


Vehicle exterior tyre wear and wheel rims

Unacceptable condition



- More than one scratch, scuff or abrasions
- Deformed tyres, e.g. caused by kerbing
- Bulges, cracks or cuts to the tyres
- Damage to the sidewalls or tread
- Tyres penetrated with a foreign object
- Broken or deformed wheel trim, rim or alloy
- Corrosion development on the wheel trim, rim or alloy
- Returns without the original hub caps, tyre mobility kit and/or spare wheel

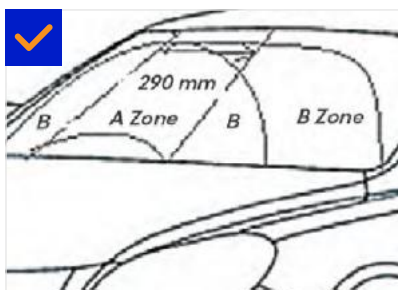
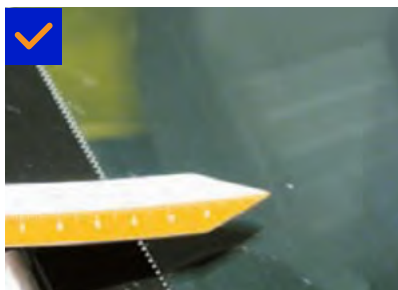


Vehicle exterior glazing and lights

Acceptable condition



- Minor stone pitting outside the A Zone of the windscreen
- Stone chipping on the surface of headlights, fog lights or indicators not breaking the glass and not harming its function
- Small stickers on the glass required by local legislation



Vehicle exterior glazing and lights

Unacceptable condition



- Any cracks stone chipping damage to the windscreen will be noted on the inspection report at a zero dollar amount, and will be charged back when this is repaired or the windscreen replaced
- Broken glass or lights
- Cracks or chips in the lights, which restrict the function of the light. All bulbs should be operational
- Self applied sun protection or tinted strips must be completely removed from the windscreen if they have not been professionally applied, are torn, or have begun to separate from the corners of the windscreen
- Chips or cracks larger than 1cm
- No chips in the A Zone of the windscreen



Vehicle exterior mirrors and external fittings

Acceptable condition



- Painted mirror cases: scuffing and scratches up to 5cm, provided that they may be removed by mechanical polishing
- For textured or non-painted mirror cases: scuffing, scratches and scores up to 5cm
- Fitted beacons or lights that are properly fitted and in full working condition, without any damage. The lights must fully comply with the legal requirements, and if required by local law, mentioned in the vehicle documents

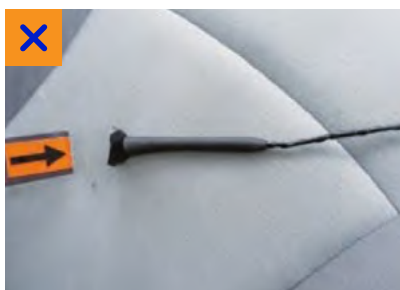


Vehicle exterior mirrors and external fittings

Unacceptable condition



- Painted mirror cases: scuffing and scratches larger than 5cm, or any scuffing and scratches not possible to be removed via mechanical polishing
- For textured or non-painted mirror cases: scuffing, scratches and scores larger than 5cm
- Returning a vehicle without complete tow bars and pins, where applicable
- Deformation or breakage of the mirror and/or mirror case
- Beacons that have damaged the structure of the vehicle through their fitment or removal
- Damage due to tow bar removal

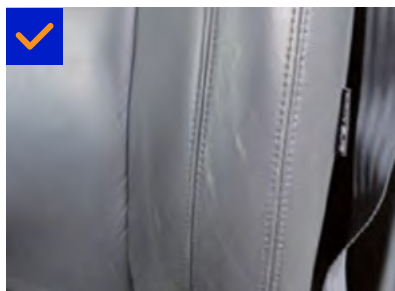


Vehicle interior cabin

Acceptable condition



- Soiling and stains on seats, interior lining, floor mats or carpets, which can be removed by general cleaning
- Seats showing wear and indentation through general usage
- Panel discolouration through day-to-day usage and wear
- Phone fittings/cradles may be left in the vehicle

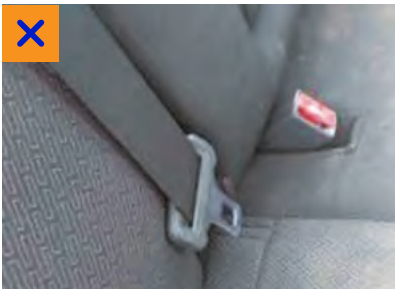


Vehicle interior cabin

Unacceptable condition



- Soiling and stains on seats, interior lining, floor mats or carpets, which can not be removed by general cleaning, but require specialist cleaning
- Cuts, abrasions, tears and damage to the material of the interior lining, carpets, floor mats and seat belts
- Holes left in the console as a result of equipment removal
- Cuts, gouges or loose threads on the steering wheel
- Unpleasant odours which require specialist cleaning to remove
- Returning the vehicle with seats or headrests missing



Vehicle exterior underside

Acceptable condition



- Minor dents and deformation, such as stone damage - provided it has not caused corrosion
- Some oil leaks - minor oil misting or dampness around seals or gaskets is acceptable, providing oil drips are not present

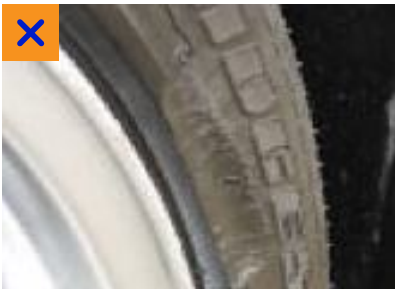


Vehicle exterior underside

Unacceptable condition



- Significant underbody rust
- Sill damage
- Significant damage or distortion to chassis components
- Exhaust system - The system should be properly suspended and in efficient working order, with no gas leaks or evidence of blowing from the exhaust system joints and in undamaged condition. The exhaust system should be in a condition to meet motor registry requirements in all aspects, particularly if fitted with a catalytic converter. CAT failure is unacceptable
- Tyres - There should be no obvious damage to sidewalls or tread caused by 'kerbing' or other heavy misuse
- Dents or damage to the rim or main body of the wheels are not acceptable. All four-wheel trims must be intact, with no more than minor scuffing due to everyday use. If mudflaps are standard equipment, they must be intact and properly attached. The spare wheel, jack and appropriate wheel tools must be stowed properly and in good working order



Mechanical condition

Regular servicing and maintenance through a lessor approved repairer and in accordance with the vehicle manufacturer's servicing programs should keep the vehicle in sound mechanical condition.

The following examples are conditions usually caused by vehicle neglect or misuse and therefore are not regarded as fair wear and tear



Brakes

Grooved brake discs caused by metal-to-metal contact



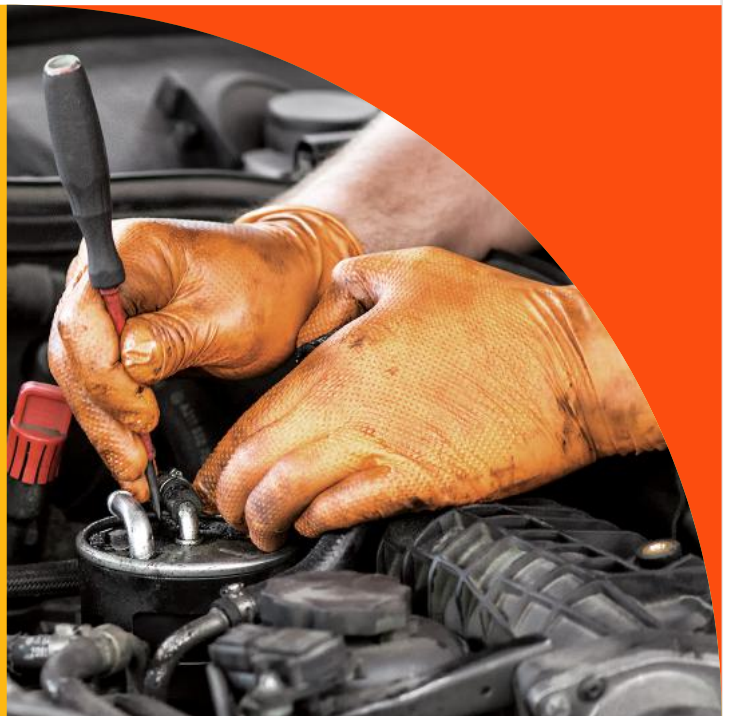
Engine

Seized due to running vehicle with insufficient coolant, lubricating oil and with broken internal components



Transmission

Slipping, erratic gear changing, clutch slipping, noisy transmission or ineffective



Fair wear and tear summary

These descriptions relate to passenger vehicles having travelled less than 100,000 kilometres. Wear and tear commensurate with higher kilometres, commercial and heavy duty usage will generally apply.

	Fair Wear and Tear
General	
Missing Service Manual, Owner's Manual	No
Missing/broken keys or remotes (chargeable)	No
Equipment	
e.g. Missing/damaged cigarette lighter, knobs, trims, aerials, headrests	No
e.g. Missing/damaged tools, jack, parcel trays, tyre repair or inflator kit, EV charging cables if supplied by OEM (chargeable)	No
Information stored in GPS/Satellite Navigation systems should be deleted	N/A
Glass	
One or two minor chips, bullseyes and stars (not in field of vision)	Yes
Major chips, bullseyes and stars (and minor chips in field of vision)	No
Non-operational or cracked/broken headlights or lenses	No
Tyres	
Unroadworthy	No
Missing spare tyre	No
Wheel trims (inc. hub caps)	
Missing, split, badly disfigured, heavy scuffing	No
Minor scuffing	Yes
Interior - trim/upholstery/carpets/controls	
Screw holes from car phone removal	No
Seats/trim - burnt, cut, holed, ripped, visible repairs	No

Soiling to seats and carpets - caused by normal use	Yes
Permanent soiling to seats and carpets - caused by abuse, spills, grease, etc	No
Rips, cuts, marks, splits to trim and controls	No
Normal odours, tobacco smells	Yes
Missing or inferior quality replacement controls	No
Torn or split luggage area trim panels and floor coverings	No

Paint/Body

Minor scratching - less than 25mm in length and shallow, two per panel	Yes
Major scratching - more than 25mm in length and deep, more than two per panel	No
Minor touch ups or minor flaking	Yes
Prominent touchups, spoils from bird/tree droppings, major flaking	No
Evidence of poor repairs, colour mismatch, misalignment between panels	No
Major abrasions - more than 25mm, signs of constant use of automatic car wash	No
Dents - greater than 20mm diameter or paint surface penetration	No
Dents - less than 20mm diameter, paint surface penetration and more than two per panel	Yes
Hail damage, buckling, distortion, missing badges	No
Minor stone chipping on bonnet, lower doors, wheel guards	Yes
Prominent areas of major stone chipping	No
Unrepaired or poorly repaired aerial holes (or aerial must be left in place)	No
Damage caused to the vehicle due to the attachment or removal of decals/stickers	No
Damage to paintwork from bird and bat droppings	No

Mouldings/Grille/Bumpers/Mudflaps

Minor parking damage - scuffing, light scratches	Yes
Medium damage - divots, gouging, minor dents, cracks	No
Major damage - rips, major dents, distortions, holes	No
Missing moulds, grilles, bumpers or mudflaps originally fitted to the vehicles	No

Underbody

Minor dents and deformations	Yes
Significant underbody rust	No
Sill damage	No
Major impact damage	No
Exhaust leaks which are the result of visible damage to the exhaust system	No

Mechanical condition

Failure to service and maintain the vehicle as per the manufacturer's recommendations, resulting in premature component or assembly failure (e.g. engine seizure, metal to metal brakes, transmission failure)	No
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