

**PART C – COMPONENT SUPPLEMENTAL AGREEMENT**

[REDACTED]

**TO THE COMPONENT REPAIR AND OVERHAUL  
GENERAL TERMS AGREEMENT**

[REDACTED]

**between**

[REDACTED]

**and**

[REDACTED]



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## RECITALS

Whereas Buyer and Seller are parties to that certain Component Repair and Overhaul General Terms Agreement [REDACTED] (the "Agreement") and in accordance with the terms thereof, Buyer and Seller desire to enter into this Component Supplemental Agreement (CSA) for the purpose of establishing the specific terms and conditions applicable to the provision of Services (as per Article C2 – Specification of the Services) to be provided by the Seller designated above to Buyer.

## DEFINITIONS

- "Anniversary" means each anniversary date of the Effective Date during the Term of this Agreement (the date, which comes up every [REDACTED] from the Effective Date).
- "BER" shall mean Beyond Economical Repair. For the purpose of this Attachment, a Component shall be deemed BER if the price charged by Seller to return the Component to a Serviceable Condition would exceed [REDACTED] of the catalogue list price for the said Component.
- "Buyer's Facility" shall mean Buyer's shipment address located at the address set forth in Article C8.1.2.
- "Buyers needed date" shall mean the agreed Redelivery date of a Landing Gear.
- "Consumable Parts" shall mean the Parts that will be replaced per the CMM during every Overhaul and/or Repair service of the Component.
- "CFP" Component Fixed Price, price for LDG Single Components maintenance
- "CSO" shall mean Cycle Since Overhaul.
- "Delivery" shall mean, with respect to any Component, the act by which [REDACTED] makes the Component in Unserviceable Condition or Standard Exchange Component available to [REDACTED] pursuant to the Incoterms EXW Buyer's Facility.
- Exchange Landing Gear" shall mean a Landing Gear Shipset of Seller in Serviceable Condition, meeting the Technical Specification and complying with the requirements of this CSA.
- "Flat Fixed Price(s)" shall mean the fixed prices according to article C4.1.
- "GSPT" shall mean "Guaranteed Shop Processing Time" within which [REDACTED] undertakes to perform the Services and to Redeliver the Landing Gear and/or Landing Gear Shipset.
- "GTAT" shall mean the Guaranteed Turn Around Time, that is the total of the GTT both ways and the GSPT.
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"GTT"	shall mean Guaranteed Transportation Time as specified in Article C 3.
"Incoterms"	The delivery conditions as published by the International Chamber of Commerce (ICC) by its latest revision of 2010 (or its most recent edition).
"Inflation Rate"	[REDACTED]
"Landing Gear" (LDG)	shall mean one complete [REDACTED] nose, left main or right main landing gear.
"Landing Gear Shipset"	shall mean one [REDACTED] landing gear shipset consisting of a nose, left main and right main Landing Gear.
"LDG Single Components"	shall mean a Component which may normally be removed from the Aircraft without removal of Landing Gear, these Components are sent separately for test or Overhaul to the Seller.
"Loan Landing Gear"	shall mean a Landing Gear that is loaned by Seller to Buyer on previously mutually agreed terms and conditions.
"OEM"	shall mean the original manufacturer of any Part or Component.
"Overhaul (OVH)"	shall mean the work necessary to return a Component to an overhauled certified condition, and in the case of Life Limited Parts to zero TSO and CSO, in accordance with the CMM and the requirements of this CSA.
"Redelivery"	shall mean, with respect to any Component, the act by which Seller makes the Component in Serviceable Condition or Standard Exchange Component available to [REDACTED] pursuant to the Incoterms DDP to Buyer's Facility.
"Repair"	The disassembly, inspection rework of Parts as necessary, reassembly, and testing as required to return the Component to a Serviceable Condition.
"Scheduled Landing Gear Removal Program"	shall mean the scheduled Landing Gear removals as specified in Schedule C1 Annex B (Scheduled Landing Gear Removal Program) of the CSA and as may subsequently vary from time to time in accordance with Article C7.

"Seller's Facility"	shall mean Seller's shipment address located at the address set forth in Article C8.1.1.
"TBO"	shall mean Time Between Overhaul.
"Technical Specification"	shall mean the latest version of [REDACTED] technical specification as set out in Annex E (Technical Specification) of the CSA which may vary from time to time in accordance with Buyer Orders; If this latest version has any financial impact to Seller, Seller has the right to renegotiate the prices accordingly.
"TSO"	shall mean Time Since Overhaul.
"Unserviceable Condition"	shall mean, with respect to a Component, not in a Serviceable Condition.
"Workscope"	shall mean the document, in compliance with the OEM CMM, written and approved by Seller's engineering staff describing the prescribed Service or approach to Repair of identified Component to meet the requirements of the Order for such Component. The Workscope shall be established by Seller, based upon the Services Specification, the Technical Specification, 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 Technical Specification 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 Buyer

## ARTICLE C1 – TERM

This Component Supplemental Agreement ("CSA") shall enter into force and effect on [REDACTED] provided the Agreement is in force and applicable unless sooner terminated pursuant to Article A10 (Termination) of Part A of the Agreement or pursuant to Art. C4.3 hereof.

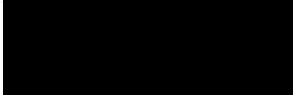
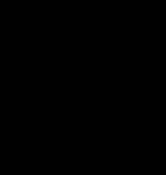
Beyond this date, the CSA may be renewed by way of amendment provided the Agreement is in force and applicable.

The CSA shall be effective for the period of time determined in the CSA, it being agreed that the duration of the CSA shall not exceed the duration of the Agreement.

## ARTICLE C2 – SPECIFICATION OF THE SERVICES

### C2.1 Scope.

This CSA defines the Services and the specific terms and conditions under which Seller shall provide such Services on Components, which are listed in Schedule C1 Annex A hereto.



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By executing this CSA, the Parties expressly agree that all provisions of the Agreement shall apply to this CSA, except to the extent that this CSA expressly stipulates otherwise.

Seller shall only install, and Buyer shall only provide to Seller, approved OEM Parts or any Part which has FAA 8130-3 or EASA Form One Certificate of Conformity in accordance with EASA and FAA requirements and as acceptable by Buyer through its quality system. Seller shall not be entitled to provide and install PMA Parts, only after Buyer's prior written approval

**C2.2 Certification release of Serviced Component.**

Components Serviced by Seller under this CSA, shall be Redelivered with a valid Authorized Release Certificate (ARC) EASA Form 1 and FAA Form 8130-3 indicating dual release or other serviceable tag type requested on the Order, as further specified in Schedule C1 Annex C.




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**ARTICLE C3 – TURN AROUND TIME**

**C3.1 Landing Gear and Landing Gear Shipset**

Seller undertakes to complete the Overhaul Services on the Landing Gear and/or Landing Gear Shipset within 

Seller undertakes to manage transportation both ways as described in article  each way (GTT).

Seller undertakes to complete the Services on the Landing gear and/or Landing Gear Shipset within 

**C3.2 LDG Single Components**

Seller undertakes to complete the Services on the LDG Single Component within the TAT specified in Schedule C1. Annex G.

[REDACTED]

[REDACTED]

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## ARTICLE C4 – PRICES

### C4.1 Prices

The prices of the Services are set forth in this CSA. These prices include all the Services pursuant to the Agreement and this CSA. Seller commits to maintain a Flat Fixed Price (FFP) which shall be charged in accordance with the fixed prices defined in Article C4. The summary of the inclusions/components of the Flat Fixed Price is found in Schedule C1 Annex A 2.1.

For single components, the Component Fixed Price (CFP), as specified in Schedule C1 Annex G of this CSA for test and Overhaul pricing shall apply.

All Services that are not included in the Flat Fixed Prices as per Article C4., shall be charged in accordance with Schedule C1 Annex G for the single components and all other relevant provision of the attachment.

### C4.2 Price escalation

The fixed prices and Flat Fixed Price (FFP) specified in Article C4 are fixed [REDACTED]. Thereafter, the Seller is entitled to adjust all prices pursuant to this Agreement at each Anniversary by Inflation Rate published by the Czech Statistical Office and the portion of the material of the Services adjusted in accordance with the average change during the preceding calendar year as of the Boeing Officially Published Catalogue List Prices for the Material required for the Services.

Notwithstanding the above, the fixed prices and/or Flat Fixed Price adjustment per year for labour and material charges according to Article C4 shall not exceed [REDACTED] unless stated below otherwise.

If such percentual increase of Inflation Rate, as of the date of any Anniversary, [REDACTED] the following will apply:

[REDACTED]

#### Cost Increase/ Decrease

Unless expressly otherwise stated all prices shall be revised and adjusted annually at the beginning of each calendar year and with effect for that calendar year as follows after release of signature of a Change Order by both Parties.



### C4.3 Price Assumptions

Buyer and Seller are both entitled at any Anniversary during this CSA's duration to require the other Party for a contract review meeting with the other Party. Buyer and Seller will need to inform the other Party before the end of the first week of February of every calendar year, starting as per [REDACTED] if there shall be a request for a contract review meeting. Any such meeting shall take place [REDACTED] at the latest after such request.

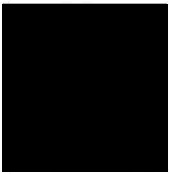
Buyer and Seller will review during such review meeting whether the "Price Assumptions, as set forth in Schedule C9 (Price Assumptions), are still in line with the agreed Article C4 (Flat Fixed Prices).

Buyer and Seller both agree that the fixed prices and/or Flat Fixed Prices have been calculated based on the Price Assumptions.

### C4.4 Changes beyond reasonable control

In the event that (i) any of the Price Assumptions or (ii) any other circumstances beyond [REDACTED] reasonable control, including but not limited to, cost of labour, environmental expenses, foreign exchange EUR/USD/CZK rates fluctuation risks, taxes and levies, legislation, to which [REDACTED] and/ the Services are subject to, change materially and if such change has an adverse effect on [REDACTED] calculation of the fixed prices and/or Flat Fixed Prices effectively leading to [REDACTED] lower profit margin and substantially proved by [REDACTED] the Parties shall, upon [REDACTED] request, negotiate in good faith an adjustment of the fixed prices and/or Flat Fixed Prices.

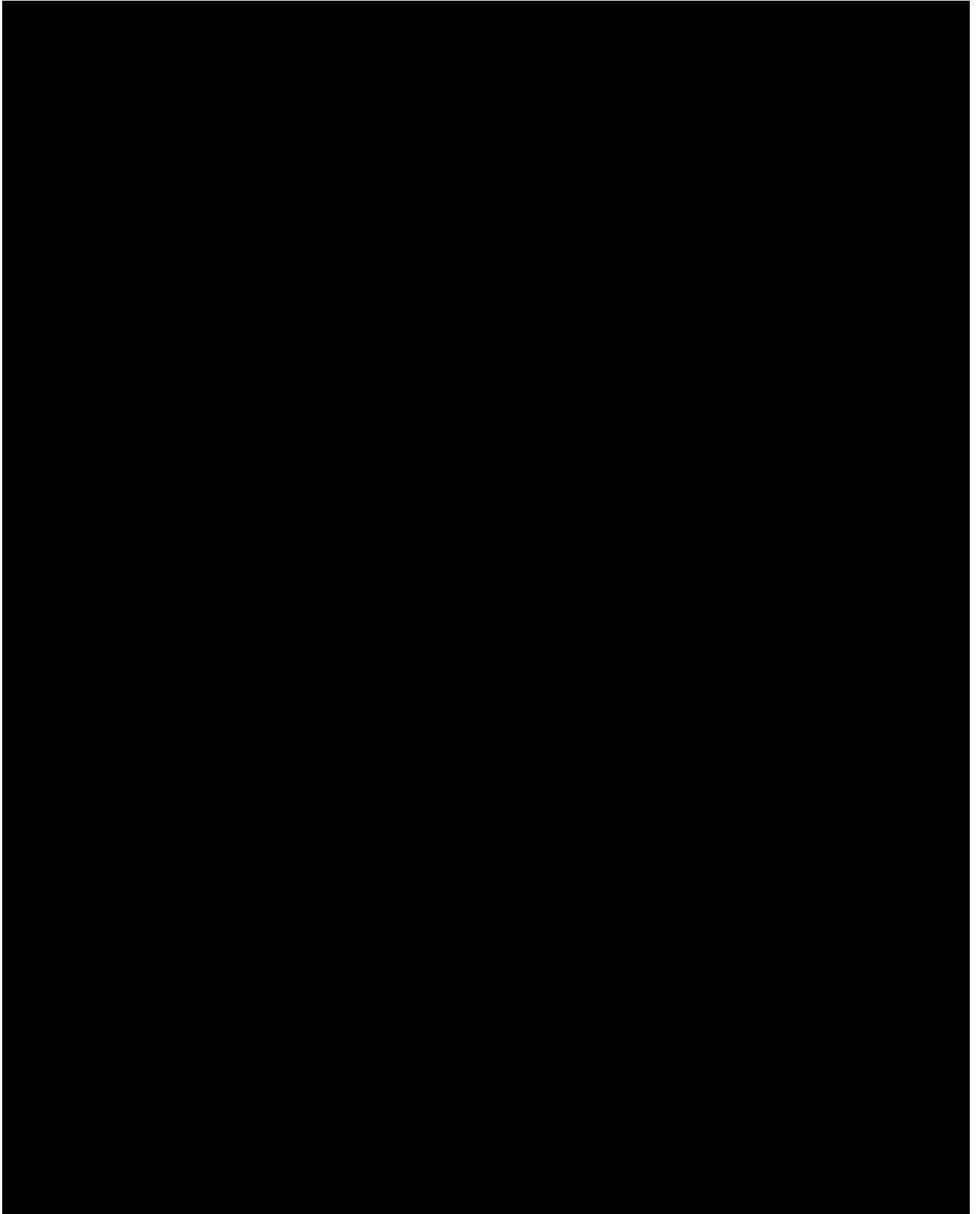
In the event that the Parties are not able reach an agreement on the price adjustment [REDACTED] [REDACTED] request for negotiation, the issue shall be escalated to the higher management of the Parties. In case that management of both Parties fail to agree on price adjustment or such adjustment is not reached within [REDACTED] after the start of such negotiation, [REDACTED] is entitled to terminate this CSA with no liability whatsoever to Buyer for such early termination by providing a [REDACTED] written termination notice to Buyer. Until the expiration of the [REDACTED] notice period, the terms and price conditions of this Agreement shall remain unaffected.

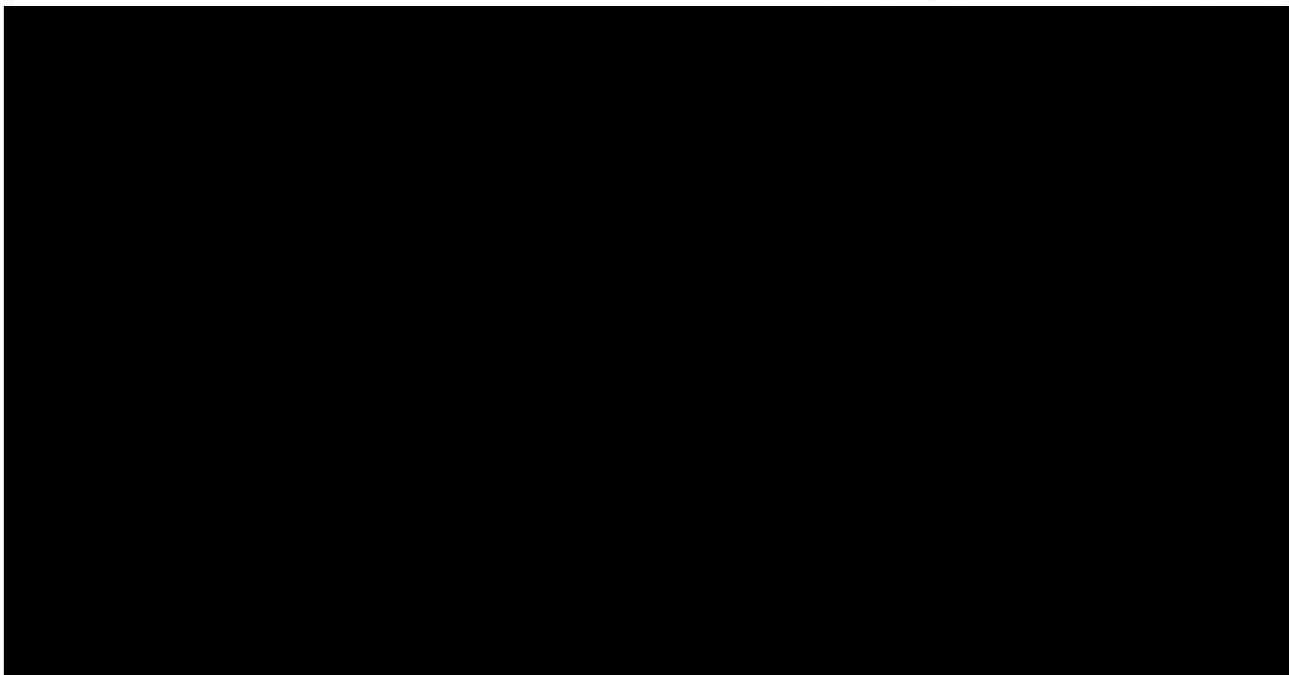
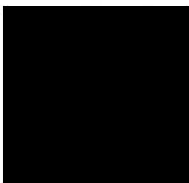


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**C4.5 VOLUME AND PRICE CHANGE**








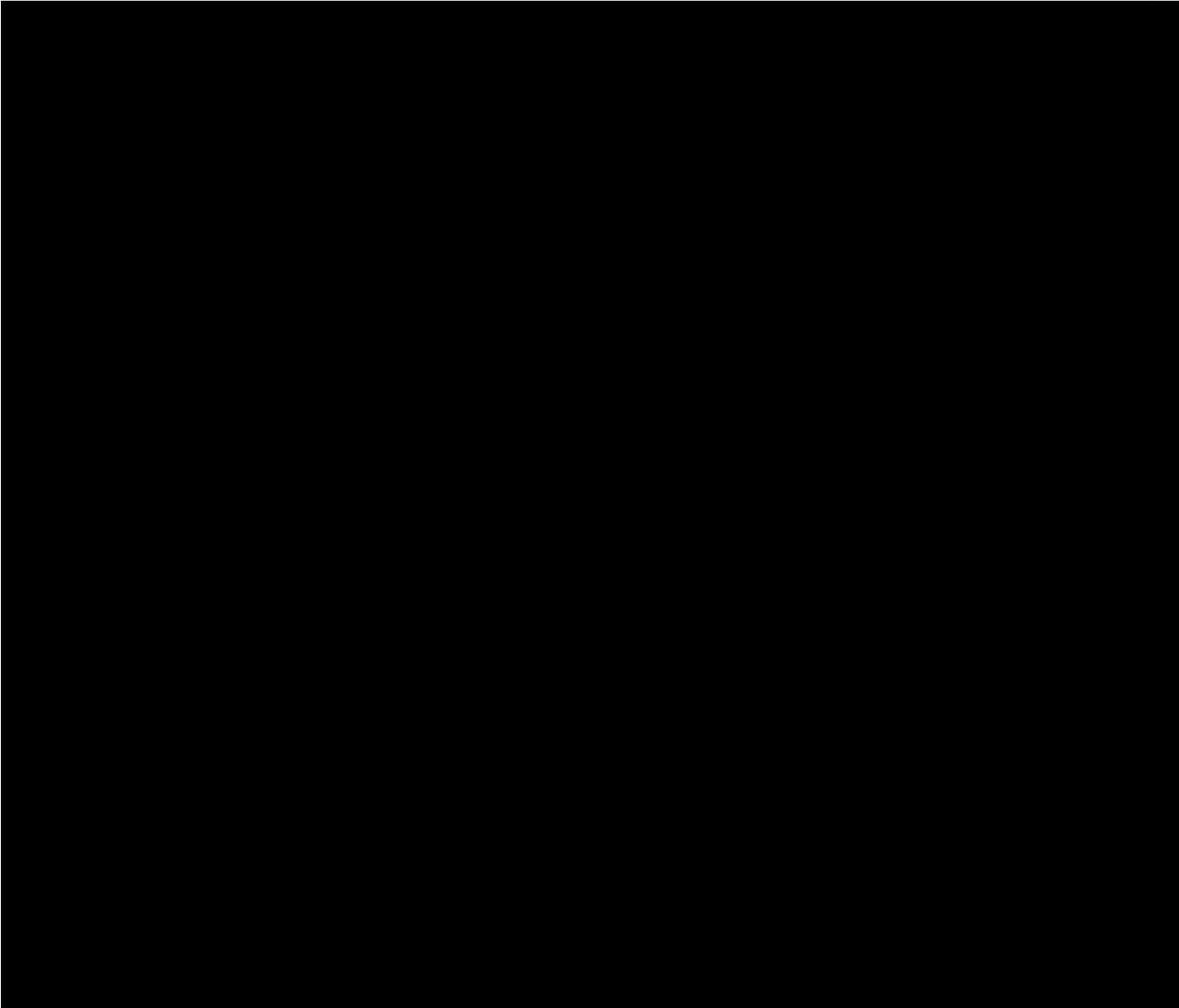


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**ARTICLE C5 - WARRANTY**

The Seller warrants that all Services performed by Seller under the Agreement and CSA are performed at agreed standards between the Parties and shall be free from defects in workmanship as a result of incorrect Repair and that materials manufactured by Seller shall be free from defects in material and workmanship. Seller warrants that Seller will only supply materials that comply with the Boeing Standards and Specifications.

The warranty guaranteed by Seller to Buyer on Services performed and specified by this CSA is for a period of  and shall commence from the date of the Certificate for Release to Service for the Landing Gear and or Landing Gear Shipset and all the applicable Components maintained as a part of Landing Gear Overhaul.





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**ARTICLE C6 - BUYER'S DESIGNATED REPRESENTATIVES AND SELLER'S REPRESENTATIVES**

In order to coordinate and to manage all the tasks for which Seller and Buyer are responsible, Seller and Buyer will nominate an operational leader, who will be Seller's Designated Representatives and Buyer's Designated Representatives who are tasked with the co-ordination between the Parties during the performance of this CSA. Any changes to Designated Representatives shall be updated by email.

The contact details of the Buyer's Designated Representatives and Seller's Representatives are listed in Schedule C3 (Buyer's Designated Representatives & Seller's representatives) to this CSA.

[REDACTED]

[REDACTED]

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**ARTICLE C7 – MISCELLANEOUS**

**C7.1 - AGREED SCHEDULED LANDING GEAR REMOVAL PROGRAM**

The Parties shall discuss and negotiate in good faith a Scheduled Landing Gear Removal Program updating rules and obligations for both Parties regarding such program as described hereafter:

**C7.1.1** The Parties acknowledge having received and approved the Scheduled Landing Gear Removal Program as per Schedule C1 Annex B for a period of [REDACTED] as of the effective date of the CSA. This Scheduled Landing Gear Removal Program shall determine the relevant Redelivery dates, planned GTATs and if required request for Loan Landing Gear per relevant slot. [REDACTED], Buyer shall confirm to Seller the agreed Scheduled Landing Gear Removal Program [REDACTED] and shall provide Seller in writing with an additional Scheduled Landing Gear Removal Program for [REDACTED]. Seller shall acknowledge receipt of the additional Scheduled Landing Gear Removal Program within [REDACTED] from issuance by Buyer and Seller shall approve or refuse it within [REDACTED] from the same issuance.

Should Seller refuse the additional Scheduled Landing Gear Removal Program, Buyer and Seller shall negotiate in good faith and do their best efforts to mutually agree on a new additional Scheduled Landing Gear Removal Program [REDACTED] from Seller's refusal. The Parties shall not unreasonably withhold their consent. Any refusal shall be notified in writing to the other Party and substantiated with objective reasons.

Should Seller not notify its approval or refusal of the additional scheduled Landing Gear removal program in due time, the applicable Scheduled Landing Gear Removal Program shall be automatically considered as agreed by both Parties.

In case of an exchange of a Landing Gear or Landing Gear Shipset provided by Seller [REDACTED] the applicable Landing Gear removal, Buyer shall provide Seller with an Order specifying the date of delivery of the Landing Gear as per the agreed Scheduled Landing Gear Removal Program.

Any changes on the agreed Scheduled Landing Gear Removal Program requested by Buyer shall be made in writing and agreed in writing by both Parties.

**C7.1.2** Seller commits to grant the agreed Scheduled Landing Gear Removal Program the highest priority with a dedicated work force.



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## **C7.2 Loan Landing Gear**

### **C7.2.1 Background**

As agreed by the Agreement, Seller shall provide, if requested, the Buyer with spare Landing Gears for a loan (Loan LDG), which are configured to suit the Buyer's aircraft configuration.

### **C7.2.2 Loan Period**

The Loan period will commence when the Loan Landing Gear is dispatched to the Buyer and will end when the Buyer returns the Loan Landing Gear to the Seller's Facility in accordance with the provisions of Article C 7.3.

### **C7.2.3 Loan LDG treatment**

The Buyer shall hold the Loan Landing Gear in good operating order and condition in strict accordance with the manufacturer's recommended maintenance procedures and shall return the Loan Landing Gear to the Seller in the same condition as delivered to Buyer, ordinary and reasonable wear and tear excepted. If for any reason the Loan Landing Gear is returned to Seller in a condition other than as delivered to the Buyer, the Buyer shall pay to the Seller all reasonable expenses for correction of such condition. Such payment shall be due from Buyer to the Seller on demand. The Buyer further agrees that it will not permit, without securing Seller's express written consent thereto in advance, any charges for modifications, alterations or additions to the Loan Landing Gear.

If the Loan Landing Gear fails in any aspect of the recertification process, Buyer shall be responsible for the reasonable cost of Repairs and/or maintenance as necessary to cause the Loan Landing Gear to meet requirements thus allowing recertification.



### **C7.2.4 Loan LDG Insurance**

During the Loan period, the Buyer shall at all times bear all risk of loss, damage, destruction, or confiscation of or to the Loan Landing Gear, whether or not the Loan Landing Gear is installed to the Buyer's Aircraft, the Buyer is obliged to have in effect and maintain the insurance in compliance with the insurance requirements as specified in the insurance article of the Agreement.

Loan Landing gear per each slot requested by Buyer shall be specified in a separate Loan Agreement to be agreed between the Parties, including full replacement value intended for purpose of insurance.

Upon request of Seller, Buyer shall provide a certificate of insurance evidencing all the insurance coverage.

### **C7.2.5 Loan LDG Warranty**

The Seller warrants that the Loan Landing Gear or Components thereof Delivered to the Buyer, shall be free from defects in material and/or workmanship performed by the Seller and shall conform to applicable specifications. If any breach of this warranty shall occur within the term of the Loan period, after the Loan Landing Gear is Delivered to the Buyer, the Buyer shall give the Seller written notice thereof  after it has knowledge of such breach. The Seller shall, as promptly as possible after receipt of such notice, take at its own cost all such 



[REDACTED]

actions as may be reasonably necessary to Repair or replace the defective Landing Gear and/or Component thereof, including Repair or replacement of any Components that are not in compliance with applicable specifications.

The Seller shall, at no cost to Buyer, pay round-trip costs of transportation for all Landing Gears Landing Gear Shipsets and/or Components thereof covered under warranty.

**C7.2.6 Loan LDG Documentation**

[REDACTED]






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## C7.4 LIQUIDATED DAMAGES



### C7.4.2 Non conformity

For the purpose of this article, an "Anomaly" means any nonconformity preventing the installation of the Landing Gear and/or Component thereof on the Aircraft limiting the operations of the Aircraft and resulting solely from Seller's action or omission while performing the Services.



### C7.6 LLP management

**C7.6.1** All Life Limited Parts installed on the Landing Gear, subject to a Redelivery, must have sufficient remaining life time and cycles to prevent their removal prior to the next scheduled Overhaul of the entire Landing Gear as per the Buyer Landing Gear TBO and CSO mentioned in the Technical Specification Schedule C1 Annex E, unless otherwise specified by Buyer in writing.

Should Seller or Buyer detect a risk of Life Limited Parts, each Party shall inform immediately the other Party. In this case, both Parties agree to make appropriate decision in advance in order to secure the provisioning lead time of such Parts.

**C7.6.2** In case of non-respect of article 7.6.1, Seller shall replace at its own expense all the Life Limited Parts not in accordance with the article above.

Such replacement shall include, if necessary, a free of charge on wing removal.





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**C7.7 Missing or damaged Parts**

For the purpose of Landing Gear, this article C.7.7 cancels and replaces article B1.2.3.

**C7.7.1 Outgoing inspection on Buyer's premises**

Before Delivery of any Landing Gear in Unserviceable Condition will be delivered by Buyer to Seller at Buyer's Facility, Buyer shall conduct an inspection of the Landing Gear and/or Landing Gear Shipset at Buyer's Facility.

Seller may attend such inspection. In such a case, the inspection shall be organized at a date mutually agreed by the Parties.

This inspection shall be conducted on the basis of the check-list prior agreed upon between Seller and Buyer.

[REDACTED]

[REDACTED]

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During this inspection, should the Landing Gear and/or Components be found incomplete or damaged, the following shall apply: Buyer shall notify, if possible with digital pictures, Seller of any:

- (A) Parts missing from the Landing Gear and/or Components.
- (B) Parts found to have been damaged during removal of the Landing Gear and/or Components from the Aircraft.

Seller shall replace such missing or damaged Parts at Buyer's expense as per Schedule C1 Annex. A 2.2.

This process may be adapted between the Parties after the Delivery of the first Landing Gear and/or Landing Gear Shipset.

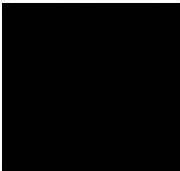
#### **C7.7.2 Incoming inspection on Seller's premises**

[REDACTED]

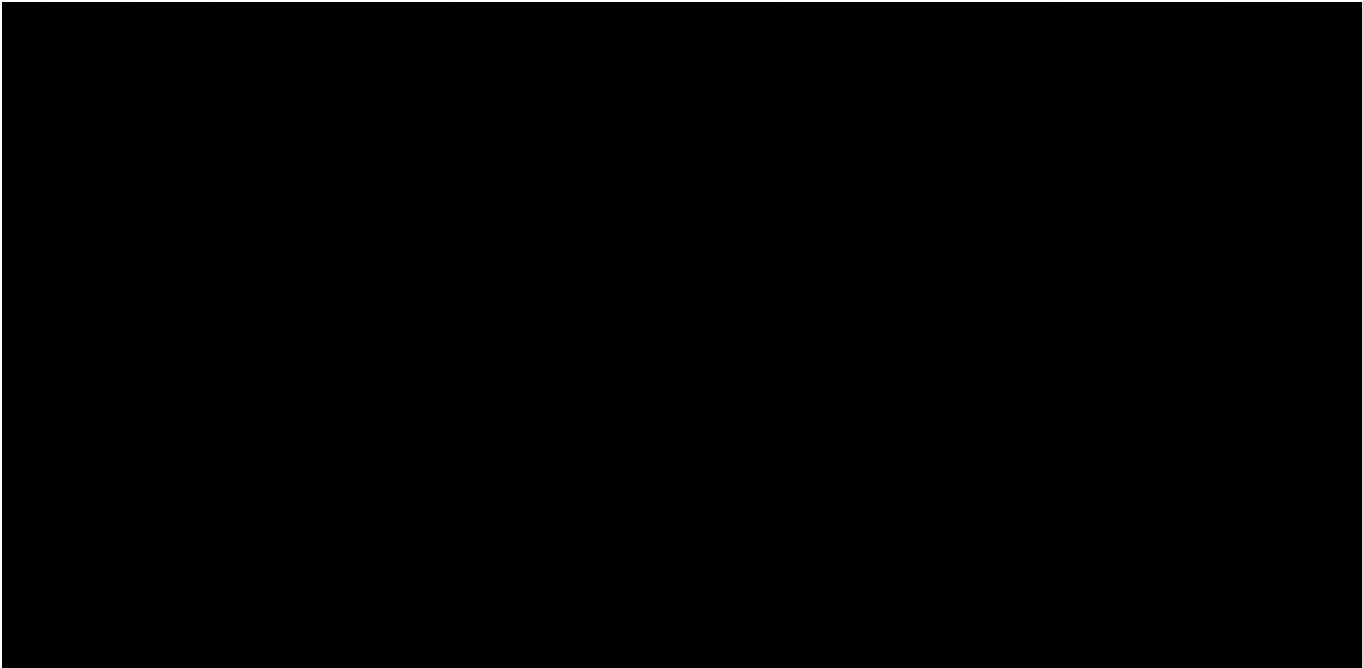
During this inspection, should the Landing Gear and/or Components be found Delivered incomplete or damaged, the following shall apply:

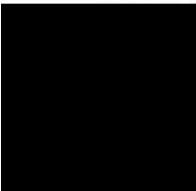
Seller shall notify Buyer of any

- (A) Parts missing from the Landing Gear and/or Components.
  - (B) Parts found to have been damaged during transportation or removal of the Landing Gear and/or Components from the Aircraft. Seller shall after written acceptance of Buyer replace such damaged Part at Buyer's expense. The notification shall be accompanied by a digital photo of the damaged Parts.
- [REDACTED]

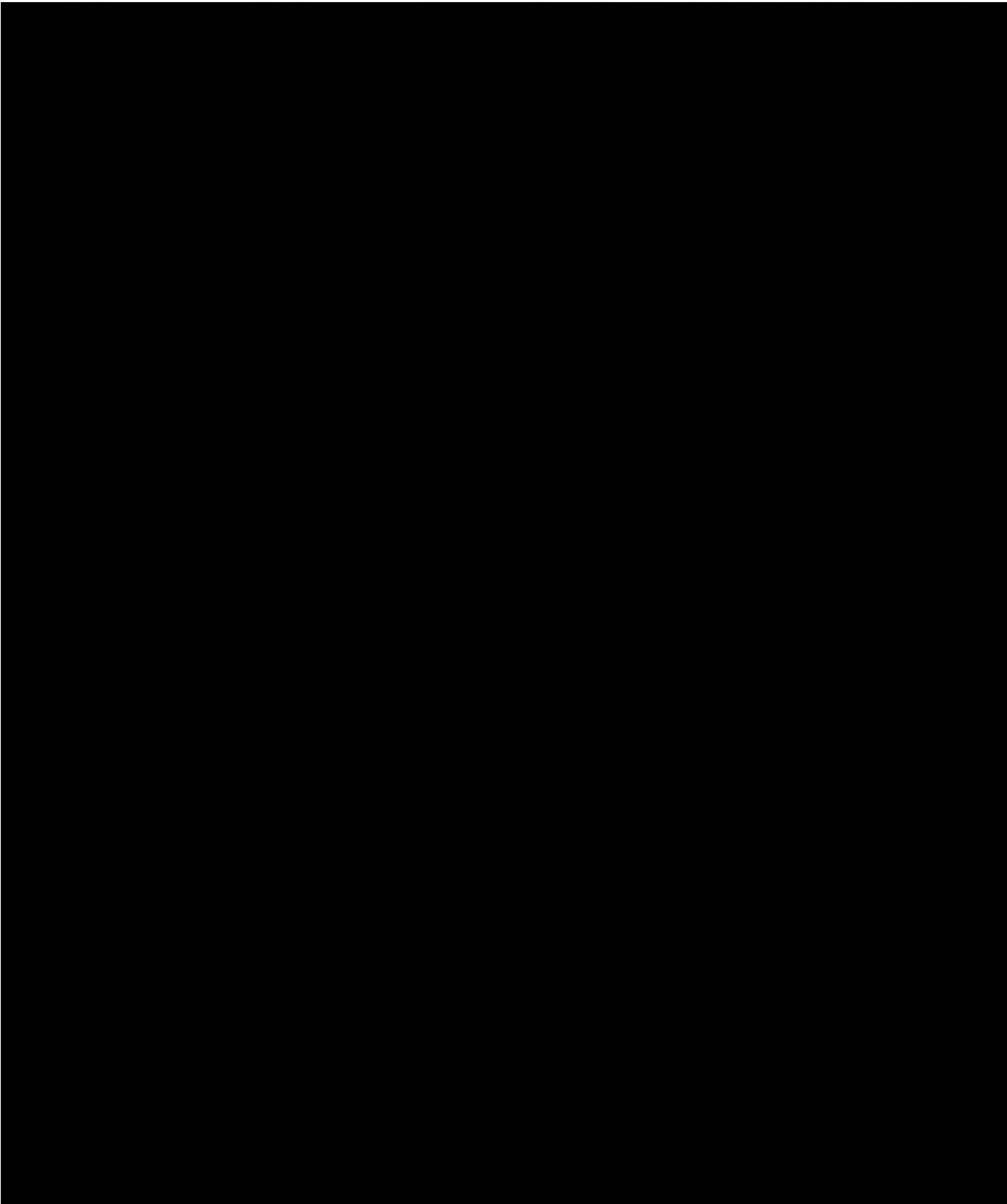


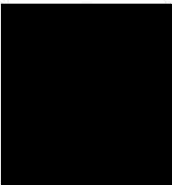
**C7.8 Invoice process and Payment Terms**



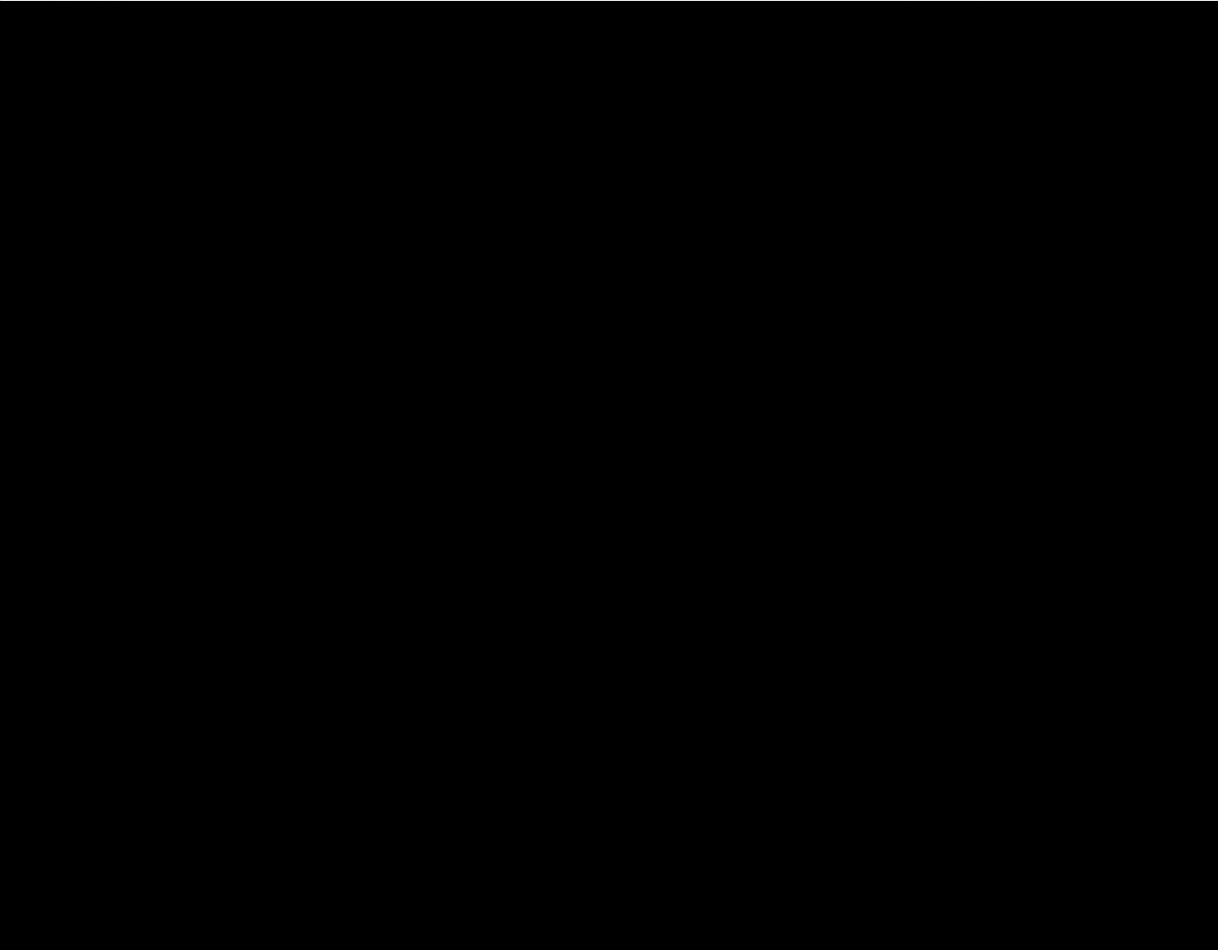


**C7.8.2 Logistic support**





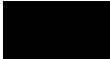
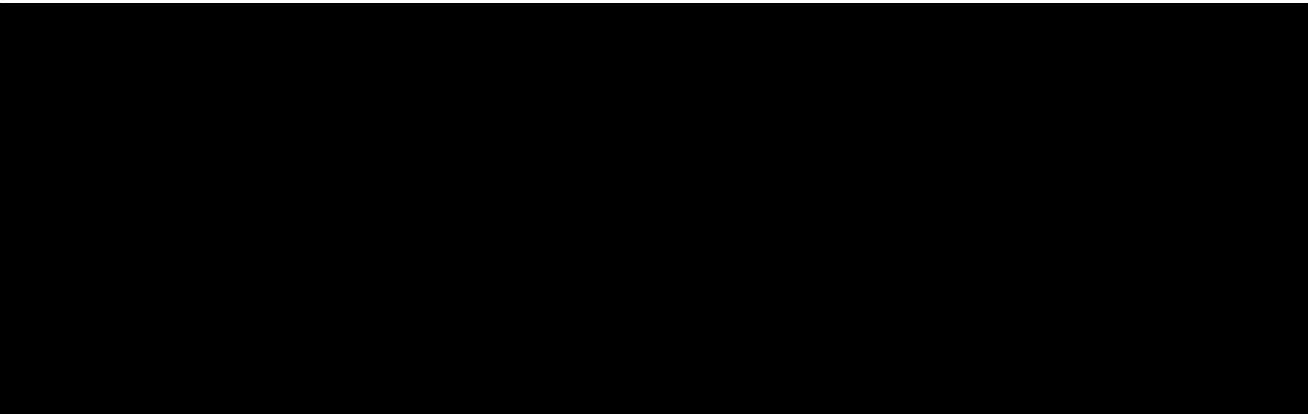
**ARTICLE C8 – PLACE OF DELIVERY AND REDELIVERY**



**ARTICLE C9 – SCRAPPING**

**C9.1 Scrapping of Landing Gear or chargeable Part**

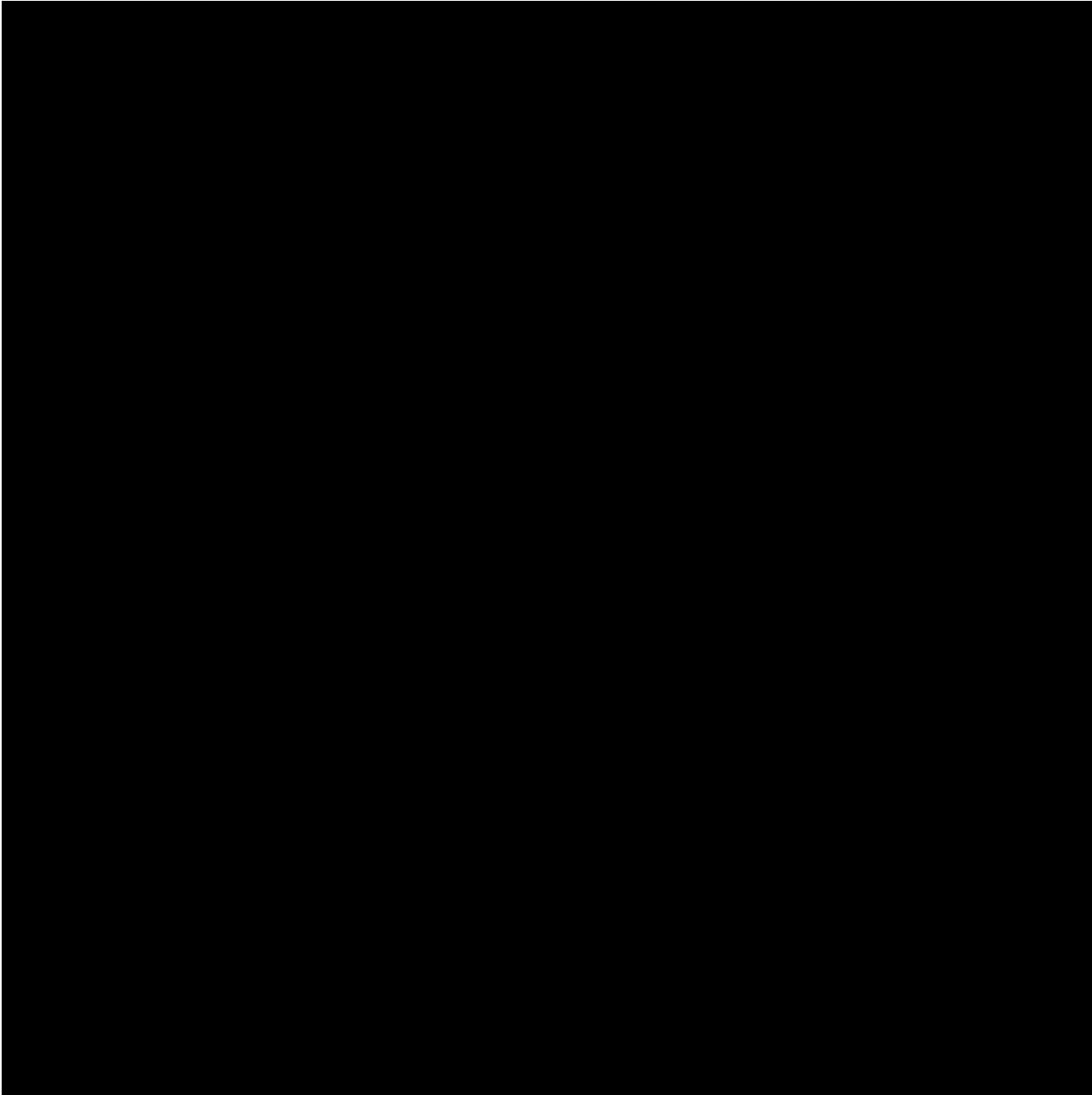
In addition to article B3 (Scrapping) of the Agreement for the purpose of a Landing Gear and/or Landing Gear Shipset, the following shall apply:







For following cases, following justification shall be provided:





**ARTICLE C10 - GOVERNMENTAL AUTHORIZATIONS**

Assign specific responsibilities for obtaining necessary governmental authorizations.

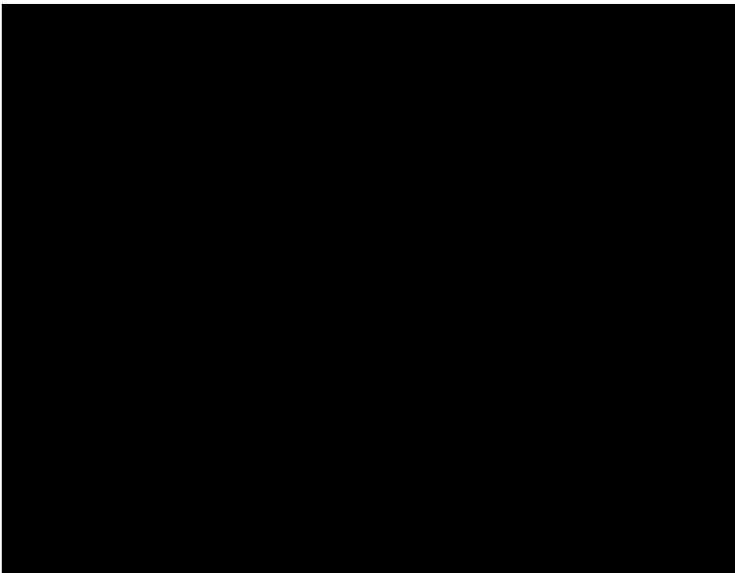
This CSA has been made in English, in two (2) originals, each Party having received one original, and has been executed by the Parties' duly authorized representatives:

Each Party acknowledges receipt of its own original executed version in the English language.

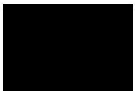
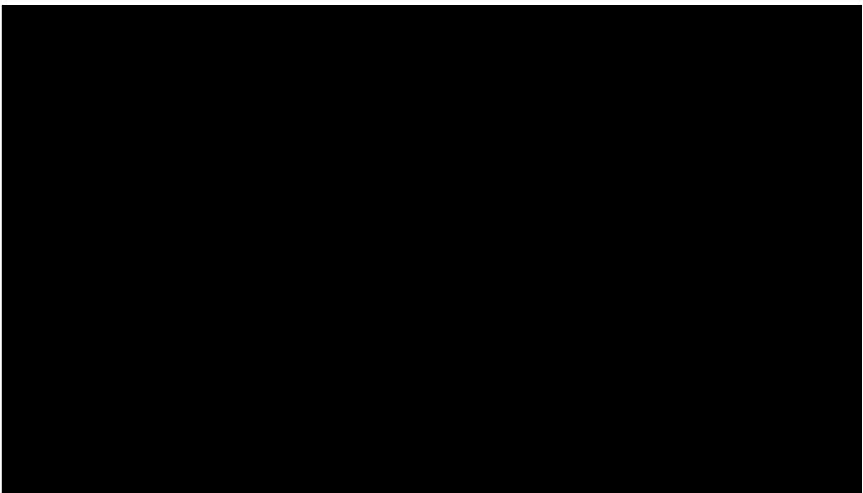
**SIGNATURES**

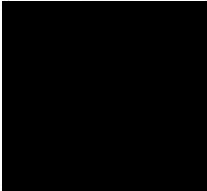


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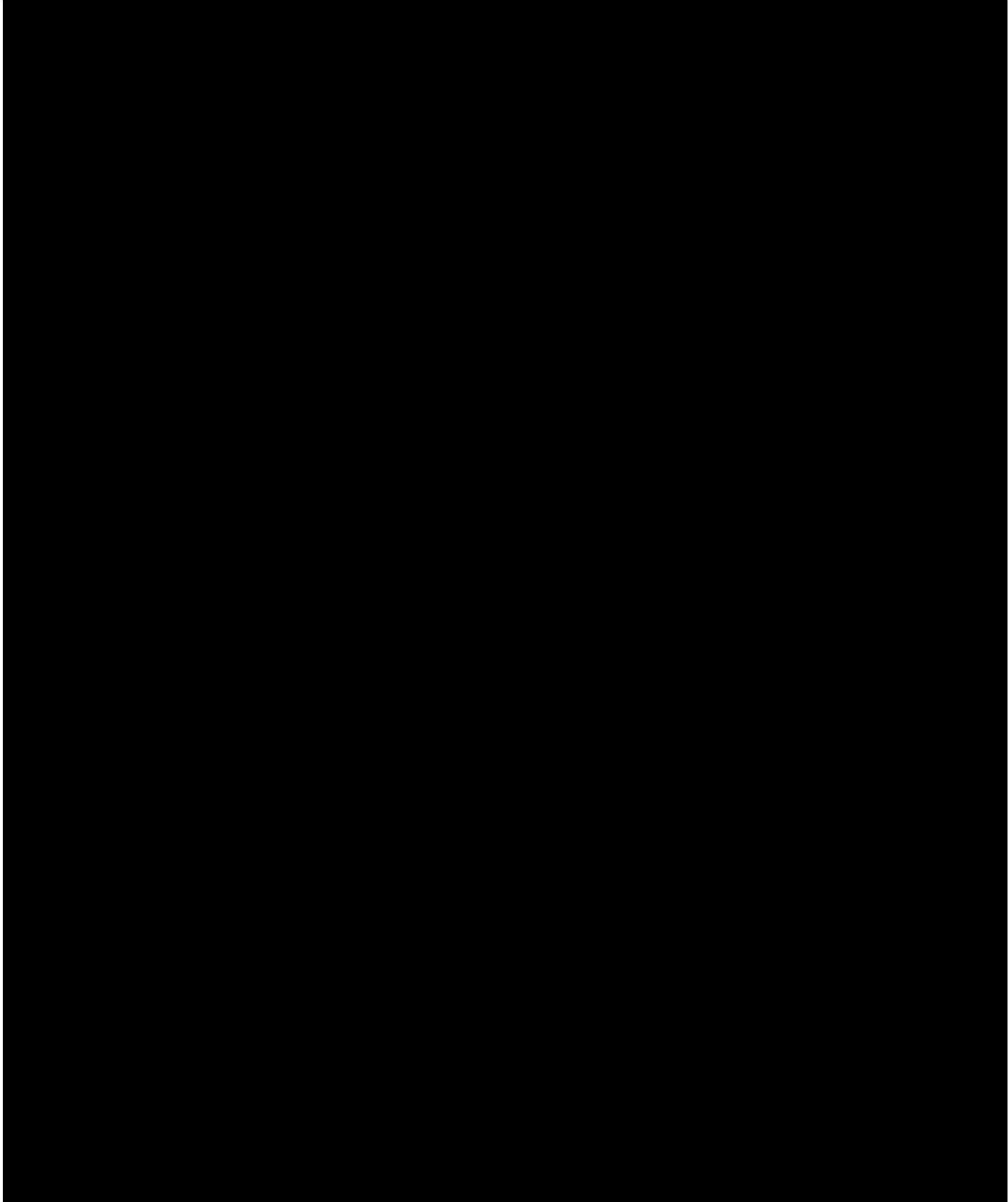
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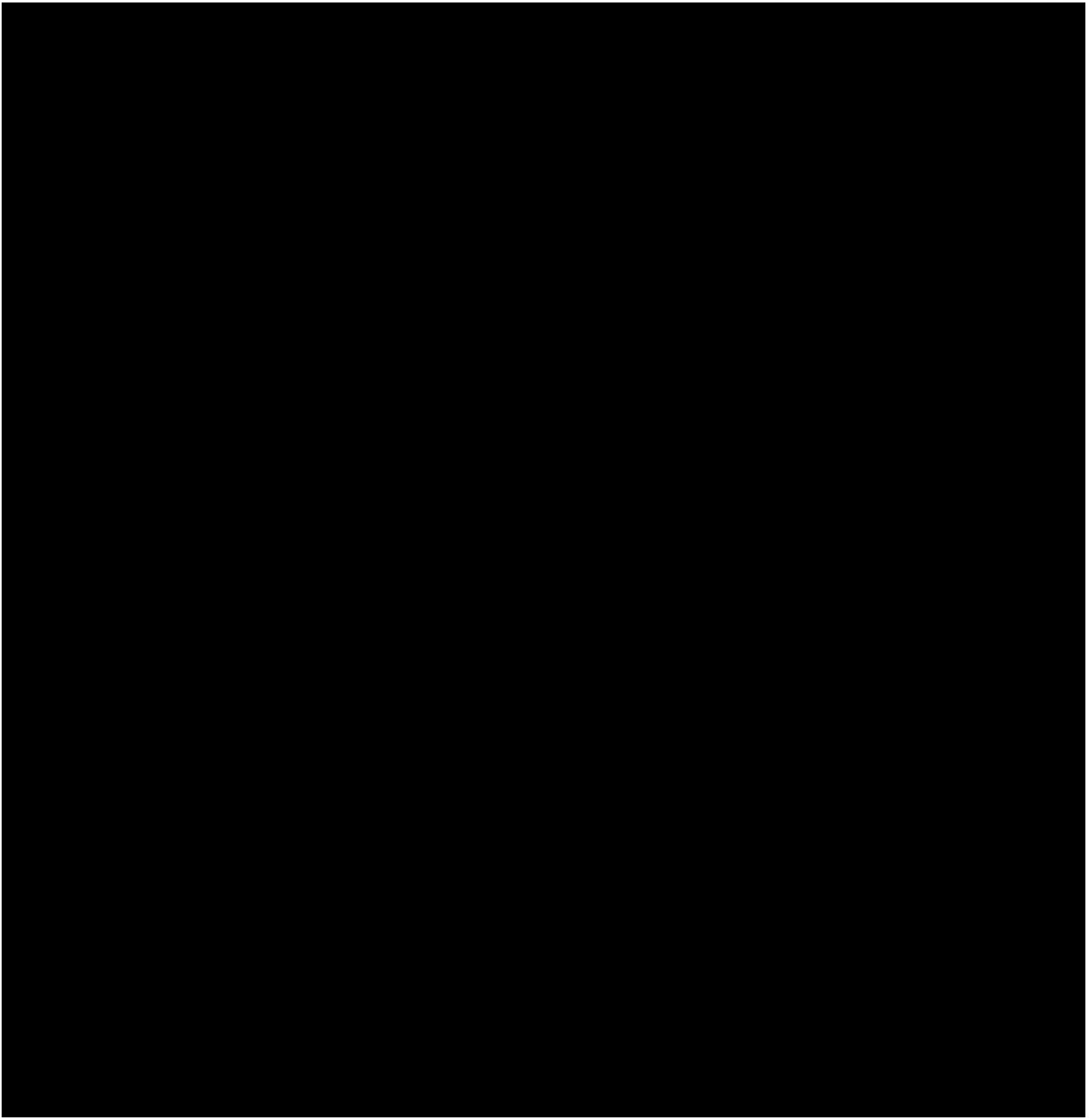


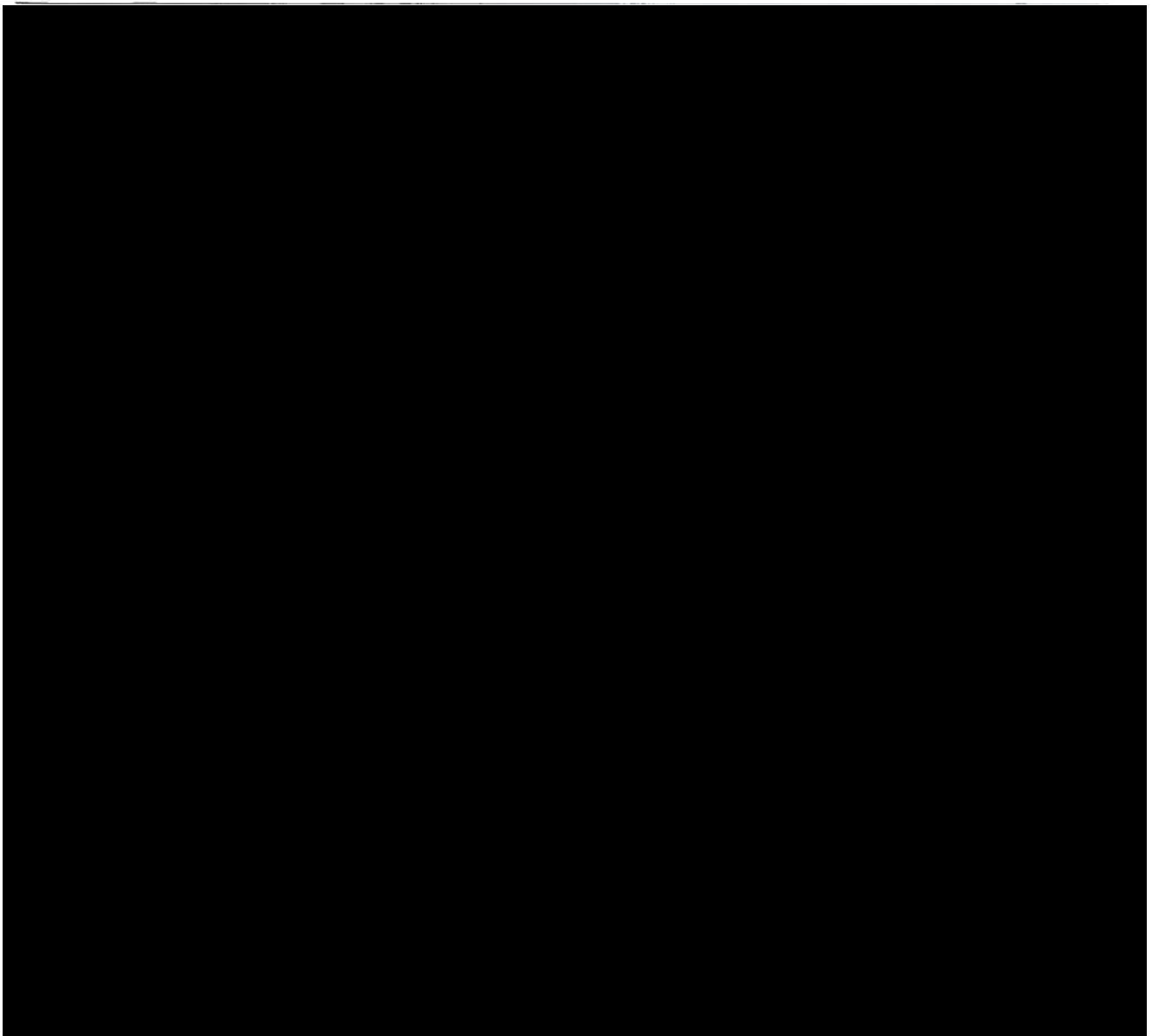


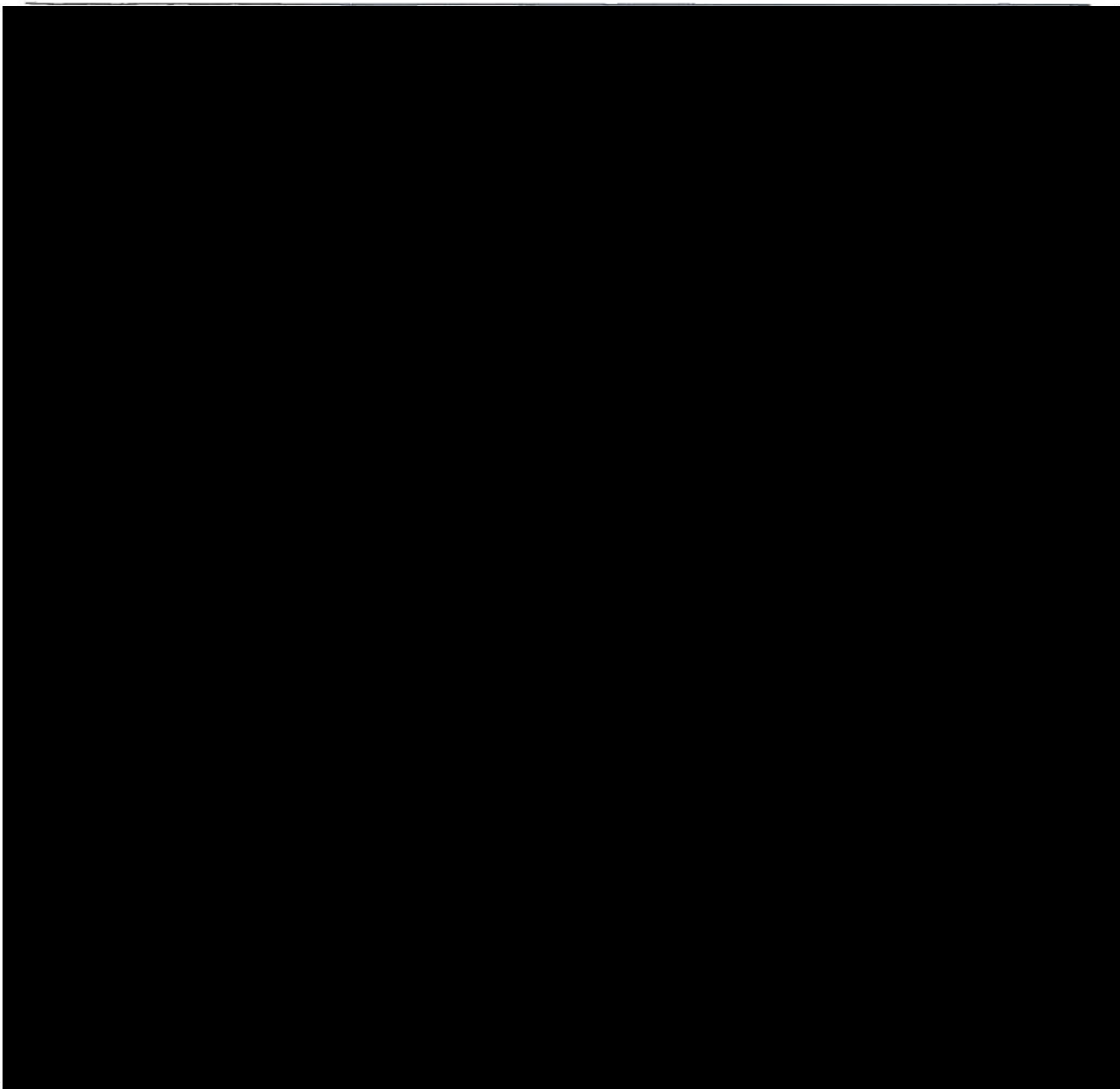
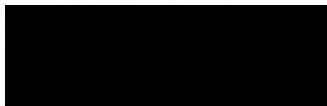
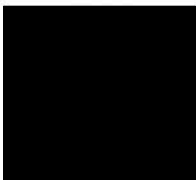
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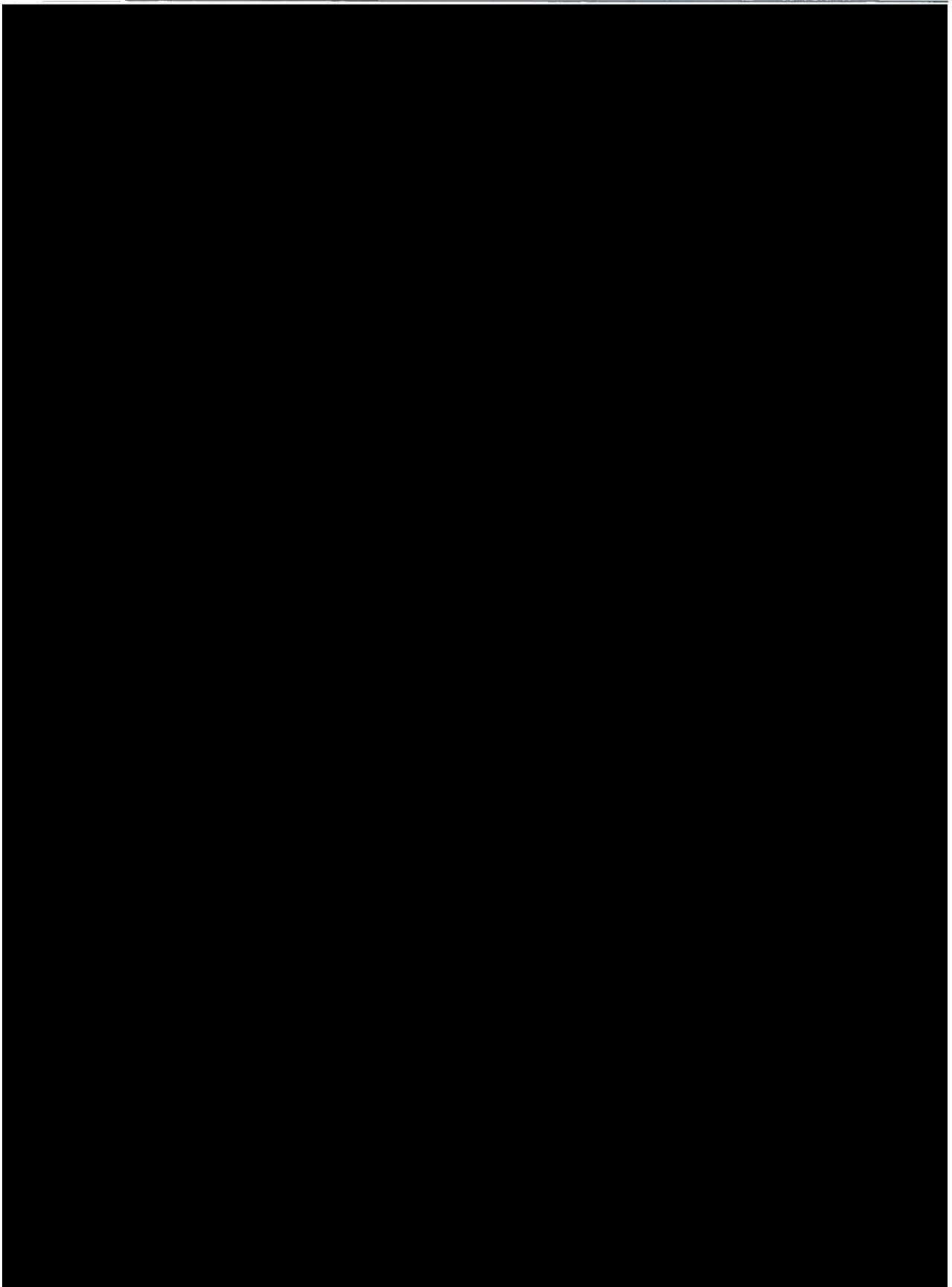
**SCHEDULE C1  
TO THE COMPONENT SUPPLEMENTAL AGREEMENT**

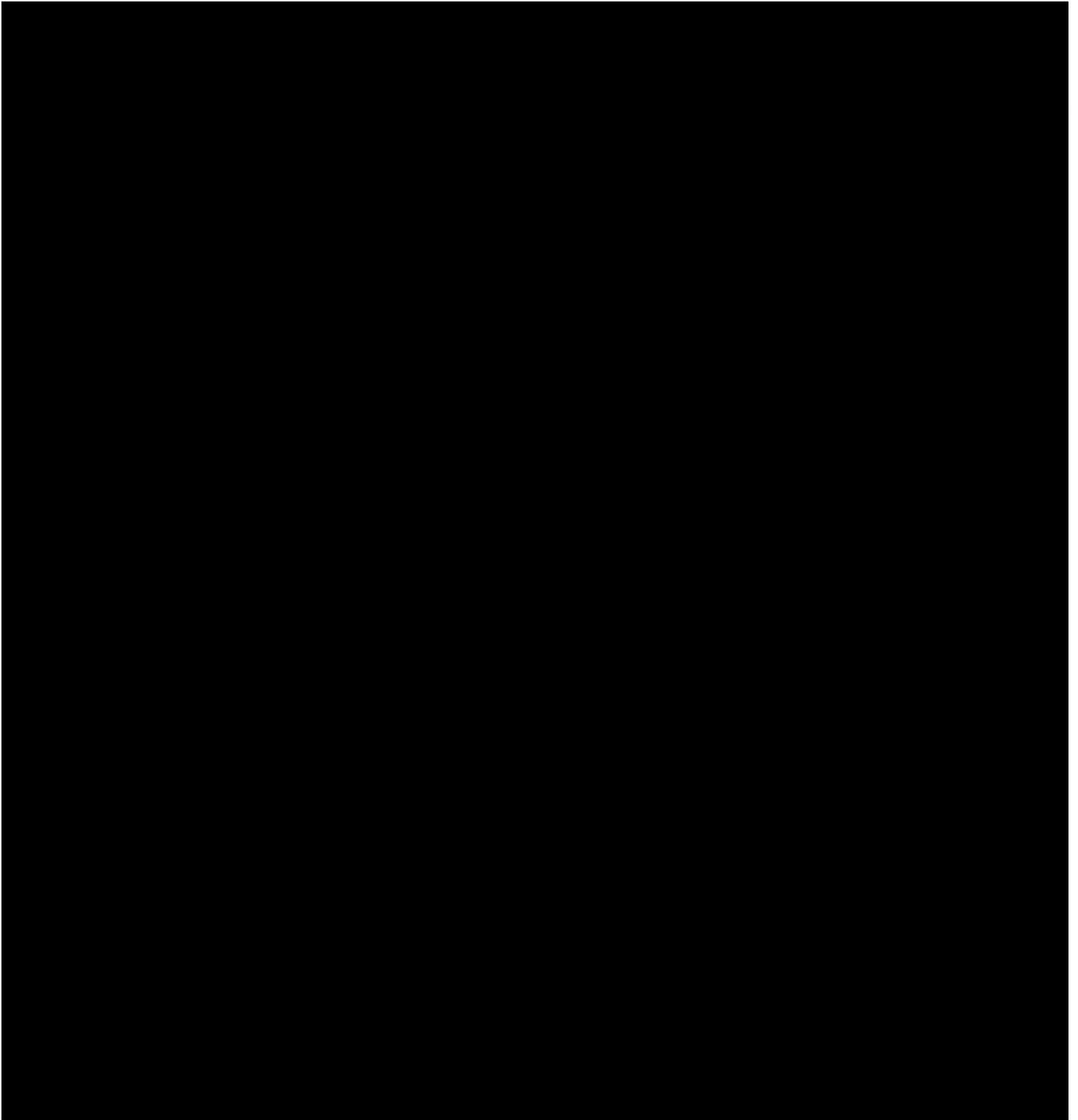




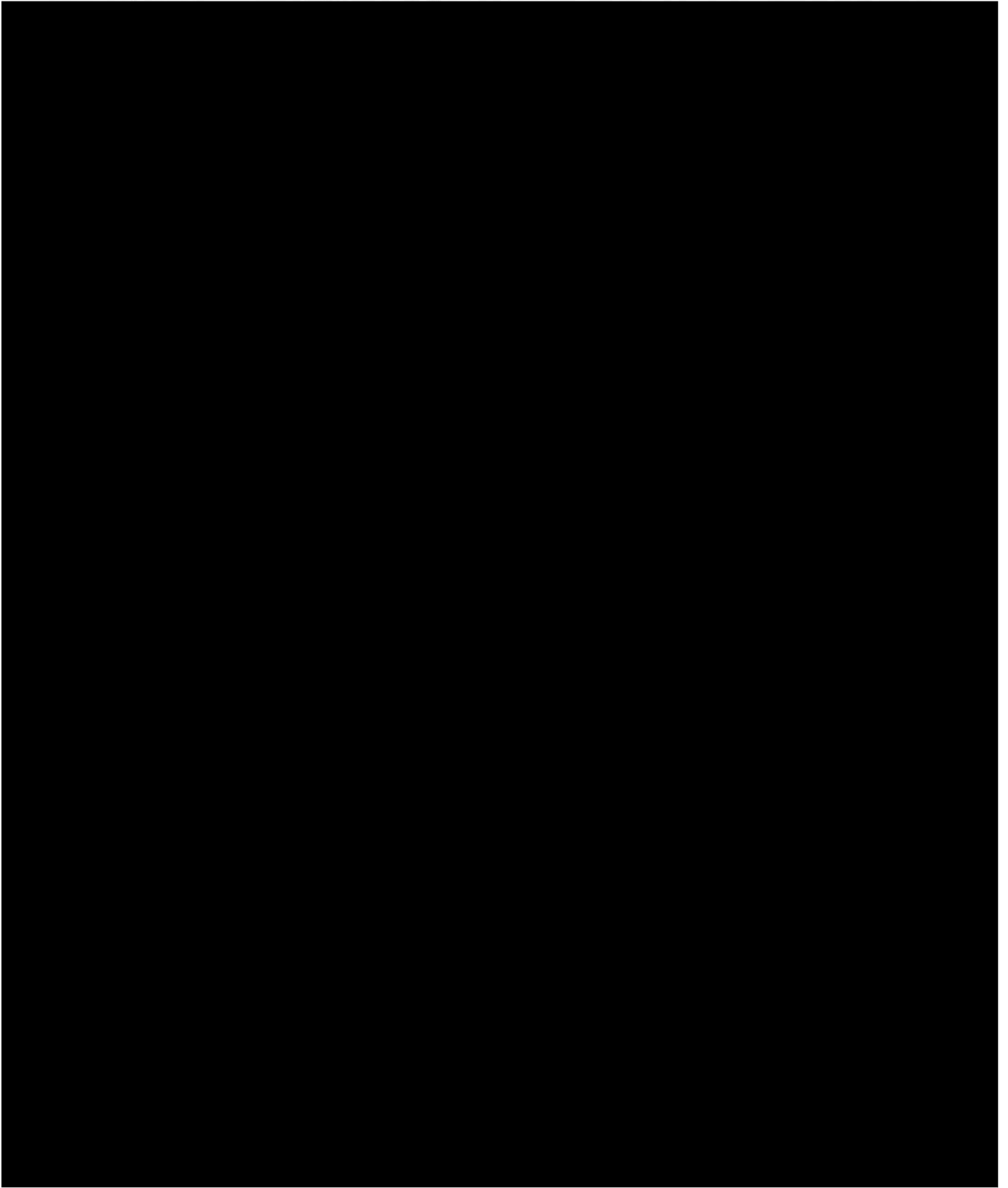


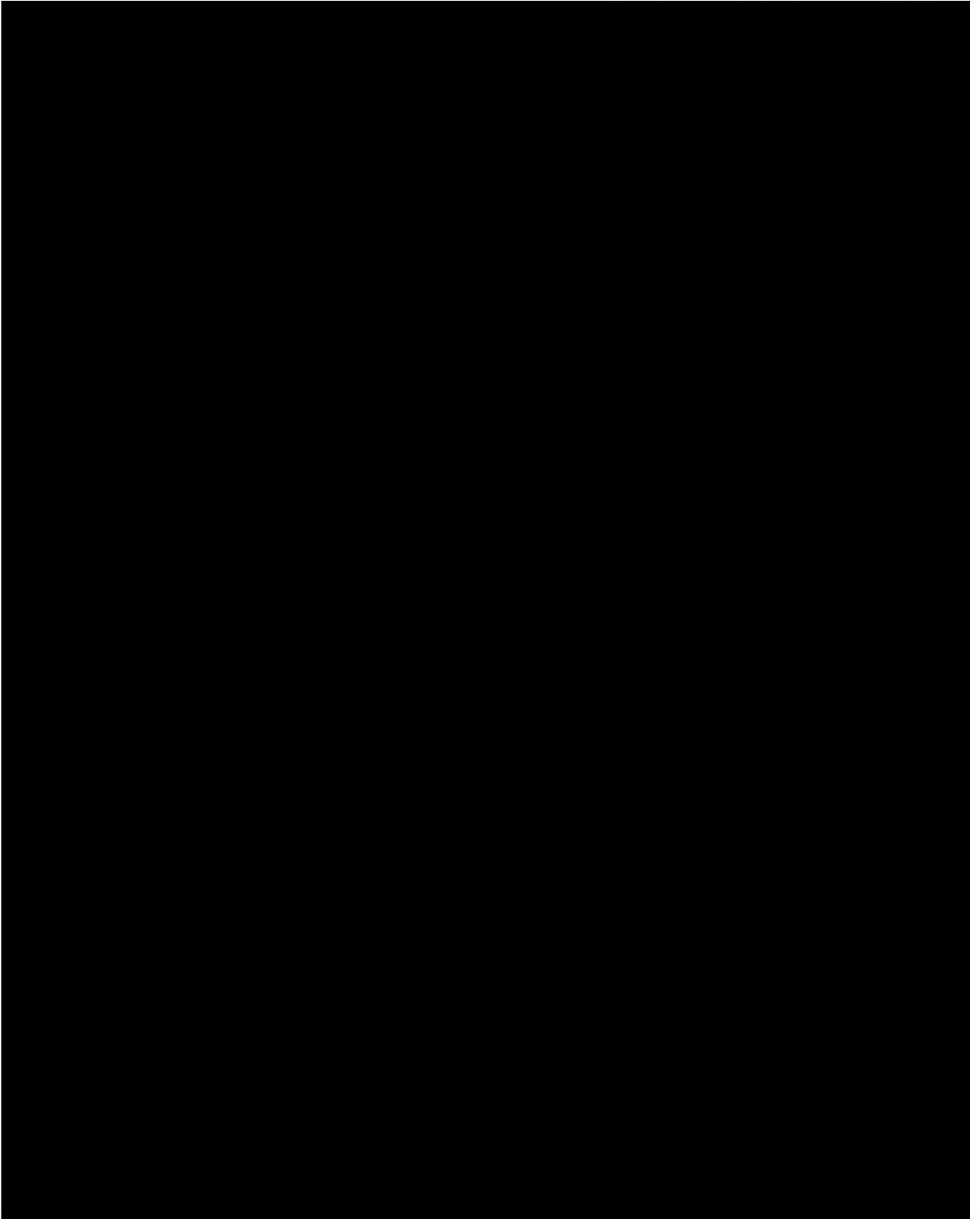
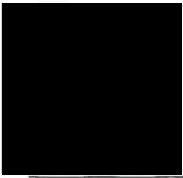


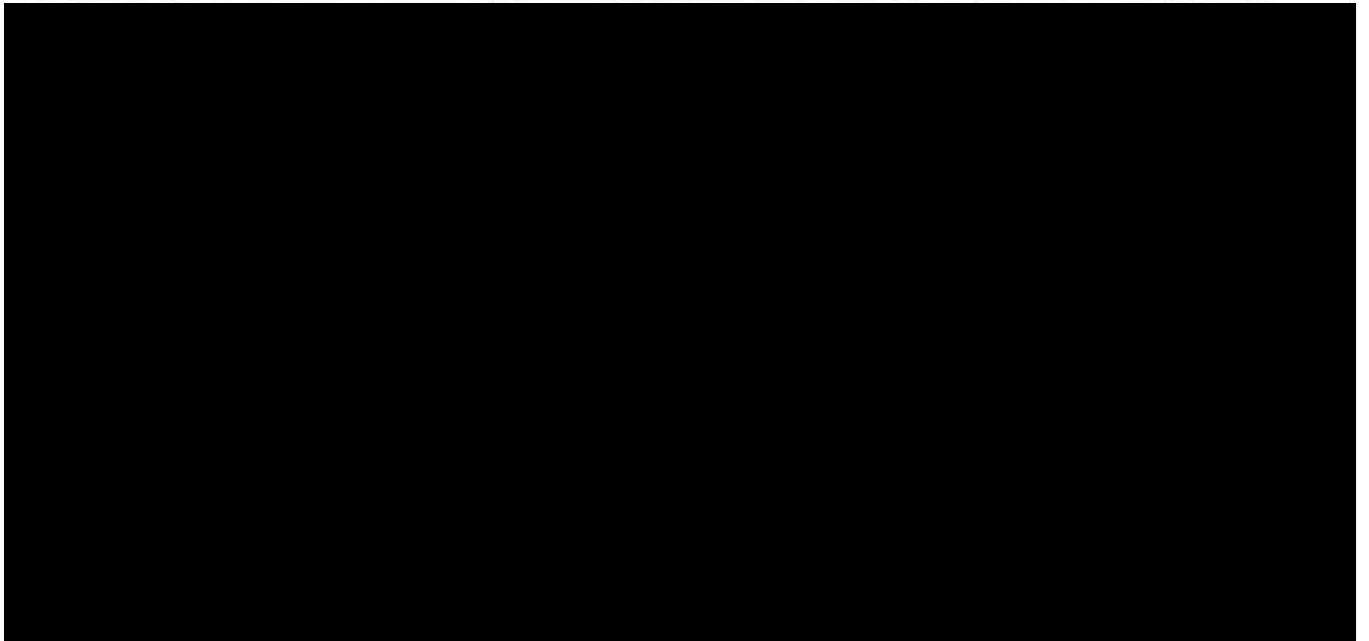
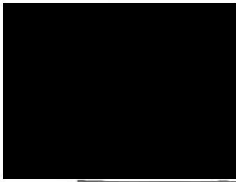


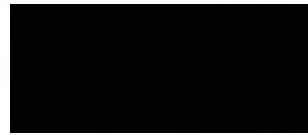
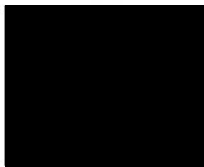


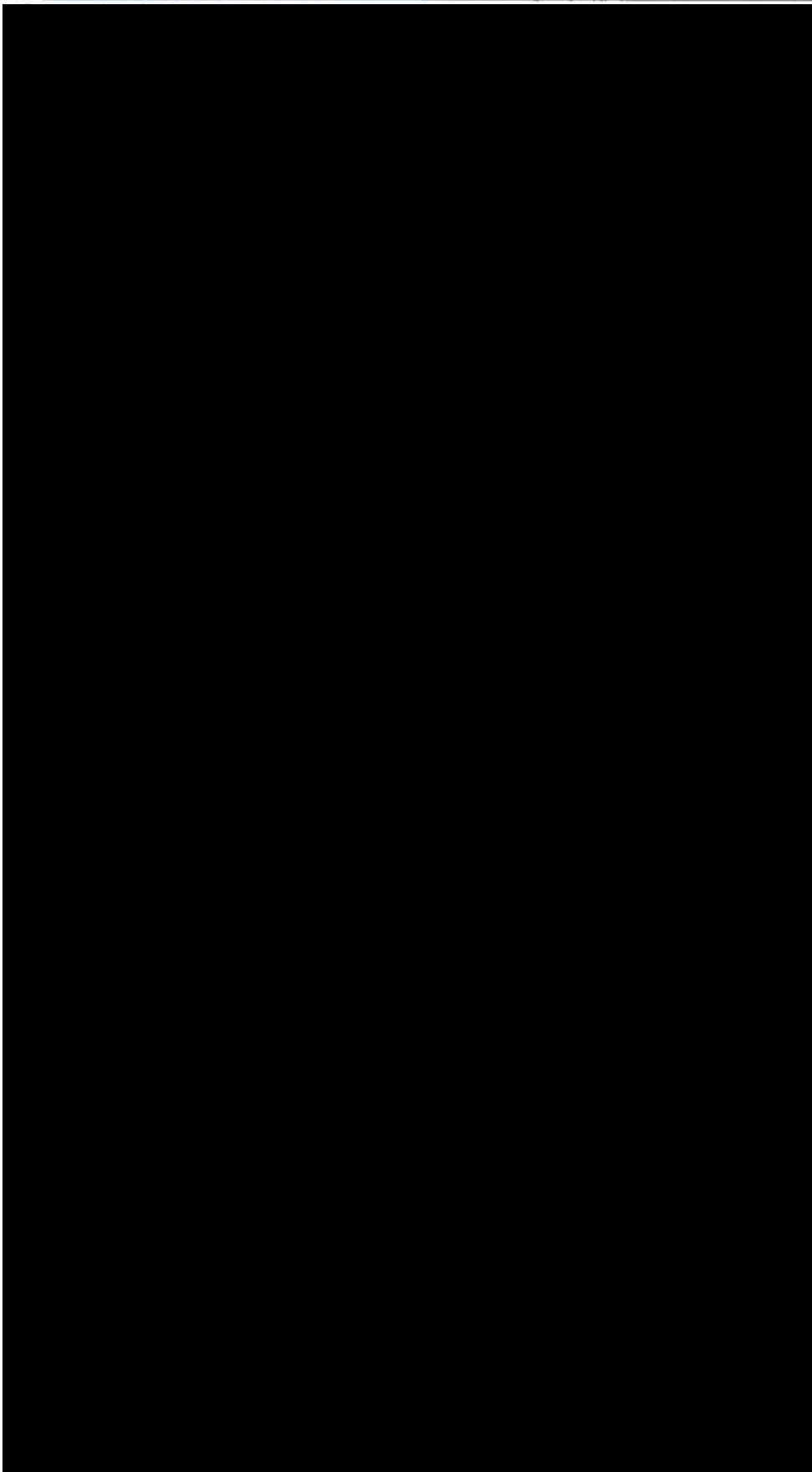
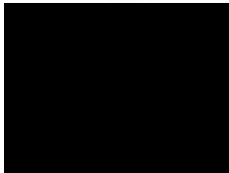


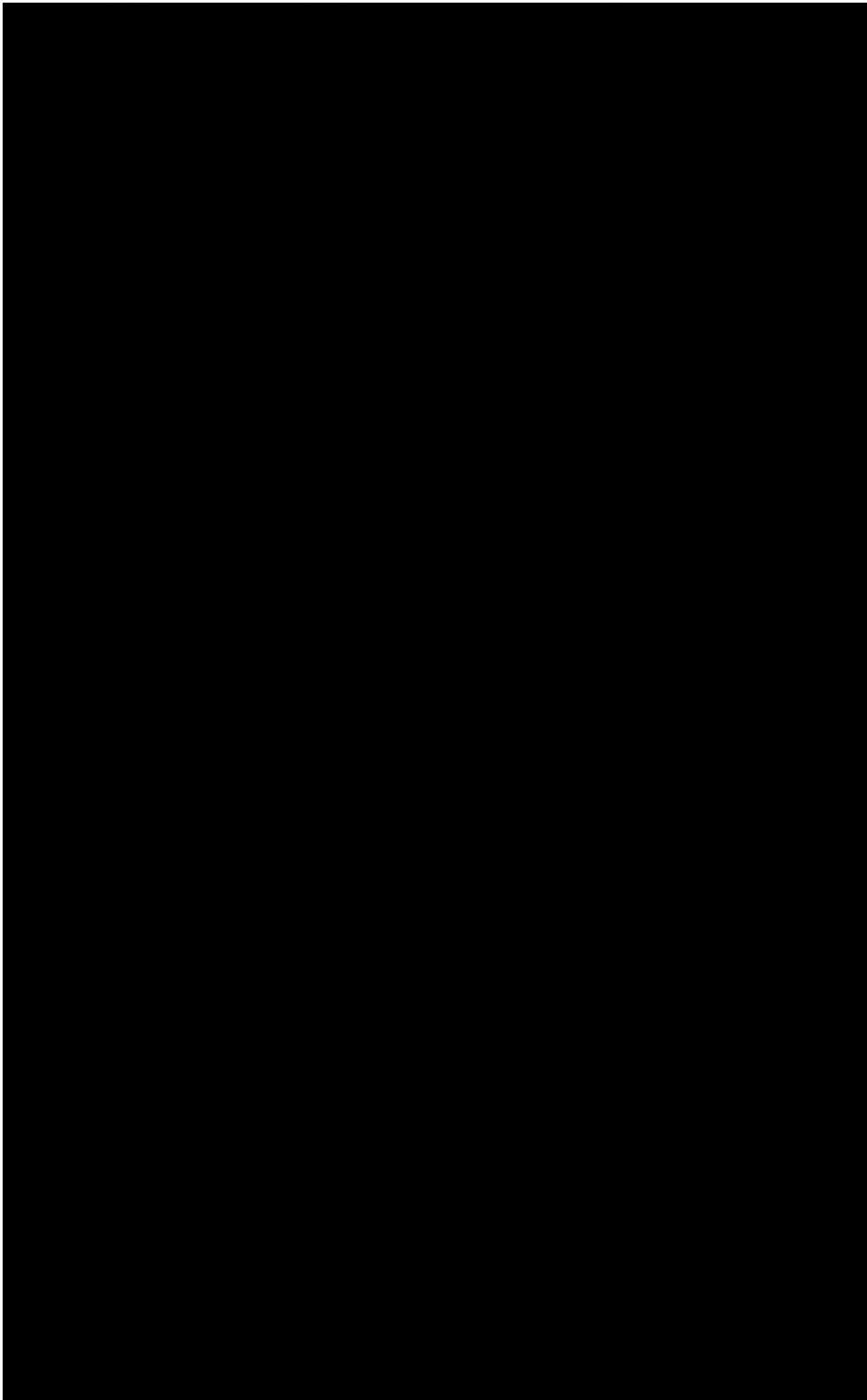


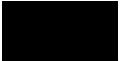
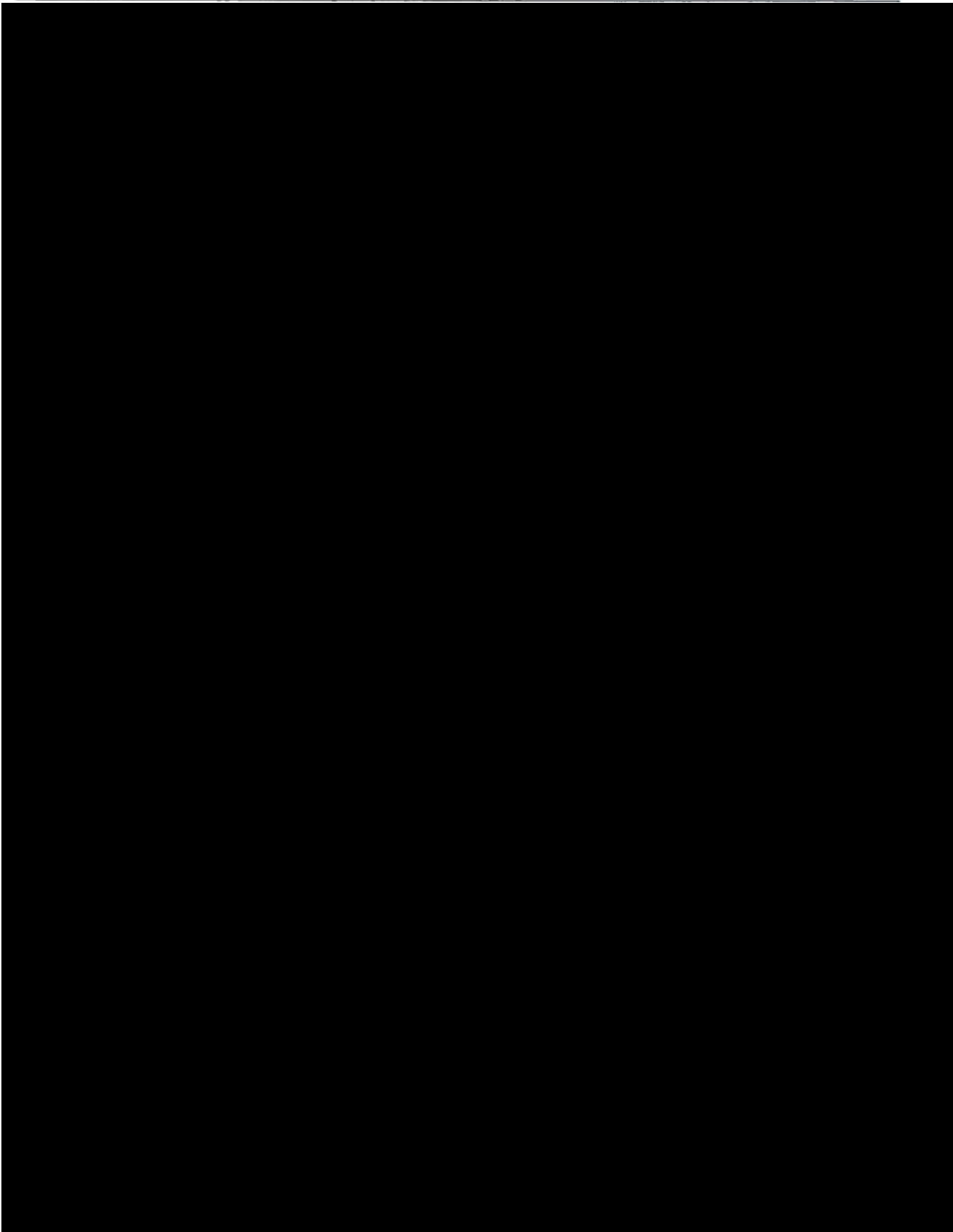
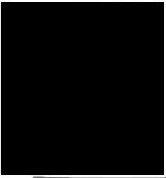


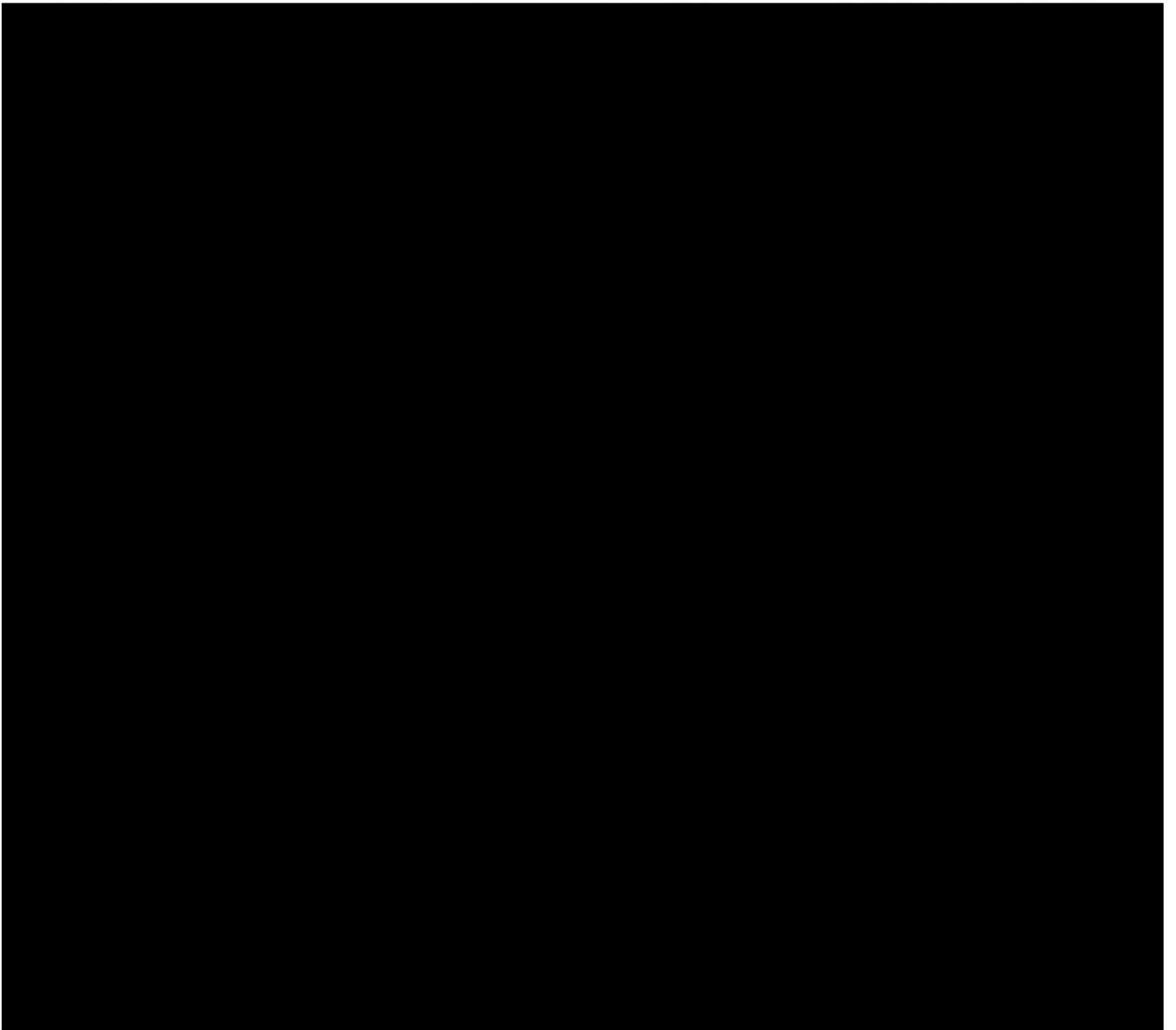
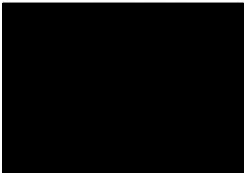




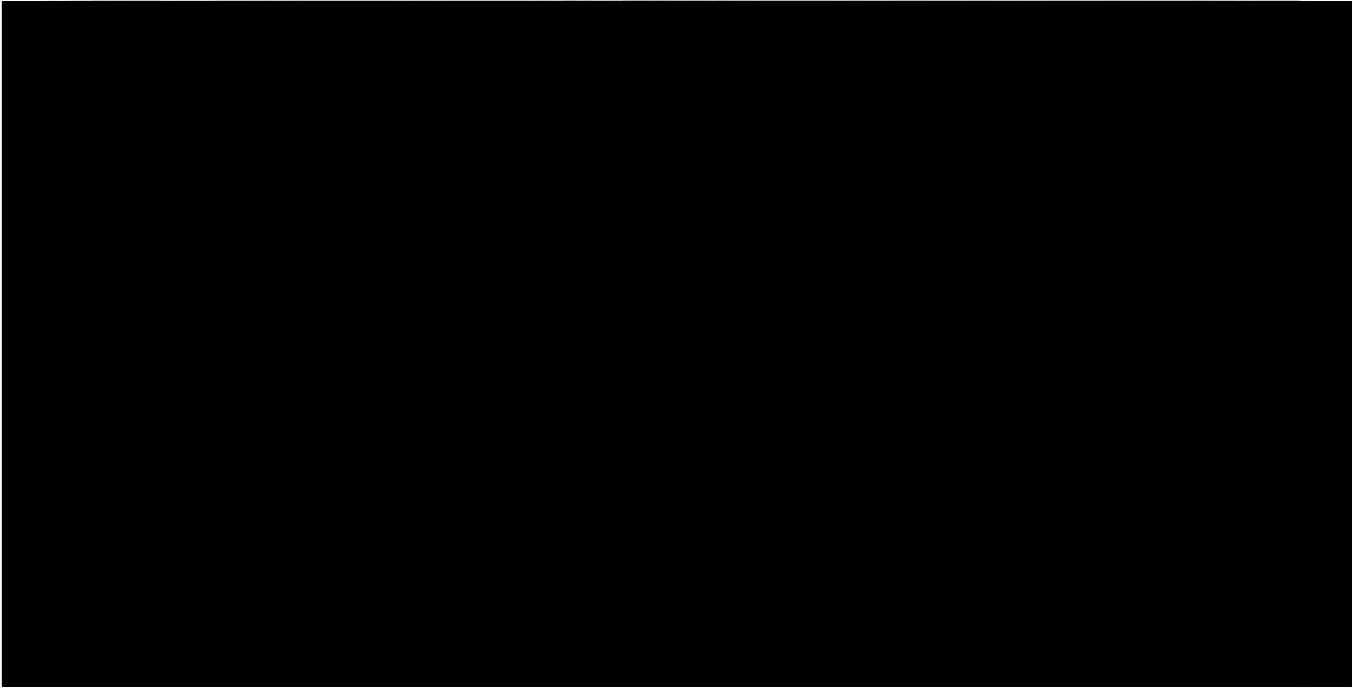


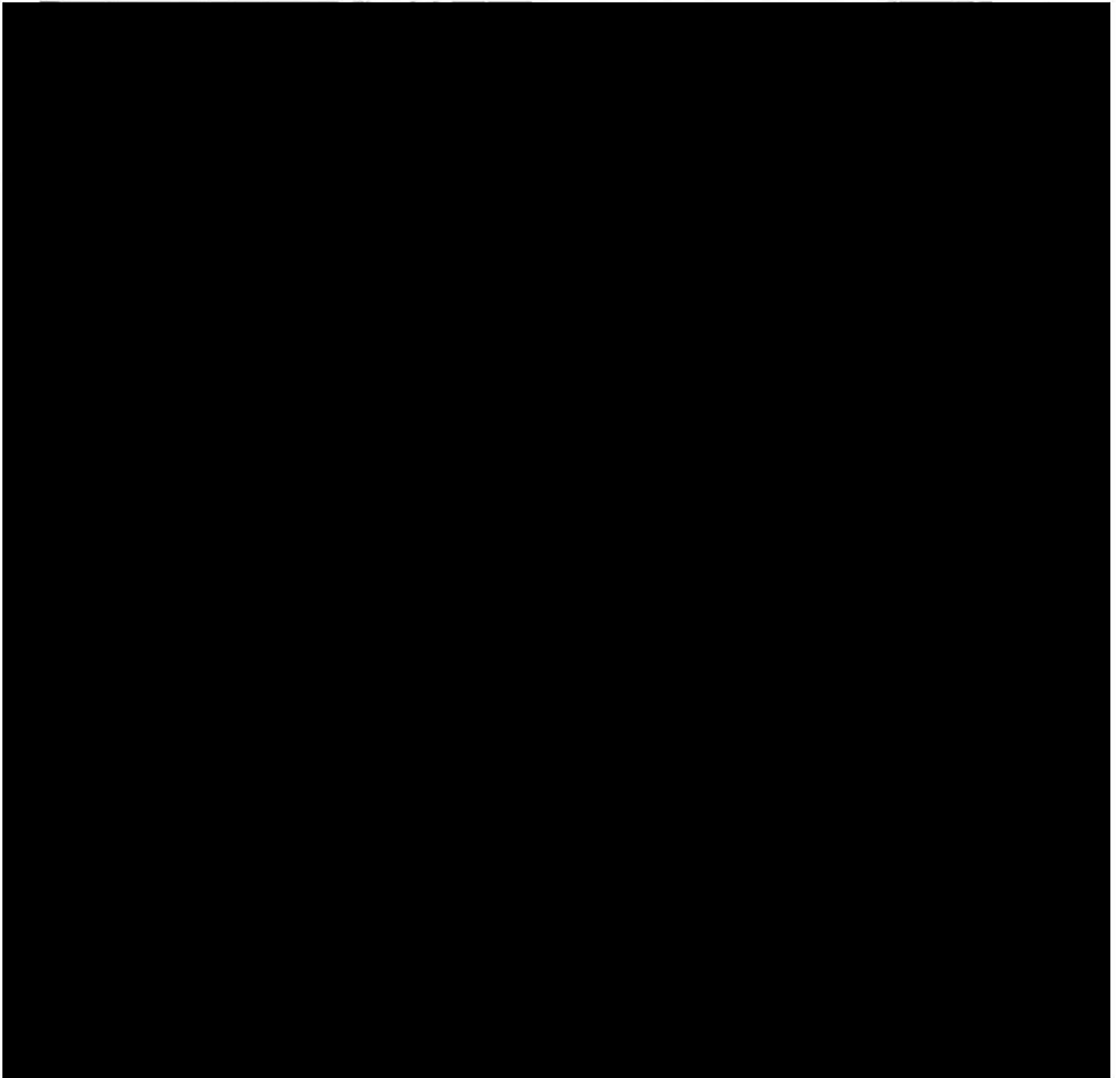
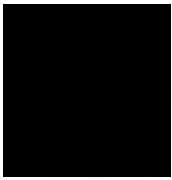


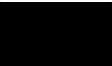
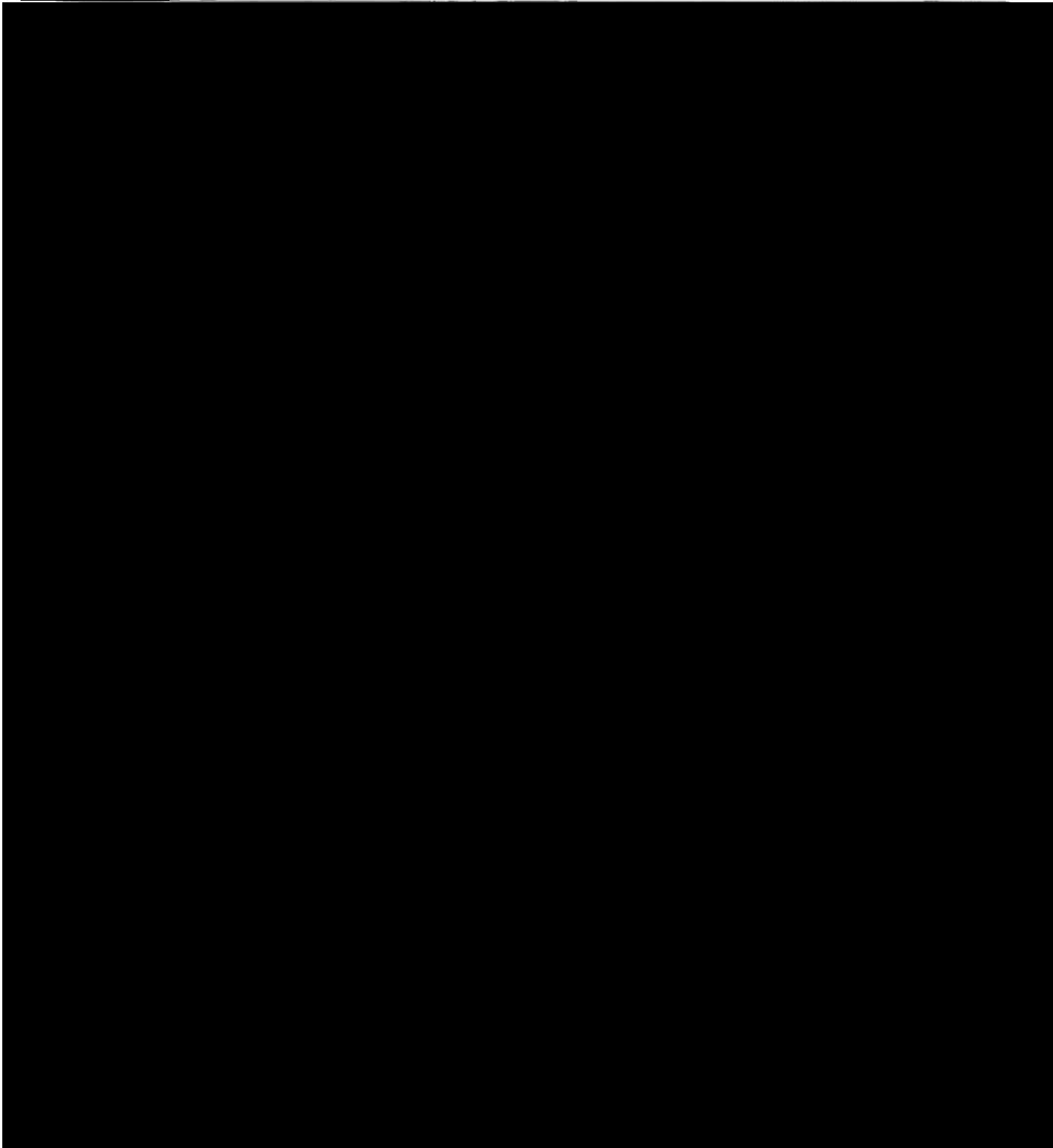
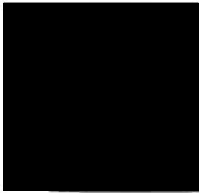












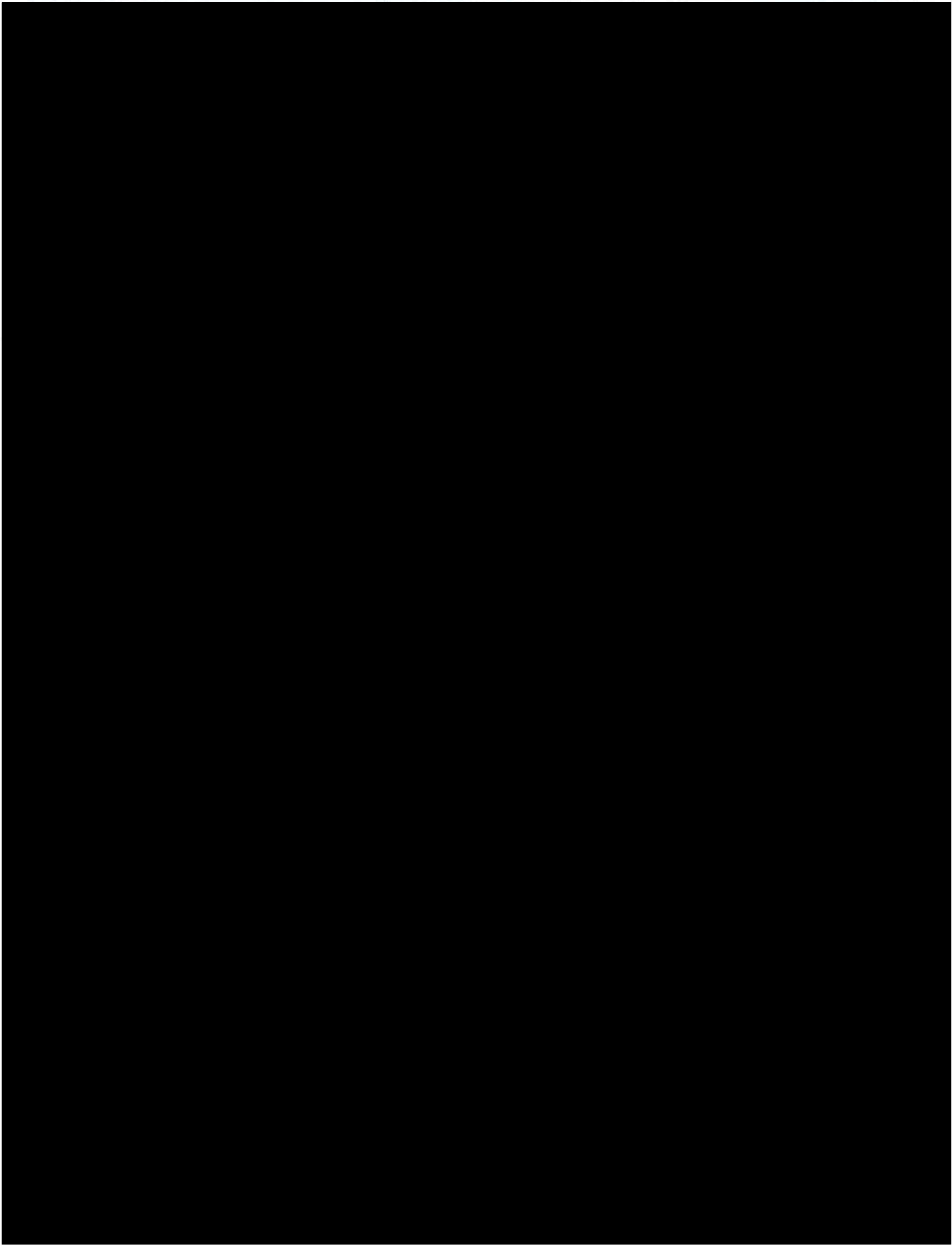


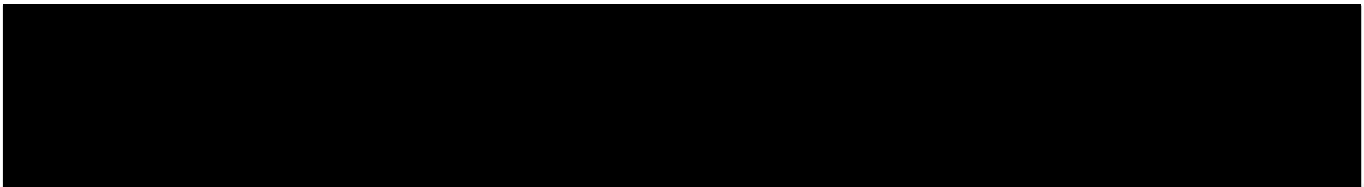
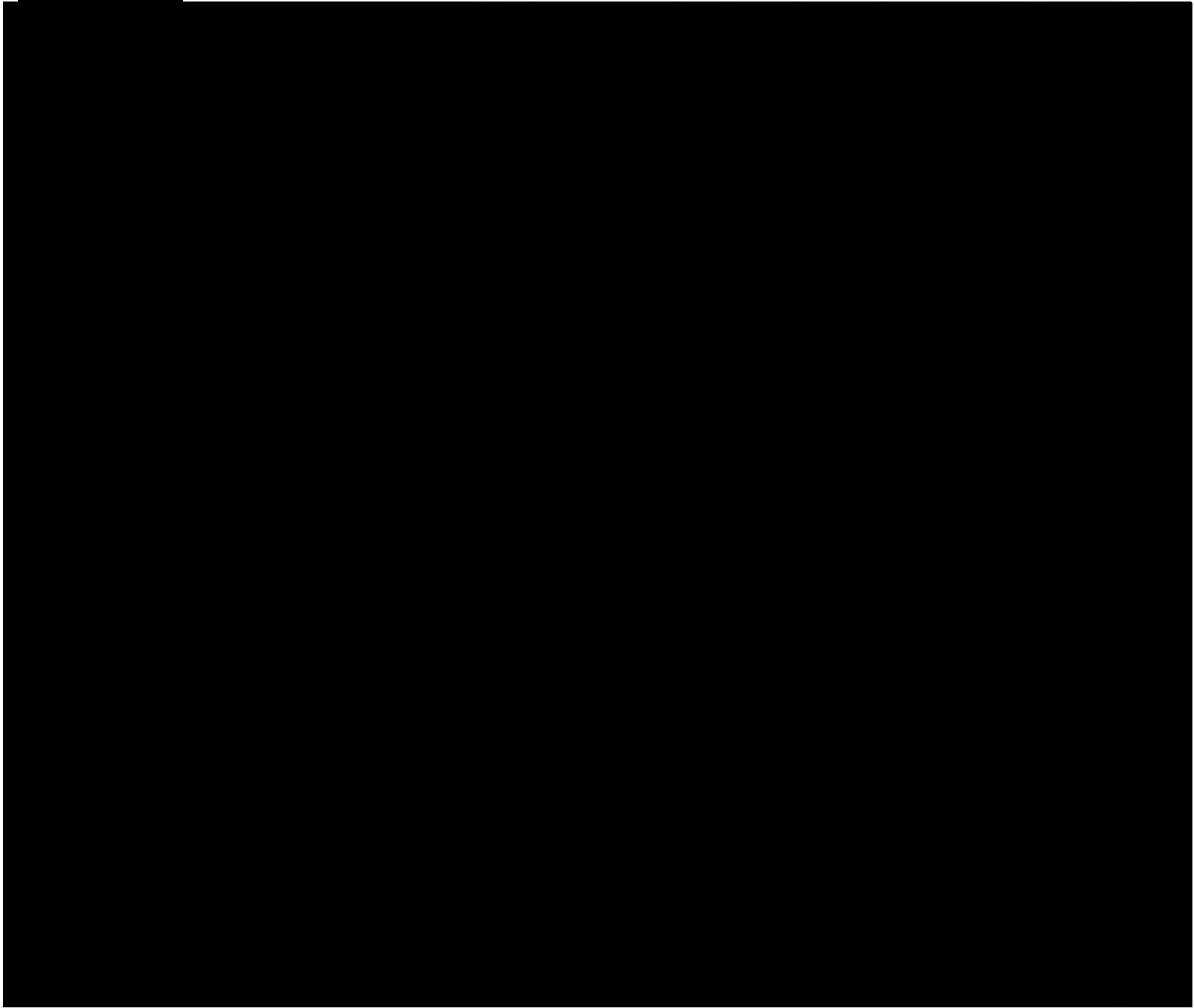
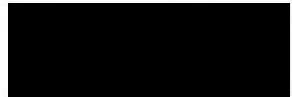
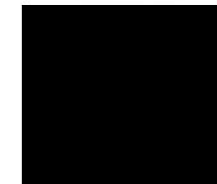
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**SCHEDULE C7  
TO THE COMPONENT SUPPLEMENTAL AGREEMENT**

**SELLER'S INSURANCE CERTIFICATE**

**BUYER'S INSURANCE CERTIFICATE**





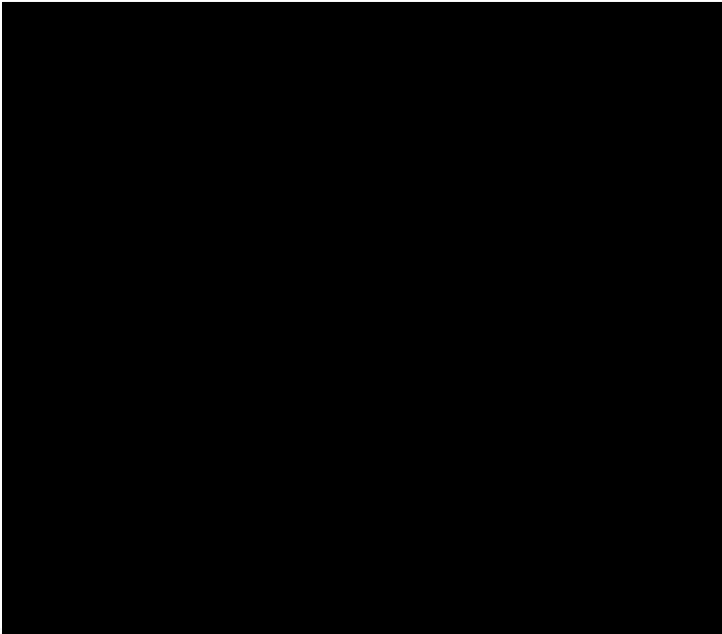


This Agreement has been made in English, in two (2) originals, each Party having received one original.

**SIGNATURES**



Date : 28 DEC 2016



Date : 31 DEC 16

