

RECITALS:

WHEREAS Seller is a well-known provider of aviation parts and services and wishes to provide Buyer with technical and logistic support Services (as hereinafter defined) for the maintenance of certain Components and Parts (both hereinafter defined) fitted on aircraft as mutually agreed by the Parties pursuant to this Agreement and any applicable Component Supplemental Agreement;

WHEREAS Buyer wishes to receive from Seller such services for the said Components in order to satisfy its needs and those of its customers;

WHEREAS Seller has the capacity and wishes to perform these Services on Components at Seller's Component Maintenance Shop or in Buyer's premises as the case may be, subject to the general terms and conditions of this Agreement and subject to the specific terms and conditions of the applicable Component Supplemental Agreement that shall be signed whenever required and agreed by the Parties.

NOW, THEREFORE, the Parties agree as follows:

TABLE OF CONTENTS

PART A - GENERAL TERMS

Article A1	Definitions
Article A2	Term
Article A3	Scope
Article A4	Governmental Authorizations
Article A5	Warranty
Article A6	Liability, Insurance
Article A7	Title and Risk of Loss
Article A8	Force Majeure and Excusable Delay
Article A9	Notices
Article A10	Termination
Article A11	Taxes
Article A12	Governing law - dispute
Article A13	Non-Disclosure
Article A14	Publicity
Article A15	General Provisions
Article A16	Export Compliance

PART B - GENERAL PROCEDURES

Article B1	Quality standards, logistics and repair procedures
Article B2	TAT, Interruption of Service, TAT Extension
Article B3	Parts and components replacement procedures
Article B4	Quotation, invoices and payment
Article B5	Improvement plan
Article B6	Performance measurement indicator

Signature page

Schedule B1	Buyer's Quality specifications
Schedule B2	Procurement Charter for Sustainable Development
Schedule B3	Improvement plan
Schedule B4	General Security Measures applicable at

PART A - GENERAL TERMS

ARTICLE A1 - DEFINITIONS

Capitalized terms used in the Agreement and/or in the applicable Component Supplemental Agreement but not otherwise defined in this Agreement and/or in the applicable Component Supplemental Agreement shall have the following meanings. If needed and to the extent consistent with the Agreement and/or applicable Component Supplemental Agreement, any other technical words not defined under this Agreement and/or under the applicable Component Supplemental Agreement shall have the meaning given in the latest edition of the CSDD (ATA Common Support Data Dictionary).

Terms:

"Anniversary"

means each anniversary date of the Effective Date during the Term of this Agreement (the date, which comes up every twelve (12) months from the Effective Date).

"Aircraft"

shall mean the aircraft type operated by Buyer or Buyer's customer, on which the Component is installed, including the airframe, engines, landing gears and Component apparatus, assembly Parts, accessories attached thereto, temporarily detached there from, incorporated in or installed on such aircraft.

"Airworthiness Directive" or "AD"

shall mean a document issued by the Aviation Authority having jurisdiction over the Component.

"Additional Work"

shall mean work ordered and approved by Buyer's Designated Representative of the Logistic Department, as indicated in Schedule C3 of the applicable Component Supplemental Agreement, not initially defined in the Requested Workscope or Workscope and to be performed in addition to the Workscope.

"Advanced Standard Exchange Component"

shall mean only a new or used Serviceable Component which replaces an Unserviceable Component not yet Delivered to the Seller. In all cases, an Advanced Standard Exchange Component shall be subject to prior acceptance of Buyer, such acceptance not to be unreasonably withheld.

"Affiliate"

shall mean any legal entity which is under the same control of either Party (such as a sister company), where "control" means the direct or indirect ownership of at least half of the voting securities or of the share capital of such legal entity or the power to direct or influence the direction of the management or policies of such legal entity through the ownership of voting securities or voting interest or otherwise.

"Agreement"

shall mean this Component Repair and Overhaul General Terms Agreement including the recitals, Part A - General Terms, Part B - General Procedures (Parts A and B hereinafter referred to collectively as the "General Conditions") and Part C — Template of a Component Supplemental Agreement and any amendments of any of the foregoing.

"Aircraft on ground" or "AOG"

shall mean that the Aircraft is (are) grounded, will imminently be grounded or unable to return to revenue service.

"Aviation Authority"

shall mean, European Aviation Safety Agency ("EASA"), and if applicable, the Federal Aviation Administration of the United States ("FAA"), or any other equivalent foreign aviation authority as agreed to in writing by Seller and Buyer and identified in the Workscope, under the jurisdiction of which Services are performed pursuant to this Agreement and the applicable Component Supplemental Agreement.

"Business Day"

shall mean a regular working day (i.e. not a weekend or legal public holiday) in the jurisdiction of the Party which is subject to the applicable time limitation.

"Buyer's customer"

shall mean the customer of Buyer.

"Change Order"

shall mean a written amendment for minor modifications to a CSA, as specified in Article A15.8 (Entire Agreement).

"CMM"

shall mean Component Maintenance Manual.

"Component"

shall mean any self-contained Part, combination of Parts, landing gears, assemblies, subassemblies or units performing a distinctive function necessary to the operation of a system, which are Serviced by Seller and fitted to an Aircraft and/or aircraft simulator, that are covered by any Component Supplemental Agreement, or any other component subject to a Buyer's firm and binding Order such as contemplated in Article B1.2.1.3 (Components not listed in any CSA) of the Agreement.

"Component Supplemental Agreement" or "CSA"

shall mean each duly executed component supplemental agreement identifying the mutually agreed Services to be performed on the specified Components and setting forth the specific conditions applicable to the Services, in a form substantially similar to of part C of the Agreement. Each CSA shall have its own reference number

"Component Maintenance Shop"

shall mean Seller's base maintenance location(s) where the Services shall be performed and which is (are) certified by the Aviation Authority to perform the applicable Service.

"Day"

shall mean a calendar day.

"Deliver"

shall mean the act by which Buyer accomplishes Delivery.

"Delivery"

shall mean, with respect to any Component, the delivery of the Component at Buyer's risk and costs at the address set forth in the applicable CSA.

"Designated Representatives"

shall mean the designated contact persons.

"Dollars", "USD" and "\$" shall mean the lawful currency of the United States of America.

"Euro", "EUR" and "€" shall mean the lawful currency of the Eurozone (Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia, Spain, or any other country which join the Eurozone during the term of this Agreement).

"Foreign Object Damage" or "FOD"

shall mean damage caused by impact or ingestion of birds, stones, hail or other debris or foreign object.

"Inflation Rate"

means an increase in average annual customer price index characterized by the percentage change of the average price level of latest twelve months against the average level of previous twelve months published for the Czech Republic by Czech Statistical Office.

"Inspection"

shall mean an examination of the Component in compliance with the CMM.

"Line Replaceable Unit" or "LRU"

shall mean a Component which can be readily changed on an Aircraft during line maintenance operations in accordance with the applicable Aircraft maintenance manual.

"Life Limited Part"

A part with a specific approved limitation of use in cumulative cycles, which either the OEM and/or the CAA-NL and/or EASA and/or FAA establishes as the maximum period of allowed operational time (LLP);

"Manufacturer" or "OEM" or "Original Equipment Manufacturer"

shall mean the original equipment manufacturer of a Component or a Part.

"MOE"

shall mean a regulatory-required repair station manual (for example a "maintenance organization exposition") or analogous document as required by the relevant Aviation Authority, with such manual describing (i) the housing, facilities, equipment, personnel, and general operating rules pertaining to the operation of the concerned repair station, as certified by the relevant Aviation Authority; and (ii) the ratings issued to such repair station by the relevant Aviation Authority as per its operations specifications and in applicable repair station manual.

"Order"

shall mean the written request for the Services placed by Buyer on Seller in accordance with and referencing the applicable CSA.

"Part"

shall mean one piece or two or more pieces joined together which are not normally subject to disassembly without destruction of their intended use.

"PMA part"

Part of aircraft component, manufactured under FAR21 Subpart K "Part Manufacture Approval"

"Quotation"

shall mean a detailed cost estimate provided by Seller to Buyer based on findings during Component Inspection. Such estimate shall detail, as far as reasonably practicable at this stage, failure, labour cost, Components/Parts replacement and Components/Parts repair costs, warranty period, and TAT.

"Redeliver"

shall mean the act by which Seller accomplishes Redelivery to Buyer. The address for Redelivery shall be set forth in the applicable CSA.

"Redelivery"

shall mean, in respect of any Component, the delivery by Seller of the Component duly Serviced to Buyer's designated freight forwarder in Seller's facilities, unless other Redelivery terms are specified in the applicable CSA.

"Requested Workscope"

shall mean the Services requested by Buyer on the Order.

"Scrapp"

shall mean the act by which Seller scrapps a Scrapped Component.

"Scrapped Components"

shall mean those Components determined by Seller to be Unserviceable Components and not repairable either because no repair procedure is available for such a Component or because the Component is beyond repair limits for reliability or because it is uneconomical to repair it, as per Article B3.5 (Scrapping) and the applicable CSA.

"Service" or "Services"

shall mean, with respect to the Component, all or any part of functional testing and/or, repair and/or overhaul requested by Buyer which Seller agrees to perform under this Agreement and under the applicable CSA, as more particularly requested in the Order for such Component, including, without limitation, the furnishing of Parts and materials, labour, facilities, tooling, painting, plating, and testing devices required in the performance of functional testing, repair, overhaul and warranty in connection with the Component. "Serviced" shall be construed accordingly.

"Serviceable Component"

shall mean a Component that meets all requirements of the applicable CMM, OEM and Aviation Authority specified standards for airworthiness and has no known defects which would render it unfit for service according to the Services Specification, with its Serviceable tag recognized by the relevant Aviation Authority.

"Service Bulletin" or "SB"

shall mean the document issued by the OEM to notify the operator of recommended modifications, substitution of Parts, special inspections, special checks, modification of existing life limits or establishment of first time life limits and conversion from one Component model to another.

"Serviceable Condition"

shall mean, with respect to a Component, an airworthy condition such that the relevant Component can be used for the same purpose as a newly manufactured Component.

"Services Specification"

shall mean Buyer's Services specification relative to the Component covered by and as set forth in the applicable CSA. Each Service Specification shall identify the minimum baseline according to which the Component will be inspected, repaired, modified, reassembled and tested in line with the then current CMM. Such Service Specification shall meet or exceed the applicable OEM's operational specifications and applicable Component maintenance or overhaul manuals modified as per Buyer's maintenance plan as agreed by Buyer and Seller and approved by the Aviation Authority.

"Turn Around Time" or "TAT"

shall mean the time period (as may be extended in accordance with the Agreement) within which Seller undertakes to perform the Services and Redeliver the Serviced Component, pursuant to the Agreement and the applicable CSA.

TAT shall be calculated from the Day following Delivery until the Day of Redelivery of Buyer's Serviced Component or a Standard Exchange Component, excluding time not attributable to Seller as described in Article B2.2 (Interruption of Service).

"Standard Exchange Component"

shall mean only a new or used Serviceable Component which replaces an *Unserviceable Component. In any case, a Standard Exchange Component shall be subject to prior acceptance by Buyer, such acceptance not to be unreasonably withheld.

"Subsidiary"

shall mean any legal entity of a Party with respect to which such Party holds directly or indirectly at least half of the voting securities of such company or hold more than half of the share capital of this company or has the power to direct or influence the direction of the management or policies of this company through the ownership of voting securities or voting interest or otherwise.

"Unserviceable Component"

shall mean a Component which is not Serviceable.

"Unserviceable Condition"

shall mean, with respect to a Component, in a not Serviceable Condition.

"Value Added Tax" or " VAT"

shall mean value added tax applied (if any) in accordance with relevant VAT law in effect and in compliance with the VAT Directive 2006/112/EC.



shall mean the document, in compliance with the CMM, written and approved by Seller's engineering staff describing the prescribed Service or approach to repair of the identified Component so as to meet the requirements of the Order for such Component. The Workscope shall be established by Seller, based upon the Services Specification, the Requested Workscope, the actual condition of the Component, and shall be submitted by Seller to Buyer for Buyer's approval, such approval not to be unreasonably withheld or conditioned. The Workscope shall, at such time of Buyer's approval, supersede the Requested Workscope and shall be utilized by Seller in the performance of the Services on the referenced Component. The Workscope shall incorporate SB's which have been selected and agreed by both Buyer and Seller.

ARTICLE A2 - TERM

This Agreement shall enter into force and effect on January 1st 2017, after its signature by a duly authorized representative of each Party and shall continue for a period for a subject to the provisions of the Agreement and except for the provisions of Payment, Warranty, Liability, Insurance, Non disclosure, Governing Law — Dispute and any other provision which by its nature will survive expiration or early termination of the Agreement in the conditions as defined in the relevant Articles.

The Parties agree that if they wish to extend the Agreement beyond the period defined here above, they shall do so through an amendment pursuant to Article A15.8 (Entire Agreement).

Each CSA shall be effective for the period of time determined respectively in term of a CSA exceeds the duration of the Agreement, the provisions of the A automatically extended accordingly.

ARTICLE A3 - SCOPE

Seller shall furnish the Services in compliance with the provisions of this Agreement and those of the applicable CSA.

This Agreement is a general conditions agreement that has to be completed and made operable by the Parties agreeing to specific conditions applicable to Components and detailing the corresponding Services, such specific conditions being set forth in a specific CSA.

In case of a difference or contradiction between the provisions of the General Conditions and those of the applicable CSA, the provisions of the applicable CSA (including any Order issued pursuant to and in accordance with such CSA) shall prevail.

Unless otherwise agreed upon in writing, the Agreement and/or any CSA shall not confer to Seller any exclusive right of supply.

ARTICLE A4 - GOVERNMENTAL AUTHORIZATIONS

The Parties shall cooperate and provide each other all reasonable assistance in applying for any import or export license or other governmental authorization required for a particular Service. If identified by the Parties, each CSA shall designate in Article C10 (Governmental Authorizations) each Party's specific responsibilities and the associated terms and costs for obtaining such authorizations. In any case, the obligation of the Parties to fulfil their respective obligations for the Services shall be conditioned on the Parties' ability to secure or renew or maintain any required export or import licenses or other required governmental authorization.

ARTICLE A5 – WARRANTY

A5.1 Seller warrants to Buyer, that at the time of Redelivery, the Services performed under this Agreement and under the applicable CSA will be free from defects in material and workmanship, and that the serviced Component will be a Serviceable Component and fit for the given use.

The above warranty shall run as of the acceptance of the Services by Buyer as per article B1.2.13 (Services Acceptance) and shall remain valid for the period defined in article C5 (Warranty) of the applicable CSA.

Buyer shall send to Seller written notice of any warranty claim attached by a supporting documentation (technical description of the defect, photodocumentation and respective standard or technical norm which the Service does not comply with if applicable) as soon as practicable after discovery of the basis for such claim. Such notice must be received by Seller no later than after the expiration of the warranty period or otherwise will not be valid. Simultaneously, Buyer shall ship the subject Component, freight prepaid, to the Delivery address, or as mutually agreed Seller may inspect and/or remedy the said Component at Buyer's facilities. Seller may accept or reasonably refuse the warranty claim as of delivery of the defective Component.

Seller may deny the warranty claim by providing Buyer with written reasons for warranty denial, such denial not to be unreasonably rejected by Buyer. In case of warranty denial by Seller and after Buyer's approval, Buyer will issue an Order for Services to be performed by Seller on the Component to bring it in serviceable condition according to the applicable CSA and the applicable CMM. In case of warranty denial by Seller and non approval by Buyer, the Parties shall negotiate in good faith to resolve the disputed warranty claim.

If Seller accepts the warranty claim, Seller shall in a timely manner, but in no event exceeding the TAT applicable for the Component that gave rise to the warranty claim, based upon Seller's proposal and mutually agreed upon in writing by the Parties, correct the defect, free of charge, by:

- repairing the defects and making available the Serviced Component at Buyer's facilities or,

uyer's facilities a replacement Serviceable Component.

After repair of a Component by Seller, the unexpired remainder of the original warranty shall apply or for a from the date of the Redelivery of the corrected Component to Buyer, whichever is longer.

If Buyer requests Seller to extend the Workscope beyond the scope of the defect under warranty, for example to overhaul the Component, Seller's obligations and liabilities under the warranty claim shall only be for that portion of the Services related to the correction of the defect under warranty. The Services pursuant to any such Additional Work beyond the warranty defect shall benefit from the warranty as per this Article A5 (Warranty).

In case of an undisputed warranty claim, Seller shall, upon presentation of documented invoices, reimburse Buyer reasonable direct labor hours for removal and reinstallation of the defective Component and all sums paid for the transportation and incurred by Buyer (including freight insurance charges) in returning the warranted Component to Seller and in connection with the transportation of such Component from the Delivery address to Buyer's premises or the mutually agreed address). When appropriate, the Parties may agree in the applicable CSA on a fixed transportation price (fixed, flat rate charge), which shall consider Seller's address and Component type. In case of an AOG Situation, Seller will provide a remedy in accordance with Article B3.3 (Remedy for Non-performance).

A5.2. THE FOREGOING WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN, ORAL, EXPRESSED, IMPLIED BY APPLICABLE LAW (INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE) TO THE EXTENT WHICH SELLER IS PERMITTED BY LAW TO EXCLUDE THE SAME.

A5.3 This warranty is applicable only if the Component, following Redelivery:



Without prejudice to the dispositions of article A5.1 and in addition to the warranty granted to Buyer through the said article, any Part and material incorporated in the Component by Seller during the performance of the Services, will also benefit from the warranty, if any, of the OEM or vendors of such Part and material.

As a result thereof, Seller, upon Buyer's request, shall manage and process directly with the OEM or vendors, at no charge to Buyer, the warranty claims on Parts incorporated by Seller in the Component by Seller during Services.

A5.5 In-House Warranty

Seller may authorize Buyer through a CSA to perform in Buyer's facilities the repair of an affected Component under warranty, subject to the terms of this Article A5 (Warranty) and of Article C5 (Warranty).

A5.6 Standard Exchange Component, Advanced Standard Exchange Component

Seller warrants to Buyer that it has good title to any Standard Exchange Component or Advanced Standard Exchange Component delivered to Buyer and that any such Standard Exchange Component or Advanced Standard Exchange Component shall be free of any lien, charge or other encumbrances.

ARTICLE A6 - LIABILITY, INSURANCE

In this article:

- the term "Seller" means and those of its Subsidiaries, Affiliates and operating divisions who join this Agreement by executing a CSA, their directors, officers, employees, subcontractors and their respective insurers.
- the term "Buyer" means ts directors, officers, employees, its insurers.

A.6.1 LIABILITY

Seller shall be liable for bodily injury and property damage of any kind whenever caused by it, including but not limited to those caused to Buyer's assets or assets in the care of Buyer (such as Aircraft and Components), to directors, employees, agents, or subcontractors of Buyer or of a third-party, which may directly arise out of the performance or the non-performance of the Services as defined in the Agreement and whicl id Services or after Redelivery due to Seller's gross negligence or wilfull misconduct. Seller's liability for direct damages shall be limited to the amount of the value of a replacement Landing Gear, as defined in the Component Supplemental Agreement Meither Party shall be liable for any indirect or consequential damages.

Buyer and its insurers renounce to make a claim against Seller, against Seller's directors, employees, subcontractors, agents, and their respective insurers for any damage or prejudice to Buyer's assets or the assets in its care, to Buyer's directors, employees, agents, subcontractors or to a third-party, and undertake to indemnify and hold harmless Seller against such damage or prejudice, except in the event of gross negligence or wilful misconduct of Seller.

To help insure against the above-mentioned risks, Seller shall carry during the term of the CSA and shall provide Buyer before its signature date a satisfactory and sufficient liability insurance policy covering the contractual operations and commitments which may be engaged during the performance of the Agreement and/or the CSA.

Seller is to enclose in Schedule C6 the relevant certificate of insurance valid on the signature date of the CSA and shall immediately send a copy of each policy renewal.

The said certificate shall stipulate that Seller's insurers have read the Agreement and more particularly the present article, and accept it.

Seller and its insurers renounce to make a claim against Buyer, against Buyer's directors, employees, subcontractors, agents, and their respective insurers for any damage or prejudice to Seller's assets or the assets in its care, to Seller's directors, employees, agents, subcontractors or to a third-party, except in the event of gross negligence or wilful misconduct of Buyer.

Seller and its insurers indemnify and hold harmless Buyer, Buyer 's directors, employees, subcontractors, agents and their respective insurers against any claim proceeding from its directors, employees, subcontractors, agents and insurers or a third-party, except in the event of gross negligence or wilful misconduct of Buyer.

A.6.2 INSURANCE

A.6.2.1. During the term of this Agreement and for a minimum termination or expiration of this Agreement or upon redeliv whichever occurs first (but in respect of products liability only from the moment the Component / the Aircraft to which the Component is installed is not operated by or is not

in the care, custody or control of Buyer anymore), Buyer shall effect and maintain at its own cost and in full force:

- Hull "All Risks" and "War Risks" insurance in respect of the Aircraft to which the Component is installed;
- Spares "All Risks" and "War Risks" insurance covering Component whilst not installed to the Aircraft as well as any other parts or items of Buyer delivered to Seller;
- Aviation Legal Liability insurance with respect to the Aircraft on which the Component is dincluding to the extent available war and allied perils coverage in accordance with AVN52E) to cover, but not limited to, Aircraft Third Party Legal Liability, Passenger, Baggage, Cargo and Mail Legal Liability, Products Legal Liability and General Third Party Liability (bodily injury/property damage) for a combined single limit of not less that by one accident or occurrence and in the annual aggregate in respect of products liability and war and allied perils coverage or such higher amount required by applicable law.

The above liability insurance shall name Seller, its directors, officers, agents, employees and Subcontractors as additional insureds (hereinafter referred to as "the Additional Insured") and hull and spares insurances shall provide that Buyer's insurers waive any and all of their rights of subrogation against the Additional Insured, except in respect of claims caused by the Gross Negligence or the Wilful Misconduct of the Additional Insured.

A.6.2.2 All the above insurances shall contain market standard provisions including, but not limited to:

- a provision that such liability insurances shall be primary and without rights of contribution from any other insurances which may be available to the Additional Insured and shall also contain a severability of interest clause;
- a provision that the interest of the Additional Insured shall not be invalidated by any act or omission (including misrepresentation and non-disclosure) of any other person which results in a breach of any term, condition or warranty of the insurances;
- common or such less period as may be available for War Risks Cover) and in case such notice is given, it shall be provided to the Additional Insured;
- a provision that the Additional Insured is not liable for the payment of any premium.

A.6.2.3. During the Term of this Agreement (and, in respect of products liability insurance only, for a minimum and after the termination or expiration of this Agreement or upon redelivery of the component to byuer, whichever occurs first), Seller shall effect and maintain at its own cost and in full force:

-	Aviation General Legal Liabi	ity Insurance (including to the extent available war an	ıd
	allied perils coverage in acco	dance with AVN52E or similar) to cover Hangar keeper	S,
	Premises and Products Lega	Liability (bodily injury/property damage) for a combine	ed.
	single limit of not less than	for any one accident or occurrence ar	ιd
	in the annual aggregate	-	

- **A.6.2.4.** Prior to the commencement of the Services under this Agreement, each party shall provide to the other certificate of insurance issued by internationally recognised insurers or such other evidence reasonably satisfactory to the other that the insurance set out herein is and shall continue in full force and effect during the term of this Agreement. It is understood that supplying certificate of insurance which is compliant with the terms of insurance requirements under this Agreement is a material requirement of this Agreement. Failure to supply compliant certificate of insurance in advance of the commencement of the Services under this Agreement will be considered a breach of obligations under this Agreement.
- **A.6.2.5.** Each party shall maintain at its own expense worker's compensation as required by law and Employer's Liability Insurance with liability limits and insurers reasonably acceptable.
- **A.6.2.6.** In case any parts or items are leased or loaned to Buyer by Seller, Buyer will additionally provide Seller with a certificate of insurance in compliance with all the insurance requirements set out herein with the reference to such lease or loan and additionally in regard to hull and spares insurances named above stating that such parts or items are covered for full replacement value (as specified in this Agreement or related Component Supplemental Agreement) and that Seller (or the owner of the respective parts or items) will be the Loss Payee in case of damage or loss of loaned or leased parts or items whether or not such damage or loss is caused by the negligence of Seller (or the owner of the respective parts or items). If such leased or loaned parts or items are not owned by Seller then specific insurance requirements of the owner of the respective parts or items to be applied as well.

ARTICLE A7 - TITLE AND RISK OF LOSS

Components entrusted to Seller by Buyer for the performance of Services remain the full and unrestricted property of Buyer or Buyer's customer.

Such Components shall not be permanently retained by Seller for any reason whatsoever (except for Standard Exchange Component), and shall be returned as promptly as possible at the written request of Buyer, subject to the reimbursement by Buyer of all costs reasonably incurred up to such date by Seller.

Seller shall be liable for any risk of loss or damage to Such Components while in Seller's custody and in the case of Services being performed in Buyer's facilities at the beginning of the performance of such Services in Buyer's facilities. Consequently, in the event of the loss of or damage to the said Components, Seller undertakes, on Buyer's request, as soon as possible:

- to make said Component Serviceable, or
- to provide with a Standard Exchange Component (when applicable).

In the event of Standard Exchange Component, title to the Components exchanged will pass from Seller to Buyer and from Buyer to Seller upon delivery (at the place designated for Redelivery) of the Standard Exchange Component to Buyer.

In the event of an Advanced Standard Exchange Component, title to the Components exchanged will pass from Seller to Buyer and from Buyer to Seller upon installation of the Advanced Standard Exchange Component on the Aircraft. Risk of loss of the Advanced Standard Exchange Component will pass from Seller to Buyer upon delivery (at the place designated for Redelivery) of the Advanced Standard Exchange Component to Buyer.

In the case when, as provided for in article B3.3 (Remedy for Non-performance), due to exceptional circumstances, Seller is incapable of supplying a Standard Exchange Component and Buyer buy from another supplier of its choice a replacement Component, title to the Component Delivered to Seller will pass from Buyer to Seller at the time of the payment in full by Seller to Buyer of the replacement Component.

ARTICLE A8 – FORCE MAJEURE AND EXCUSABLE DELAY

A8.1 Neither Party shall be liable for failure and/or delay in the performance of the Agreement and/or CSA, to the extent such failure to perform is caused by an irresistible, unforeseeable event beyond the reasonable control of the prevented Party ("Force Majeure Event") which prevents such Party to perform its obligations. Wars, riot, floods, natural disasters, acts of terrorism, pandemics, governmental acts, and strikes other than of Seller's personnel, this list being non-exhaustive, shall be conclusively deemed to be a Force Majeure Event.

The prevented Party shall inform the other Party by any means and when possible by registered letter with acknowledgement of receipt within a period as of the occurrence of the Force Majeure Event. The Agreement and/or the applicable CSA shall be rightfully suspended throughout the duration of the Force Majeure Event.

In the event a Party is prevented from fulfilling its obligations under this Agreement and/or the applicable CSA because of a Force Majeure Event, such Party shall make its best efforts to maintain its performance under the Agreement and/or the CSA. Seller's such obligation shall include, without limitation, trying to procure Standard Exchange Components from its Subsidiaries and Affiliates (including Affiliates' subsidiaries or operating divisions) or seek such Affiliates' help in providing other suitable remedies.

Notwithstanding the foregoing, in case of an AOG caused by a Force Majeure Event, should a Standard Exchange Component or another suitable solution be available at or through a Subsidiary or an Affiliate of Seller (including Affiliates' subsidiaries or operating divisions), Seller shall immediately procure for Buyer upon its written request such Standard Exchange Component or such other suitable solution.

Throughout the duration of a Force Majeure Event, Buyer may resort to any other service provider of its choice.

The prevented Party undertakes to make all reasonable endeavours to catch up on lost time once Force Majeure Event is over.

Should the Force Majeure Event last more than the concerned CSA may be rightfully terminated without notice, by either Party, by registered letter with acknowledgement of receipt to the other Party.

A.8.2 Without limitation to the generality of the foregoing, Seller shall make its best efforts to avoid that external strikes affect the performance of Seller under this Agreement and/or the applicable CSA and will continue to do so during the term of the Agreement. In the event of an external strike affecting the performance of Seller, upon either Party's request, authorized representatives of each Party shall meet to agree on a plan to minimize the effects of such Force Majeure Event. Such plan may include the following actions, with respect to which Seller agrees to use its best efforts to:

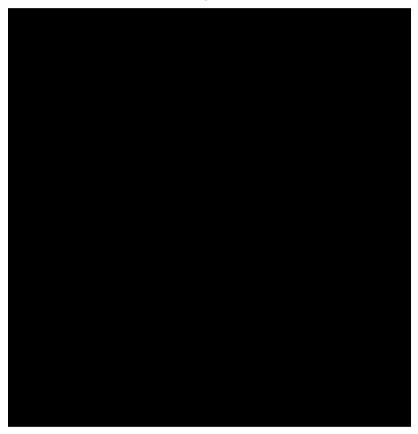
- have Services performed at alternative Seller's repair facilities,
- provide Buyer with available Serviceable Components from lease or exchange pools,
- take such other measures as may be set forth in the applicable CSA.

A.8.3 Any of the following events preventing the Seller from the performance of its obligations in due time and for which the Seller shall not be held liable is hereinafter referred to as the "Excusable Delay":

- A.8.3.1 any unforeseen major defects, tasks or findings which are outside any standard workscope; or
- A.8.3.2 any delays due to the Buyer, such as late Delivery of the Item to the Seller on which the Services are to be performed by the Seller, late delivery of Components, technical data and/or materials to be supplied by the Buyer (if applicable), or being supplied on time are later found to be unserviceable or in not sufficient quantity, or delay by the Buyer in the validation, execution or transmission of any document, information or decision as required under the Agreement; or
- A.8.3.3 any delay exclusively due to unavailability of certain parts, items, materials, systems, accessories, tools or equipment on the market, which is unpredictable, unexpected, unavoidable and insurmountable and beyond the Seller's control; or
- A.8.3.4 any additional services or changes requested by the Buyer; or
- A.8.3.5 Force Majeure Event.

ARTICLE A9 - NOTICES

A9.1 Necessary procedures, if any, for routine, day-to-day or administrative communications concerning matters covered by a CSA shall be set forth in Article C6 (Buyer's Designated Representatives and Seller's Representatives) of each such CSA. Notices and other formal communications required or permitted hereunder and concerning the Agreement itself (including without limitation notices of claims or any notice of default) shall be sent by registered mail or overnight courier (such as FedEx or DHL), with evidence of receipt, to the following representatives at the following addresses:



A9.2 All formal correspondence and notices shall be in English and shall be deemed to have been given at the time when received by the addressee, unless otherwise stated in the applicable CSA.

ARTICLE A10 - TERMINATION

A10.1 In addition to the other termination cases set forth in the Agreement and/or in the applicable CSA, either Party may terminate in whole or in part the Agreement and/or any CSA by notice sent by registered letter with acknowledgement of receipt with immediate effect, ipso jure, if the other Party has failed to remedy a material breach of any of its obligations after written notice to remedy the same has been given specifying the breach complained of.

A10.2 The Agreement and/or the applicable CSA may also be terminated by Buyer or Seller, ipso jure, without notice or compensation, by registered letter with acknowledgement of receipt, in the event:

 of legal adjustment or amicable or legal liquidation of the other Party's assets, subject to the dispositions of law and order, or any insolvency or suspension of the other Party's operations, or proceeding commenced by or against Seller or Buyer, as applicable, under any state, provincial or federal law relating to bankruptcy, arrangement, reorganization, receivership or assignment for the benefit of creditors.

The Agreement or the affected CSA may also be terminated by Buyer, ipso jure, without notice or compensation, by registered letter with acknowledgement of receipt, in the event of:

- suspension, cancellation, non-renewal, reduction in the insurance policy guarantees as defined in the Agreement and in the certificate of insurance attached to the CSA,
- non-reconstitution of the aggregate amount defined in Article 6 (Liability, Insurance) of the Agreement,
- substantial modification of Seller's authorized capital leading to a material adverse effect on Buyer's interest and business,
- loss of Seller's EASA Part 145 and / or 14CFR Part 145 and / EASA Part 21G certificates or those equivalent FAA certifications, and / or loss of Seller's rating necessary to sign the Release to Service, provided, however, that Buyer shall terminate only the CSA affected by the said loss of certification unless such loss, in the opinion of Buyer, materially prejudices Seller's ability to perform the Agreement generally, in which case Buyer may terminate the entire Agreement.
- any wrongful behaviour or actions on the part of a member of Seller's personnel while in Buyer's premises that is reasonably liable to jeopardize the security of persons and properties in a material manner.

A10.3 Expiry or early termination of the Agreement and/or the applicable CSA shall not relieve the Parties of their responsibilities, commitments, expenses or charges accumulated on the expiry date or early termination date.

In such case:

- Seller shall complete the repair of all Components underway and shall return such Components to Buyer in accordance with the provisions of the Agreement and/or the applicable CSA,
- then, Buyer shall return to Seller any Component in its possession loaned to Buyer by Seller. However, should the return of the said Component by Buyer prove to be impossible, the Parties hereto agree to negotiate on mutually acceptable terms, where applicable, a transfer of title between the said Component and a Buyer's Component,
- finally, the Parties hereto shall draw up jointly, where applicable, the balance of the amounts due by way of the Agreement and/or the applicable CSA).

ARTICLE A11 - TAXES

Buyer shall not be liable for any taxes imposed as a result of the relocation or change in the place of management, place of payment or residence of Seller by way of assignment or otherwise.

All the prices quoted under this Agreement do not include VAT and are final, no duties or charges will be additionally levied, provided it is not explicitly agreed otherwise.

Each Party shall be responsible for its own corporate taxes imposed by the state of tax residence.

If Buyer is required by law to make any deduction or withholding from any payment hereunder, it shall do so and the sum due from Buyer in respect of such payment will be increased to the extent necessary to ensure that, after making of such deduction or withholding, Seller receives and retains (free of any liability in respect of any such deduction or withholding) a net sum equal to the sum it would have received and retained had no deduction or withholding been required to be made.



ARTICLE A12 - GOVERNING LAW - DISPUTE

A12.1 Governing Law

The Agreement shall be subject to, governed by and construed in accordance with the laws of the

2.2 Dispute

he event of a difference of opinion concerning the interpretation or the performance or the consequences of the Agreement and/or any applicable CSA, the Parties hereto undertake to make every effort to reach an amicable settlement.

In the absence of an amicable settlement within a period of as as from receipt of the written notification of the difference of opinion by either of the Parties by registered letter with acknowledgement of receipt, the difference of opinion shall be submitted to the competent court at

Even in the event of a dispute, Seller undertakes not to stop, suspend or slow down the performance of its obligations, except with prior approval of Buyer or except in case a Force Majeure Event Should Seller not respect the dispositions of the present paragraph, Buyer shall be entitled to terminate the Agreement ipso jure, without notice and/or to obtain compensation.

ARTICLE A13 - NON-DISCLOSURE

During the course of performance of this Agreement, each Party may communicate to the other Party certain non-public, confidential and proprietary information ("Proprietary Information") that it is free to dispose of and/or disclose within the context of this Agreement and/or the applicable CSA under the conditions hereafter. Such Proprietary Information shall, when tangible, bear an appropriate restrictive legend or other conspicuous marking identifying its proprietary status, and when not tangible (e.g., in the case of verbal or visual disclosures), shall be designated at the time of disclosure as being proprietary and then summarized in writing within of disclosure.

Each Party acknowledges the confidential nature of Proprietary Information it receives from the other Party or which shall arise from the services it shall provide under the Agreement and/or the applicable CSA.

Consequently, each Party undertakes:

- to treat Proprietary Information in the same way as its own confidential information (but in no event in less than a commercially reasonable manner),
- to allow, on its premises, access to the said Proprietary Information only to the personnel having a need to know such Proprietary Information for the performance of the Parties' obligations under this Agreement and/or the applicable CSA,
- not to disclose, communicate or give access to the said Proprietary Information to third-parties, unless with prior written consent of the disclosing Party,
- in case of such consent, to oblige third-parties to contract, with regard to the other Party, the same confidentiality obligations as those defined in the present article,
- not to use the said Proprietary Information for any purpose outside the scope of the Agreement and/or the applicable CSA.

The confidentiality obligation does not concern information which:

- is already known to the receiving Party at the time of communication by the disclosing Party to the receiving Party, unless the said information was acquired by the receiving Party within the framework of former services carried out for the other Party,
- is or may become accessible to the receiving Party via other sources without restriction and without violation of this Agreement and/or the applicable CSA, if such other source does not breach any confidentiality agreement.
- has lapsed because the applicable confidentiality period has expired,
- is independently developed by the receiving Party without relying on the Proprietary Information.
- is or comes into the public domain through no fault or wrongful act of the receiving Party,
- has to be confided by any Party in order to fulfil cogent law or individual authoritative act.

By express agreement the Parties acknowledge the fact that all price information related to this Agreement and/or any applicable CSA as well as prices themselves actually paid by Buyer for Services also have a confidential character and shall come under the provisions of this Article.

On expiry or termination of the Agreement and/or the applicable CSA, each receiving Party undertakes to return or destroy (with destruction certified by an officer of the receiving Party) to the disclosing Party the documents received from the disclosing Party along with any notes, drawings, plans that the receiving Party may have drawn up and which may be likely to reveal Proprietary Information belonging or entrusted to the disclosing Party. Proprietary Information contained in a receiving Party's computer backup system shall be exempt from the obligation to return or destroy to the extent such information is not readily separable.

Correspondingly, Buyer consents to the disclosure of Proprietary Information to Seller's Subsidiaries and Affiliates, on a need to know basis for the performance of a CSA, provided that such Subsidiaries and Affiliates agree upon the same confidentiality obligations as those defined in this article.

The Parties hereto certify that they have taken or shall take all the necessary steps with regard to their employees or to anyone they may call upon so that they comply with the conditions of this Article. Each Party shall be liable for any breach of this Article, including breach by Affiliates or Subsidiaries.

The confidentiality obligation defined by the present article is to remain in force throughout the duration of the Agreement and following its expiry or early termination.

ARTICLE A14 - PUBLICITY

The Agreement, the applicable CSA, and the Orders issued by means of the Agreement and/or the applicable CSA, shall not give rise to direct or indirect publicity unless with prior written agreement by both Parties.

The Parties have agreed that, pursuant to Czech public law (Act. No. 340/2015 Coll., Contract registration act) this Contract shall be published in Czech contract register and that all prices, serial numbers and part numbers and identification data of the Parties constitute commercial secret and shall not be published.

ARTICLE A15 - GENERAL PROVISIONS

A15.1 Assignment

Except in the case of assignment to an Affiliate, Subsidiary or holding company of the Parties (in which case consent is not required), partial or total assignment of the Agreement and/or CSA to a third party is strictly prohibited, except with prior written consent of the non-assigning Party.

It is understood by both Parties that the entity which enters into a CSA shall not be considered as an assignee but as a Party to the Agreement.

A15.2 Saving Articles

If any provision of this Agreement and/or an applicable CSA is determined to be a violation of or contrary to any controlling law, rule or regulation issued by a court of competent jurisdiction, then that portion shall be unenforceable and deleted from this Agreement and/or the applicable CSA. However, the remaining provisions of this Agreement and/or such applicable CSA shall remain in full force and effect.

Should a portion be deleted from this Agreement and/or the applicable CSA because it is determined to be a violation of or contrary to any controlling law, rule or regulation issued by a court of competent jurisdiction, and should this deletion constitute in the opinion of a Party a material change, the Parties agree to negotiate in good faith appropriate modifications to this Agreement and/or the applicable CSA to address the adverse effect of said deletion. During such negotiations and to the extent feasible, the Parties shall continue to perform their obligations hereunder.

In addition, the Party which considers that the conditions set forth in the immediately preceding paragraph are met shall give notice thereof to the other Party by registered letter with acknowledgment of receipt requested, which will specify the date and nature of the event or events which caused the alleged change, an evaluation of the hardship which is or will be suffered and the proposal to remedy such change. Any notice given more than after the date of occurrence of the event which caused the change alleged by the notifying Party shall be invalid unless the notifying Party can demonstrate that the other Party has not been prejudiced by such a delay.

A15.3 Beneficiaries

Except as herein expressly provided to the contrary, the provisions of the Agreement and/or the applicable CSA are for the benefit of the Parties hereto and not for the benefit of any third party.

A15.4 Waiver

Any failure at any time of either Party to insist upon any of its rights under the provisions of this Agreement and/or the applicable CSA shall neither constitute a waiver of such provisions nor prejudice the rights of Buyer or Seller to insist upon such provisions at any subsequent time. The said waiver shall only come into effect if made in writing and signed by the duly authorized representatives of the Parties.

A15.5 Titles/Subtitles

The titles and subtitles given to the Articles of the Agreement and/or the applicable CSA are for convenience only and shall not in any manner be deemed to limit or restrict the context of the Article to which they relate. The words "herein", "hereof", "hereunder", "herewith", and similar terms are not to be deemed restrictive and refer to the entire Agreement and/or the applicable CSA.

A15.6 No Agency

The Parties are conducting transactions arising from this Agreement as independent contractors, and do not intend to create any of the following relationships for any purpose: (i) prime contractor and subcontractor; (ii) employer and employee; (iii) partnership or joint venture; (iv) an agency; (v) trust or other fiduciary relationship; or (vi) any other legal entity. Neither Party will enter into any agreements, make any warranties or representations, nor assume or create any other obligations on the other Party's behalf.

A15.7 Seller's Intellectual Property Warranty

All the intellectual property rights associated with the Services supplied by Seller for the performance of the Order shall remain the exclusive property of Seller and shall not be assigned to Buyer.

Seller shall defend or, at its option, settle, any claim, suit or proceeding ("Claim") brought against Buyer based on an allegation that the Services infringe the intellectual property rights of a third party, provided that Seller is notified promptly by Buyer in writing of the claim and given exclusive authority, information, and assistance by Buyer for the defence thereof. In the event of a final adjudication by a court of competent jurisdiction that the Services infringe such rights and the use of the Components is enjoined, Seller shall at its option and expense, without prejudice of any other damages Buyer might receive, either: (a) procure for Buyer the right to continue using the Components, (b) replace the Components with non-infringing goods; or (c) modify the Components so that they become non-infringing; or (d) refund Buyer any amount paid by Buyer for the affected Services to the extent Buyer is not able to use the infringing Components. The foregoing indemnity is Buyer's sole remedy for infringement and does not apply to any settlement of a claim made by Buyer without Seller's prior written consent.

A15.8 Entire Agreement

The Parties agree that the Agreement and the applicable CSA embodies the entire agreement of the Parties with regard to the matters dealt with herein and that no warranties, representations, understandings or agreements written or otherwise exist between the Parties, except as expressly set out in the Agreement and/or the applicable CSA.

No change or modification to the Agreement and/or the applicable CSA shall be valid unless made in writing and signed on behalf of each Party by their authorized representatives. The Parties may use a Change Order to satisfy such requirement for a written amendment to the CSA. A Change Order template is provided in Schedule C8.

A15.9 Interpretation.

This Agreement and the CSA(s) shall apply in lieu of any printed terms on any repair Order, purchase Order or other written instruction or authorization, and particularly sale and purchase

conditions issued by Buyer or Seller, unless such terms, specifically related to the Requested Workscope, or as otherwise agreed to in writing by the Parties.

Words including the singular shall include the plural and vice versa where the context requires the contrary.

A15.10 Procurement charter for sustainable development

By entering into this Agreement with Buyer, Seller undertakes to defend and respect the principles contained in the Procurement Charter for Sustainable Development as per Schedule B2.

A15.11 Regulatory environment

Seller undertakes to take all necessary measures in order to comply with the applicable regulations. Among other things Seller takes the necessary measures to ensure the regular and consistent training of its staff to the "Human Factors", to the extent required by the applicable Aviation Authority.

Seller also undertakes to comply with and to apply the regulatory amendments which may become applicable to the Agreement and/or the applicable CSA during its performance, and the Parties shall agree in good faith on any reasonable and equitable adjustment to prices or TATs made necessary by such compliance.

Seller undertakes to provide Buyer based on written request, at the date of entry into force of the Agreement and/or the applicable CSA thereafter, with the following documents:



A15.12 Security

Seller shall comply and shall cause its personnel and its subcontractor's personnel to comply with security provisions as per schedule B4 (General security measures applicable on which Seller is referred to as the "Service Provider".

A15.13 Commercial Use

Without prejudice to Article A15.15 (Specific accounting obligations), Buyer represents and warrants that the Services will not knowingly be used in performance of a contract or subcontract with any government in such a manner as to affect Seller's rights to data, technology, or other intellectual property.

A15.14 Software License

- The terms of this Article shall apply to any software (including firmware) or software documentation (collectively, "Software") delivered to Buyer by Seller under this Agreement and/or a CSA, unless the Parties agree otherwise in writing.
- Seller shall retain all rights, title and interest in all Software delivered to Buyer. Seller grants to Buyer a nonexclusive, non-transferable (except as set forth herein), limited license to use the Software in the course of the normal use of the Component.
- Buyer may make one copy of the Software for archive purposes. No other copies may be made unless specifically authorized by Seller in writing. On any copies made, Buyer will reproduce any and all Seller proprietary, copyright and other restrictive notices and legends that are on the originally-provided versions of the Software.
- The license and rights granted by Seller to Buyer hereunder are personal to Buyer. The Software may not be assigned, sub-licensed, transferred, or loaned to any other party without Seller's prior express written consent, except that Buyer may transfer the Software (and the license rights therein) to a third party customer without Seller's prior consent, in conjunction with the resale or exchange of the Component by Buyer.
- Buyer agrees to hold the Software in confidence and not disclose it to third parties without Seller's prior written consent, except as set forth in paragraph 4 above.
- The rights and license granted herein may be terminated by Seller if Buyer breaches any material term hereof.

A15.15 Specific accounting obligations

Not applicable.

A15.16 Miscellaneous

Nothing contained in this Agreement and/or the applicable CSA shall require either Party to take any action contrary to the law or to any order or regulation of any government or contrary to any permit or authorization granted to either Party by any government.

A15.17 Strike of Seller's personnel

In the event of threatening or actual impossibility to provide normal Service for any reason whatsoever, Seller agrees to inform Buyer as soon as possible.

In the event of a strike of its personnel, Seller agrees to take any necessary action to proceed with the performance of the Services in accordance with the Agreement and the applicable CSA, including the performance of the Services by Seller's Affiliates or Subsidiaries.

If needed, emergency measures required to proceed with the essential work necessary for the course of the maintenance operations in accordance with the Agreement and the applicable CSA under financial conditions fixed on a case by case basis shall be taken in agreement with Buyer.

If the strike were to last more than Buyer reserves the right to have the Services performed by Buyer's own personnel and/or by any other service provider of its choice, at Seller's expense.

Buyer shall not pay Seller for the Services not performed due to Seller's strike.

Therefore Seller shall deduct from its invoice the amount corresponding to the days not worked. Seller agrees to assume all the additional costs caused by the strike of its personnel and incurred by Buyer to secure continuity of the Services.

The Parties agree that the additional costs shall mean the difference between the price that would have been paid to Seller if it had performed itself the Services and the price actually paid by Buyer for the performance of these Services.

If the strike were to last more than Buyer reserves the right to terminate the Agreement and/or any Order by notice sent by registered letter with acknowledgement of receipt with immediate effect, ipso jure, without compensation.

A15.18 Seller's personnel

The personnel of Seller allocated to perform the Services under the Agreement and the applicable CSA shall remain under Seller's responsibility and hierarchical and disciplinary authority, no direct or indirect relation, by way of a labour contract existing between and the said personnel. In no event and in no manner shall the personnel of Seller be allowed to interfere with the internal policy of the contract of Buyer's' Customers.

Throughout the term of the Agreement, each Party renounces to hire or to have hired, without prior written consent of the other Party, any member of personnel of the other Party participating in the performance of the Agreement and the applicable CSA.

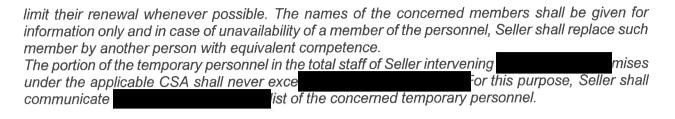
This obligation shall remain in force for as a soft the early termination or expiry of the Agreement.

The personnel required for the Services under the Agreement and the applicable CSA shall present all the necessary guarantees of professionalism.

Seller undertakes to replace without delay, at its own initiative, any member of personnel whose behaviour is incompatible with the performance of the Services.



Page 31/57



Seller's personnel shall permanently wear working uniforms in good condition (and/or badges) allowing their clear identification as members of personnel of Seller. Seller, at its own costs, shall cause its personnel to wear appropriate protections, including but not limited to shoes, safety goggles, handling gloves, ear protections. Seller hereby commits to consider with the greatest possible attention the safety requirements, which are of the essence.

The Agreement has been drawn up in the English language, in two (2) original copies, each Party acknowledging receipt of its copy.

ARTICLE A16 – Export Compliance

Services as provided by Seller to Buyer under this Agreement may be subject to export controls of the European Community, United States of America and/or export controls in other countries. Seller is responsible to ensure that usage and/or transfer of Services and / or information as purchased by Buyer from Seller under this Agreement complies with all relevant export control regulations, including the United States International Traffic in Arms Regulations (ITAR) and/or the Export Administration Regulations (EAR), if applicable.

PART B - GENERAL PROCEDURES

ARTICLE B1 - QUALITY STANDARDS, LOGISTICS AND REPAIR PROCEDURES

B1.1 Quality standards

B1.1.1 Seller shall perform the Services in accordance with the regulations set forth in EASA Part 145 and when applicable in FAR part 43, as authorized under its following EASA and FAA Repair Station Air Agency Certificates, indicated in the applicable CSA:

EASA approval certificate number:

EASA Part 145 No. CZ.145.0067

EASA Part 21 (DOA) No. EASA.21J.308

FAR part 145 certificate number:

FAR 145 No. CLEY877C

Should there be another regulation applicable to the Services, the Parties shall indicate in writing such regulation in the applicable CSA or modify the Agreement by way of amendment.

Seller shall perform the Services in accordance with the MOE, the Requested Workscope and the Workscope approved by Buyer, it being agreed that all such documents shall comply with the current OEM CMM and other EASA/FAR regulations, as applicable, approved data, except as otherwise specified in writing by Buyer.

Seller shall review and comply with Buyer's quality specifications as defined in Schedule B1 (Buyer's Quality Specifications).

Seller undertakes to be compliant with the REACH European Community Regulation on chemicals and their safe use (EC 1907/2006). Consequently, Seller undertakes to supply Air France with all the Material Safety Data Sheets ("MSDS") requested under REACH Regulation. Furthermore, Seller shall provide at any time, upon Buyer's request, a copy of a given MSDS by email or other normal non-Order related communication. Seller shall forward such requested MSDS copies in the manner and to the destination specified by Buyer

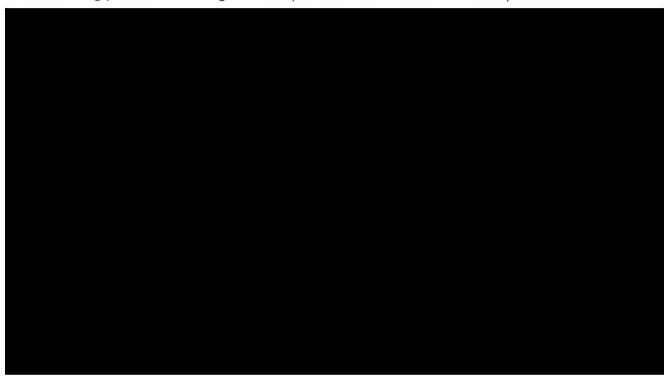
B1.1.2 Upon commencement of this Agreement and/or the applicable CSA, Seller shall be subject to certification by the Buyer's Quality Assurance Department. Buyer, Buyer's Customers and/or the authorities shall have the right to conduct from time to time, upon a reasonable prior written notice, during regular business hours, and subject to restrictions, if any, imposed by applicable export control regulations (e.g., the International Traffic in Arms Regulations in the U.S.A.) a technical quality audit at those workshops of the Component Maintenance Shop and at those workshops of Seller's subcontractors, where the Services are being conducted, solely and exclusively relating to the Services rendered by Seller and Seller's subcontractors under this Agreement and/or the applicable CSA. If Buyer, Buyer's Customers and/or the authorities request an audit of one of Seller's subcontractors, the subcontractor will be notified by Seller and Seller will have to attend the audit. Such audit shall be completed Seller shall be entitled at all times to have one or more representatives present during the audit. Buyer shall fully cooperate with Seller to minimize any negative impact of such audit on the other business operations of Seller and Seller's subcontractors. Seller and Buyer will mutually agree in writing on corrective actions resulting from the quality surveillance.

B1.1.3 The contact details of the key personnel and representatives for both Parties for a CSA are defined in Schedule C3 (Buyer's Designated Representatives and Seller's Representatives) of the

applicable CSA, and changes shall be advised according to Article C6 (Buyer's Designated Representatives and Seller's Representatives) of such CSA. The representatives of each Party shall meet on a regular basis to discuss the operation of this Agreement and/or the applicable CSA. The frequency and venues of such meetings will be arranged between the Parties, who shall each bear their own costs for their participation in such meetings.

B1.2 Logistic and Repair procedures

The following procedures shall govern the performance of Services on Components.



B1.2.1.1 Components listed in a CSA with applicable flat rates:

For Components with applicable flat-rates such as described in Schedule C1 (Part Numbers, Description of Components, Prices, Exclusions and TAT of the Services) of the relevant CSA, Buyer shall issue an Order.

If requested by Buyer, Seller shall issue a quotation reflecting the applicable flat rate so that, for example, Buyer may communicatie such a quotation to Buyer's Customer.

Any flat-rated Workscope proposed by Seller that is different from the Requested Workscope (for example Seller proposes an overhaul instead of the repair requested by Buyer) shall give rise to a Quotation subject to the written approvation approvation and a new Order before performance by Seller under the terms and conditions of the Agreement and/or the applicable CSA.

B1.2.1.2 Components listed in a CSA with no applicable flat rate:

For Components listed in a CSA with no applicable flat rate, Seller will receive from Buyer, with the Component, a request for Quotation.

Except for that work necessary to provide with the Quotation (disassembly, cleaning, inspection

and testing), no work shall be performed by Seller without an Order from Buyer.

In case of acceptance by Buyer of Seller's Quotation, Seller will receive an Order from Buyer. Any invoice concerning Services performed without such an Order shall be rejected by Buyer.

B1.2.1.3 Components not listed in any CSA:

Each Component sent to Seller and not listed in any CSA shall be delivered with a request for Quotation. Such request for Quotation shall designate the proposed applicable CSA. Except that work necessary to provide the Quotation (disassembly, cleaning, inspection and testing), no work shall be performed by Seller without an Order.

In case of acceptance by Buyer of Seller's Quotation, Seller will receive an Order from Buyer, in which case the Order shall be governed by the General Conditions and the designated CSA. Any invoice not covered by an Order shall be rejected by Buyer.

B1.2.2 Shipment to Seller

Buyer shall prepare and package the Component in shipping stands or containers supplied by Buyer for Delivery in accordance with ATA 300 standards and/or the OEM's recommendations unless otherwise agreed in writing between the Parties. Buyer undertakes to maintain the shipping containers in good and reusable conditions. In the event of deterioration or loss due to act or omission by Buyer, then Buyer shall replace the said shipping containers by identical ones at its own expenses.

Buyer shall identify the contents of each consignment by a duplicate of the Order form and a consignment note enclosed with the Component for shipment to Seller. The consignment note signed by Buyer shall be given with the Component and counter-signed by Seller on Delivery.

Buyer shall Deliver the Component to Seller and ensure the transport of the Component, at its own risks and expenses, to Seller's address as indicated in Article C8 (Place of Delivery and Redelivery).

B1.2.3 Receiving Inspection

Seller shall inspect the Component and shall notify Buyer within Delivery:

after

- (A) of any Parts missing from the Component;
- (B) should the Component (or Parts thereof) be found to have been damaged during its transportation.

In this event, the TAT shall be extended by the time taken to correct the anomaly (e.g., to repair or replace such missing or damaged Parts) or to assess the effects of transportation damage. Seller shall, after written acceptance of Buyer and at Buyer's expense, repair or replace such missing or damaged Parts or rectify the transportation damage.

Notifications under this Article shall be accompanied by a digital photo of the concerned Component and/or associated packaging.

B1.2.4 Quotation

Seller shall disassemble, clean, inspect and test the Component, as needed, in order to propose to Buyer's Designated Representative as per Schedule C3:

- a Workscope to meet the requirements of the Services Specification, the Requested Workscope and the actual conditions of the Component according to the gravity of the damage revealed by this Component Inspection,
- an TAT, in accordance with Article C3 (Turn Around Time) of the applicable CSA,
- A Quotation, as per Article B5.1 (Revised Quotation) except for Services performed on a flat rate as per the applicable CSA.

B1.2.5 Records Review – Certification

Upon completion of the Services, Seller shall accomplish a review of Component records to ascertain that the Component has been Serviced in accordance with the Workscope. Serviceable Component shall be tagged with the appropriate Serviceable tag recognized by the Aviation Authority.

B1.2.6 Preparation for Redelivery

Seller shall prepare and package for transportation the Component in Buyer's supplied shipping stands or containers for Redelivery in accordance with ATA 300 standard and/or the OEM's recommendations unless otherwise agreed in writing between the Parties. Seller undertakes to maintain the packing containers in good and reusable conditions. In the event of deterioration or loss due to act or omission by Seller, then Seller shall replace the said packing containers by identical ones at its own expenses. Seller shall comply with the reasonable written instructions of Buyer as to markings to be placed on invoices, bills of lading, packing lists, correspondence and shipping containers.

B1.2.7 Redelivery.

Each consignment shall include:



For the return transport, Seller shall contact the carrier notified by Buyer. Carrier's receipt shall not represent final acceptance of the Component by Buyer.

B1.2.8 Document of conformity

Except otherwise stated on the Order, Seller shall furnish with each serviced Component any document and/or certificate requested in the Quality documents as per Schedule B1.

B1.2.9 Additional services to be provided by Seller



B1.2.10 Technical documents

Seller shall systematically provide to Buyer, with/for each serviced Component (even in the case a Standard Exchange Component has been provided), a workshop job report in English describing shop findings and justifying repair operations, the comprehensive list of parts replaced and Scrapping Components when applicable.

B1.2.11 Administrative documents

Seller shall supply to Buyer weekly (or as otherwise agreed by the Parties) statements of current Orders indicating Buyer's Order number, the relevant P/N and S/N, the Component Delivery date, the scheduled Redelivery, the actual Redelivery date. This report shall be provided to Buyer's Logistic Department Representative mentioned in Schedule C3 (Buyer's Designated Representatives & Seller's representatives) of the applicable CSA.

B1.2.12 SB enforcement

The enforcement of a mandatory or non-mandatory SB shall give rise to an estimate subject to prior written consent of Buyer.

B1.2.13 Services acceptance

Acceptance of the Serviced Component or of the Standard Exchange Component by Buyer shall become effective after:

- qualitative and quantitative inspection of Component,
- inspection of conformity documents,
- inspection of technical documents.

Seller shall be notified of any nonconformity in Services noted by Buyer within a period from the Component Redelivery date. Should Seller not be notified of any such nonconformity within said period, the Serviced Component shall be deemed accepted. Once the Serviced Component is installed on an Aircraft, it shall be deemed accepted whether the said period has expired or not.

Seller undertakes to remedy, at its own cost, any such nonconformity within the applicable TAT for Services on such Component as of notification of the nonconformity by Buyer.

In case of an AOG Situation assignable to nonconformity and such nonconformity is accepted by Seller, Seller will provide a remedy in accordance with Article B3.3 (Remedy for Non-performance). Should the Parties not have agreed on the responsibility for the notified nonconformity, Seller shall, in good faith, provide such remedy. Should the suspected nonconformity ultimately not be attributable to Seller, Buyer shall reimburse Seller's reasonable costs associated with providing the remedy.

B1.3 Miscellaneous Buyer's obligations

B1.3.1 Shipping Containers

Buyer shall provide with all necessary and appropriate shipping containers, mounting adapters, caps and covers, as may be required by Seller in order to package the Component for transport in accordance with Article B1.2.6 (Preparation for Redelivery).

B1.3.2 Regulations and Revisions

Buyer shall identify any special Aviation Authority or other regulatory agency rules, directives or regulations, including any revisions thereto, affecting the Services Specification, or to the Requested Workscope, or the Workscope. Revisions to the Workscope resulting from additional requirements or obligations, including without limitation, AD, SB or revisions to the Services Specification or to the Requested Workscope occurring after the effective date of the Workscope, whether promulgated by the Aviation Authority or Buyer, may affect the prices as per the applicable CSA, Redelivery and TAT as per Article B2.3 (TAT Extension). The Parties shall then modify by way of amendment the applicable CSA and the effect of any such changes shall be borne by Buyer.

ARTICLE B2 - TAT, INTERRUPTION OF SERVICE, TAT EXTENSION

B2.1 TAT

Seller undertakes to perform the Services within the TAT as specified for the Component in the applicable CSA.

Seller is responsible for determining the dates of Delivery and Redelivery and to inform Buyer thereof.

Should the maximum TAT be exceeded for other causes than those mentioned in Articles B2.3 (TAT Extension) or A8 (Force Majeure and Excusable Delay), Seller will provide with a remedy in accordance with Article B3.3 (Remedy for Non-performance).

B2.2 Component Status Report

Seller shall provide Buyer with a weekly status report such as described in B1.2.11 (administrative documents) and the impact of such on the TAT as specified of the Component within the applicable Component Supplemental Agreement.

B2.3 Interruption of Service.

If Service of Component is interrupted due to:

- (A) the Component being Delivered to Seller with either transport-caused damage or missing Parts as indicated on the check-in sheet fulfilled by Seller and in accordance with the Services Specification or Requested Workscope, and Buyer or Seller cannot immediately supply replacement Parts for such missing or damaged Parts,
- (B) missing information or approvals or materials due to Seller by Buyer,
- (C) Buyer requesting, and Seller agreeing to perform a Component test
- (D) Delay in Quotation approval by Buyer

then the TAT for such Component shall be extended by the period of such delay. If the Service of a Component is interrupted due to circumstances described in Article A8 (Force majeure), then at the cessation of the Force Majeure event, the Parties shall define in writing a mutually agreed TAT for the affected Component.

B2.4 TAT Extension

Subject to the mutual agreement by the Parties, Seller may extend the TAT to cover any requirement imposed by Buyer or due to a revision of the Workscope as per Article B1.3.2 (Regulations and Revisions), or for the purpose of an investigation of the Component.



B3.1 Missing or Damaged Parts.

See Article B1.2.3 (Receiving Inspection).

B3.2 Parts and material provisioning

Seller shall provide with all Parts and materials required to accomplish the Services. Such Parts shall be Serviceable and manufactured or repaired in accordance with OEM and Aviation Authority requirements. Charges for Seller's supply of such Parts and material shall be as specified in the applicable CSA.

Seller cannot install Parts Manufacture Approval Parts ("PMA") on Components sent by Buyer to Seller except if otherwise approved and agreed upon in writing by Buyer prior to their installation on the Component.

B3.3 Remedy for Non-performance

In case Seller fears he will not meet the TAT, Seller shall inform Buyer before the TAT expires and, upon written request of Buyer, Seller shall immediately provide a Standard Exchange Component free of charge (packing, transport and insurance included), or other suitable remedy as agreed in the applicable CSA.

Seller's obligations with respect to providing a Standard Exchange Component or other suitable remedy shall include determining whether another Affiliate or Subsidiary (including Affiliates' subsidiaries or operating divisions) of Seller can assist.

If, due to exceptional circumstances, Seller is incapable of supplying such Standard Exchange Component, Buyer shall be free to obtain from another supplier of its choice a replacement Component at Seller's costs (packing, transport and insurance included).

B3.4 Request for Standard Exchange Component/Advanced Standard Exchange Component

Buyer reserves the right to ask Seller for a Standard Exchange Component or an Advanced Standard Exchange Component, acceptable for Buyer, to replace Buyer's Component requiring Service. In such a case, the Parties undertake to determine in a timely manner the conditions of payment of such Standard Exchange Component or Advanced Standard Exchange Component.

B3.5 Scrapping

For Components listed in a CSA with applicable flat rates as per Article B1.2.1.1, should Seller consider a Component to be no longer technically or economically repairable (that means any Component for which the repair price exceeds the percentage indicated in the applicable CSA of the price of the current Manufacturer's catalogue price or, if not in a current Manufacturer's catalogue price, of the price mutually agreed upon by the Parties), it shall notify Buyer in writing within the period of time indicated in the applicable CSA from admission to the workshops.

Should Scrapping be decided during repair, Seller shall notify Buyer in writing from the decision.

For Components listed in a CSA with no applicable flat rates and for Components not listed in any CSA, should Seller consider a Component to be no longer technically or economically repairable, it shall notify Buyer in writing, through the Quotation.

For Components with or without applicable flat rates, listed or not listed in any CSA, and exceeding the financial threshold set forth in the applicable CSA ("Photo Threshold"), Seller shall communicate to Buyer the reason of the scrapping and photos of the said Components. Scrapped Components shall be stored by Seller for the period of time indicated in the applicable CSA ("Photo Threshold Time"). During such period, Buyer may inspect the Scrapped Component on Seller's premises and/or repatriate it for expert appraisal.

For Components below the Salvaging Study Threshold according to Article B6.2 (Salvaging Study Threshold) and at the expiry of the Photo Threshold Time and without receipt of specific instructions from Buyer, Seller shall mutilate the Scrapped Component. Title to such Scrapped Component shall pass to Seller and the risk of loss and/or damage shall remain with Seller.

For Components above the Salvaging Study Threshold, after Buyer written agreement, Seller shall mutilate the Scrapped Component. Title to such Scrapped Component shall pass to Seller and the risk of loss and/or damage shall remain with Seller.

For Components considered as not eligible for the conduct of a salvaging study (Components under the Salvaging Study Threshold), Buyer shall order mutilation by written notice.

B3.5.1. Seller acknowledges that mutilation shall be accomplished in such a manner that the Scrapped Component becomes permanently unusable for its original intended use. Mutilated Scrapped Component shall not be able to be reworked or camouflaged to provide the appearance of being serviceable, such as by re-plating, shortening and re-threading long bolts, welding, straightening, machining, cleaning, polishing, or repainting.

B3.5.2 Mutilation may be accomplished by one or a combination of the following procedures:

- (a) grinding,
- (b) burning,
- (c) removal of a major lug or other integral feature,
- (d) permanent distortion of parts,
- (e) cutting a hole with cutting torch or saw,
- (f) melting,
- (g) sawing into many small pieces,
- (h) any other method accepted by the competent aviation authority on a case by case basis.
- **B3.5.3.** Since manufacturers producing approved aircraft components should maintain records of serial numbers for "retired" certified life-limited or other critical components, the organisation that mutilates a component should provide the Manufacturer with the data plate and/or serial number and final disposition of the component.

ARTICLE B4 - SUBCONTRACTED SERVICES

It is understood by both Parties that the entity which enters into a CSA shall not be considered as a subcontractor but as a Party to the Agreement.

Except in the case of subcontracting to an Affiliate or a Subsidiary of Seller (in which case consent is not required), Seller may not subcontract the Services under the Agreement and/or CSA without prior written consent of Buyer, which consent shall not be unreasonably withheld, delayed or conditioned.

In case of partial recourse to subcontractors for the performance of the Agreement and/or the applicable CSA, Seller shall ensure that the said subcontractors comply with the same provisions as that Seller must comply with under the Agreement and/or the applicable CSA, provided that the liability of Seller under clause A6 of the Agreement shall not be triggered by the failure by such subcontractors that were selected or recommended by Buyer to fulfill any of their obligations.

In any event, the Services subcontracted by Seller shall be carried out under Seller's responsibility, including that related to the Aviation Authority regulations.

ARTICLE B5 - QUOTATION, INVOICES AND PAYMENT

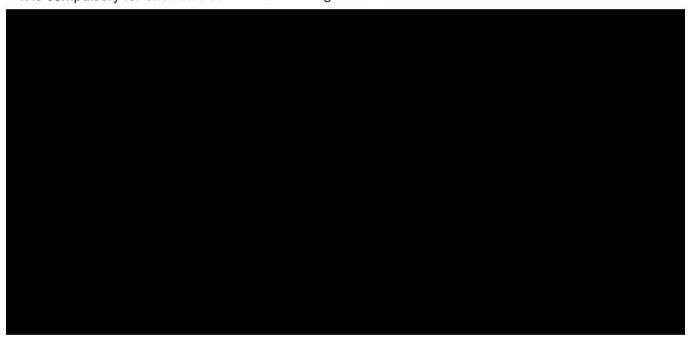
B5.1 Revised Quotation

Any changes to Services identified in an accepted Order proposed by Seller to Buyer shall give rise to a revised Quotation subject to Buyer's approval before performance, even in case of existence of flat rates in order to enable Buyer to approve or not approve the changes proposed by Seller. Such revised Quotation shall contain the following information:

- workscope
- price
- TAT (or delivery date)
- missing or damaged parts and their replacement or repair cost
- PMA or FAA-DER use

B5.2 Invoices

It is compulsory for each invoice to refer to a single Order.



The vouchers of the invoice shall be attached (with the Component) to the copy of the invoice sent to the Buyer's representative and not to the original invoice sent to the above Accounts Payable Department.

Payments shall be made as follows:



ARTICLE B6 - IMPROVEMENT PLAN

B6.1 The Parties hereto undertake, within a period of CSA by both Parties to draw up a performance follow-up management report relating to the Services covered by the CSA.

The performance measurement indicators shall include:

Quality : conformity at delivery time, reliability in operations,

Service : communication, flexibility,

Pricing : cost level, respect of commitments,

Shop Processing Time: flexibility, respect of commitments.

Furthermore, the Parties hereto agree to meet at mutually agreed periods in order to follow the performance of Seller within the framework of the Agreement and/or the applicable CSA, and to establish an improvement action plan. The performance of Seller shall be measured according to the criteria and procedure described in Schedule B3 (Improvement plan) as may be amended and formalised in the applicable CSA.

B6.2 Salvaging Study Threshold

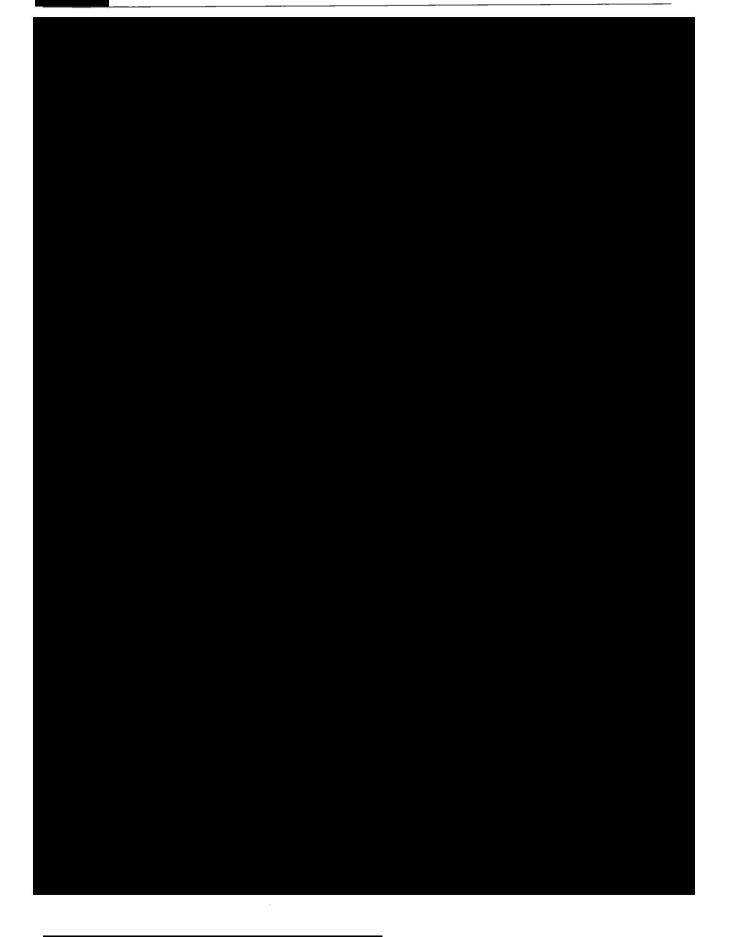
For Components exceeding the financial threshold set forth in the applicable CSA ("Salvaging Study Threshold"), Seller and Buyer shall jointly define whether any such Components are eligible for the conduct of a salvaging study.

ARTICLE B7 - PERFORMANCE MEASUREMENT INDICATOR

The Parties agree to monitor the performance of Seller through performance indicators that are appropriate to and detailed in each CSA, such as: TAT and TAT trends, the number and the percentage of events over the agreed averaged TAT, the observance of standard deviation, and the discrepancies between short-term and long-term performances. The goal of such monitoring is to enable the Parties to have ready access to data which the Parties can use to structure a performance improvement plan







Standard parts, raw materials, consumables and expendables shall be appropriately identified, preserved and packaged as per manufacturers' recommendations or at least ATA 300, for delivery to Client.

Unless specified differently on the order, products with shelf life limit shall be delivered

Sensitive products such as refrigerated, electrostatic discharge sensitive devices –ESD-, Dangerous Goods, etc. shall be identified, marked, preserved, stored, packaged and shipped as per applicable regulation and manufacturers recommendations.

Items shall be delivered with a Certificate of Conformity (the item conforms to last issue of applicable standards, design or specifications and, where applicable, with the test results, including the physical and chemical characteristics) and with a document stating traceability of the item to the manufacturer.

The original Certificate shall accompany the items. Where a single Certificate was used to release a number of items and those items are subsequently separated out from each other, such as through a parts distributor, then a « Certified True Copy » of the original Certificate should accompany such items. This « Certified True Copy » shall be issued in reference to a procedure formally accepted by Client.

Accompanying documents for the products shall be protected against loss or deterioration. Interchangeability for alternate parts not covered by TC holder documentation shall get prior acceptance from Client Engineering.

Maintenance services

Maintenance services of aircraft or components shall be performed as requested on the Repair (Purchase) Order.

Any deviation to the manufacturers' Maintenance, Repair or Modification specifications shall be approved per applicable regulation and accepted by Client Engineering.

Utilisation of spare "FAA PMA" parts during repair shall be subject to Client Engineering formal prior approval.

Subsequent subcontracting of Maintenance services shall be subject to Client formal prior approval.

Components maintained by EASA Part-145 approved maintenance organisations shall be delivered with an Authorised Release Certificate (EASA Form 1 or equivalent) and with a Workshop Report.

Components maintained by non-EASA Part-145 approved maintenance organisations (then, working under Client Quality System) shall be delivered with complete original work file and a Certificate of Conformity.

Parts and Tools furnished by Client to the Supplier for maintenance purpose shall be inspected by the Supplier before use. Such tools shall remain Client property, unless agreed differently, and shall be recorded, preserved, stored in suitable conditions and re-certified where applicable.

Components and parts maintained shall be preserved and packaged as per manufacturers' recommendations, or at least ATA 300, before delivery to Client.

Additional specifications may be indicated on the Order.

Manufacture of parts or systems per client design

The Supplier and Client shall agree on an appropriate arrangement to ensure satisfactory coordination between production and design.

Manufacture, identification, preservation and package of Parts or Systems per Client design shall be performed as requested on the Order.

Deviations to the design shall be approved by Client.

Subsequent subcontracting of manufacturing process shall be subject to Client formal prior authorisation

Parts or Systems manufactured per Client design by EASA Part 21G approved organisations shall be delivered with:

- an Authorised Release Certificate (EASA Form 1), as an airworthiness release,
- a conformity certificate, only if specified on the order (the part conforms to applicable design data which is not (yet) approved, for a reason indicated in Block 12).

Parts or Systems manufactured per Client design by non-EASA Part 21G approved organisations (then, under Client Quality System) shall be delivered with all documents requested on the order (complete manufacturing work file and a Certificate of Conformity).

Parts and Tools furnished by Client to the Supplier for manufacture purpose shall be inspected by the Supplier before use. Such tools shall remain property of Client, unless agreed differently, and shall be recorded, preserved, stored in suitable conditions and re-certified where applicable.

Additional specifications may be indicated on the Order.

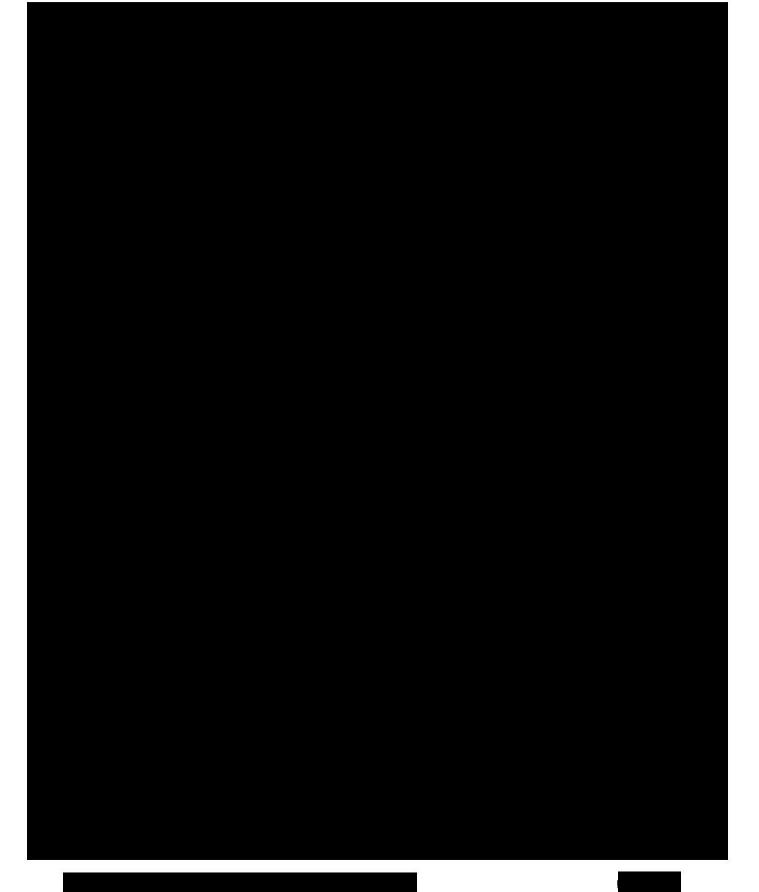
Signature:

This document remains applicable as long as it has not been denounced by one of the two parties or as long as it has not been revised.

Please confirm your agreement with these Quality Requirements

Name: Date: Title: Company name:

SCHEDULE B2 TO PART B – GENERAL PROCEDURES



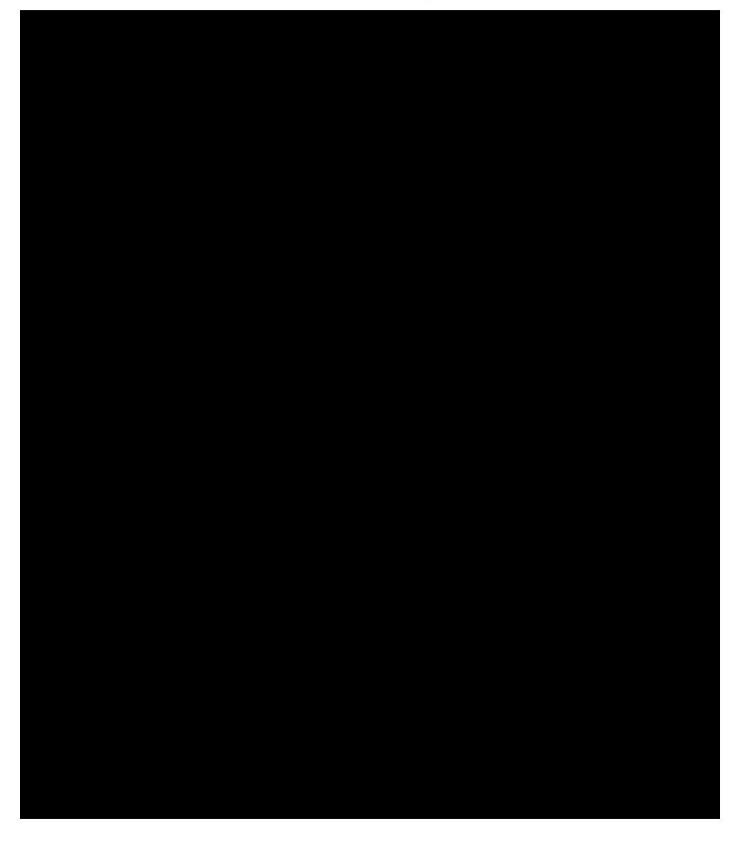




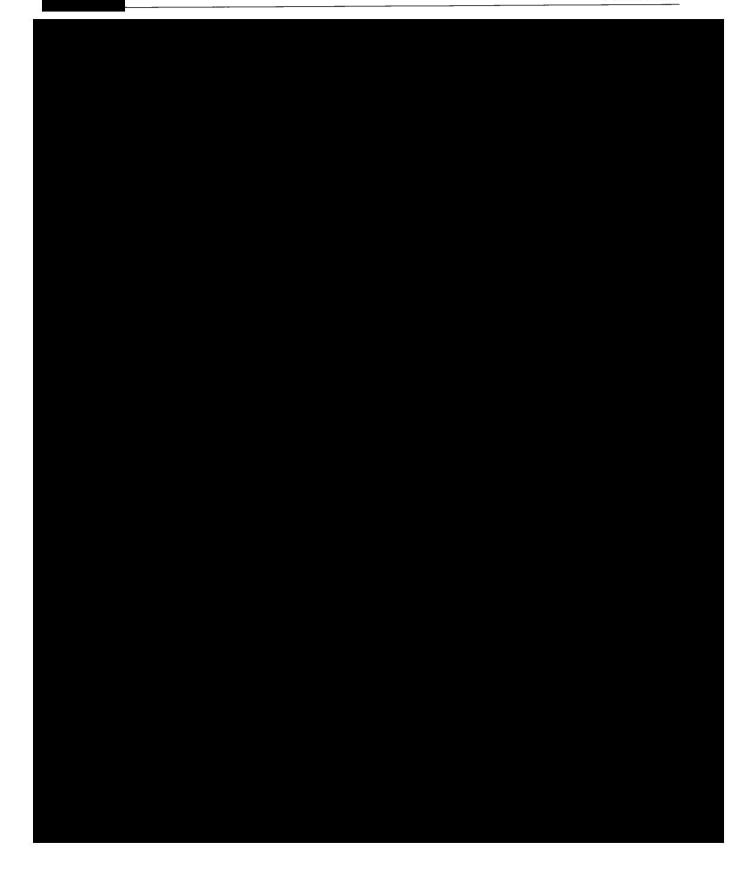
SCHEDULE B3

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SCHEDULE B4 TO PART B – GENERAL PROCEDURES







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SIGNATURES

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Signature	
Ву:	
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Signature	

Date: 30-12-2016

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Position:

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