



**AGREEMENT
No. CSAT/2017/546**

for

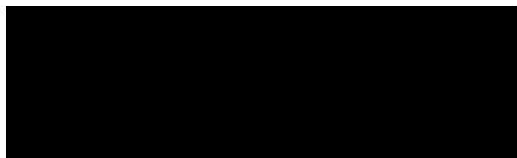
Landing Gear 

(hereinafter referred to as **"Agreement"**)

Between

Czech Airlines Technics, j. s. c.
(hereinafter referred to as **"CSAT"**)

and



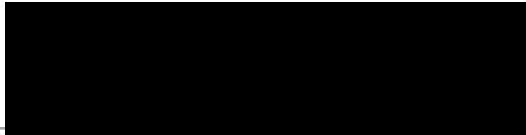


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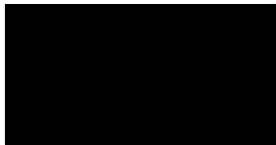
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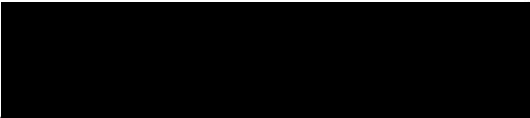
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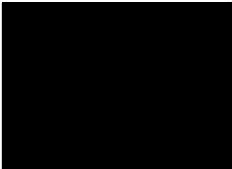
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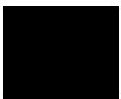
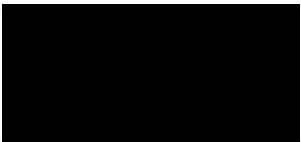
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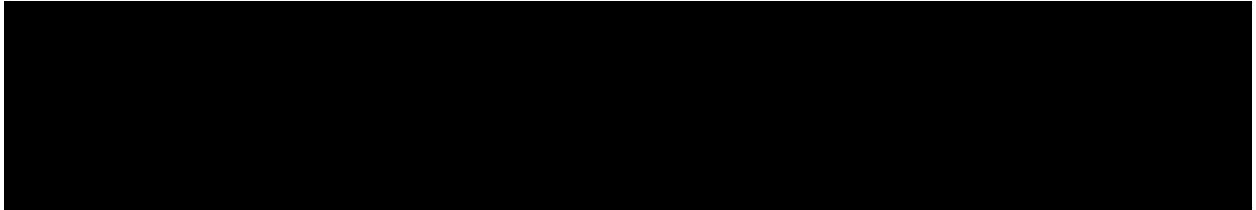
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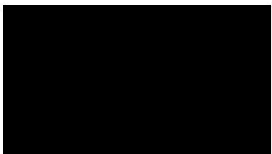
This Agreement is made on the date of the signatures of both parties between:

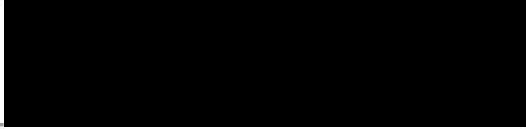
- (1) **Czech Airlines Technics, j. s. c.** with its registered office at Jana Kašpara 1069/1, 160 08 Prague 6 – Ruzyně, Czech Republic, Company ID No.: 271 45 573, VAT Reg. No.: CZ699003361, registered in the Commercial Register administered by the Municipal Court in Prague, Section B, File 9307, 



(hereinafter referred to as "**Customer**")

(both hereinafter referred to as "**Parties**" or "**Party**")




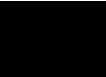
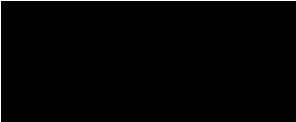


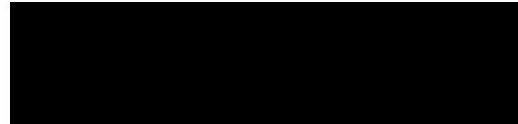
SECTION I: GENERAL

1. DEFINITIONS AND ABBREVIATIONS

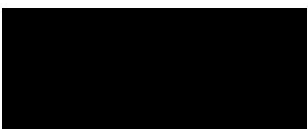
In this Agreement the following definitions apply:

Agreement	This Agreement including any attachments, exhibits and annexes hereto including all amendments and supplements to this Agreement as are agreed in writing between the Parties
Approved Data	Any information necessary to ensure that the aircraft or aircraft Component can be maintained in a condition such that airworthiness of the aircraft, or serviceability of operational and emergency equipment as appropriate, is assured
Approved Maintenance Organization/s	A MRO (Maintenance, Repair, Overhaul) provider approved and certified by national authority and additionally by EASA and/or FAA
Aviation Authority	The competent body responsible for the safety regulation of Civil Aviation in any relevant country
BER	Beyond Economical Repair; an Item is deemed to be BER in case the costs for rectification of the Item exceed or are likely to exceed  of the price of a new Item
Certificate of Conformance	A document to certify maintenance or manufacturing according to stipulated process specifications.
Certificate of Release to Service, or CRS	The Certificate of Release to Service (EASA Form 1, FAA Form 8130-3) confirms on behalf of the Aviation Authority approved maintenance / production organization that, unless otherwise specified, the listed actions have been carried out in conformity with the Quality Manual by personnel with appropriate authorizations and in accordance with approved regulations. It also confirms that the aircraft Component has been released to service with respect to the work carried out
CFR	Code of Federal Regulation





Components Maintenance Manual, or CMM	Any Components Maintenance Manual issued by the respective manufacturer
Component	A part, assembly (which can be installed as a unit), or permanently installed emergency operation equipment; for the maintenance organization also a complete powerplant and its parts. Components require aviation authority approval (EASA Form One, FAA 8130-3 or equivalent).
CRIT/AOG	Critical or Aircraft on Ground, as such terms are commonly understood in the aviation industry
Day	Calendar day
Business Day	Working day
Defect/s	Any abnormal or unusual condition of an Item following any of the Services rendered in respect of that Item under this Agreement whether or not this could eventually result in a failure
Delivery	As defined in Article „Delivery, Transportation and Packing“
Dual Release	Certificate of Release to Service (CRS) valid for EASA/FAA customers, issued by a maintenance organization holding both an EASA Part-145 Approval and a FAA 14 CFR Part 145/TCCA CAR 573 Certificate, certified: on a EASA Form 1 including a CFR Part 43 Return to Service statement when the organization is located in an EASA country; on a FAA Form 8130-3 including and EASA Part-145.A.50 Release to Service statement when the organization is located in the USA.
EASA	European Aviation Safety Agency
EASA Material Categories	<u>Aircraft Components:</u> A part, assembly (which can be installed as a unit), component, or permanently installed emergency operation equipment; for the maintenance organization also a complete powerplant and its parts. Aircraft Components require aviation authority approval (EASA Form 1, FAA 8130-3 or equivalent)





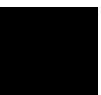
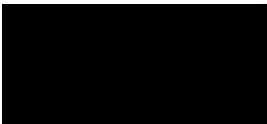
Standard Parts:

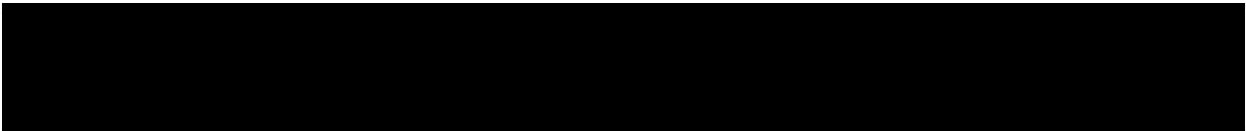
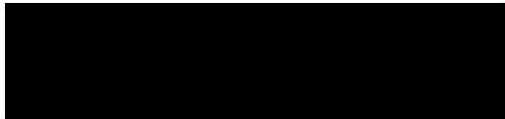
Parts which are defined in conformity with a national / international standard or specification, e.g. DIN / MS / NAS, or which area defined by a type certificate holder in a standard parts manual which has been approved by his national authority


Raw Material: Semi-finished products, e.g. sheet metal, plastic profiles, which cannot be used without processing

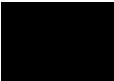
Consumables: Fluids, such as cleaning agents, pickling agents, primers, paints etc., for surface treatment, adhesives, additives for welding or plasma jet welding, or other auxiliaries or additives, such as lubricants and fuels

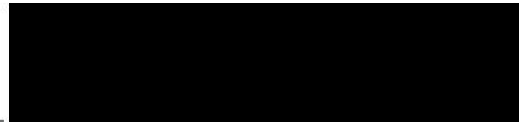
Extended Workbench	Non EASA Part 145 Organizations working under the quality system of a EASA Part 145 Approved Maintenance Organization (Sub-contracting)
FAA	Federal Aviation Administration of the United States of America
FAR	Federal Aviation Regulation as in force in the United States of America
FC	Flight Cycle (each landing of Component/LLP)
FH	Flight Hour
IATA-DGR	International Air Transport Association – Dangerous Goods Regulations
ICAO-TI	International Civil Aviation Organization – Technical Instructions
IMDG-Code	International Maritime Dangerous Goods Code
INCOTERMS	Regulations of the International Chamber of Commerce for freight forwarding, including transportation insurance as published by the International Chamber of Commerce as “Incoterms 2010”
Inspection	The examination of/to examine an Item to establish conformity with an approved standard
LDG	Landing Gear set



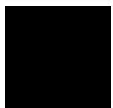
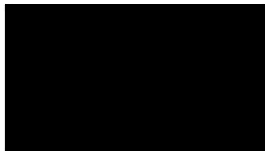


Maintenance	Any one or a combination of Overhaul, Repair, Inspection, Replacement or Modification of a Part
Mandatory Modification	Any Modification required by law, regulation or order issued by any competent body or Aviation Authority in any relevant jurisdiction
Materials	Any materials supplied to Customer by CSAT's Service of any Part
Mh	Man-hour (labor unit)
Minimum Period	The minimum period of the Term as defined in Article "Term and Termination"
MLG	Main Landing Gear
Modification	The alteration of/to alter an Item in conformity with an approved standard
NAA	National Aviation Authority
NLG	Nose Landing Gear
OEM	Original Equipment Manufacturer being the original manufacturer of an Item, Part or Component
Part	One, two or more pieces joined together which are not normally subject to disassembly without destruction of designed use and may be subject of Maintenance
	CSAT or Customer/ CSAT and Customer collectively
	Part of aircraft or aircraft component, manufactured under FAR 21 Subpart K "Part Manufacture Approval"
	Public Holiday means public and bank holidays in  and/or Czech Republic





Quality Department	The Customer's de notified to CSAT in '
Quality Manual	Maintenance Organ
Redelivery	As defined in Article "Delivery, Transportation and Packing"
Repair	The restoration of/To restore an Item / aircraft Component to a serviceable condition in conformity with an approved standard
Repair Order	Any repair order served by Customer to CSAT under Article "Repair Order Administration" of this Agreement
Scrap Material	Parts which are non-repairable according to OEM Manual
Services	All services and all work and actions such as but not limited to the services specified in Attachment A or otherwise agreed upon between Parties in writing as are to be performed by CSAT in accordance with the terms of this Agreement
Subcontracting	The contracting of any Services to a Subcontractor
Subcontractor	Any person, legal or natural, rendering certain Services on behalf of CSAT
Technical Defect	Any finding during maintenance out of OEM Manual repair capabilities
Term	The Term of this Agreement is the period of its effectiveness, as defined in Article "Term and Termination"
Turnaround Time; or TAT	The period of time agreed upon between the Parties for the rendering of the Services from the date of Delivery until the date of Redelivery
Warranty Repair Claim	A claim under the warranty given under this Agreement made in accordance with Article 18



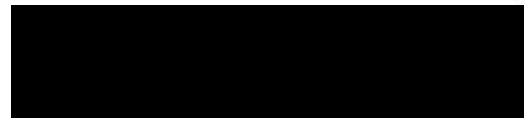
2. SUBJECT MATTER OF THE AGREEMENT

During the term of this Agreement CSAT shall perform for Customer Services in accordance with the terms and conditions set out in this Agreement. Customer shall pay to CSAT the prices for the provided Services in accordance with Article 15 herein ("Prices").

CSAT shall maintain, modify or carry out any other service in respect of the relevant Parts as the case may be based on Customer's Repair order in accordance with Article 3 of this Agreement.

If Customer issues an orders with regards to the maintenance of Parts which are not covered by this Agreement, CSAT shall provide Customer with quotation on such order. The offer shall include the part number concerned, a description of the Services, the Turnaround Time and the price. For avoidance of any possible doubts the Parties hereby confirm that an offer issued by CSAT shall not be binding to Customer unless and until Customer accepts such offer in writing.

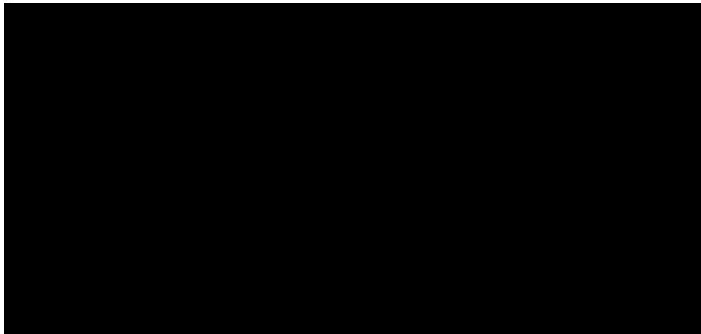
All Repair orders shall be subject to the terms and conditions set out in this Agreement and in case of any inconsistency or conflict between the terms of Repair order and the provisions of this Agreement, the terms of this Agreement shall prevail.



SECTION II: PERFORMANCE

3. REPAIR ORDER ADMINISTRATION

For all Services Customer intends to pu
Repair Order. All Repair Orders shall be
CSAT:



CSAT shall acknowledge a Repair Order in writing within forty eight (48) hours upon receipt of such Repair Order in address specified above. Provided that CSAT fails to duly and timely accept the Repair Order in accordance with previous sentence of this article, such Repair Order shall be deemed accepted immediately after expiration of the period for delivery of the acceptance. CSAT is entitled to refuse any Repair Order without reason's specification, in case itis not made in full compliance with this Agreement.

4. PERFORMANCE OF SERVICES

All Services shall be rendered duly, timely, at CSAT's own costs and risk, and in accordance with EASA Part-145 and 14 CFR Part 145 for Approved Maintenance Organizations.

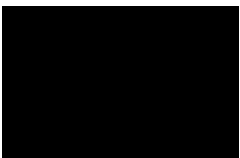
Technical Defects on Parts identified during Maintenance which lead to a non-airworthy condition of the Part shall be reported via email to responsible Customer Engineering Department Member.

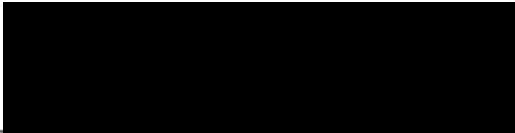
CSAT shall comply with all applicable environmental regulations and other environmental related legal or regulatory requirements.

5. QUALITY

5.1. CSAT's Quality Management System

All Services rendered under this Agreement shall be performed by CSAT in accordance with this Agreement and in accordance with CSAT's quality system approved by the EASA and the FAA or approved by the FAA and accepted by the EASA.






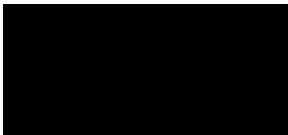
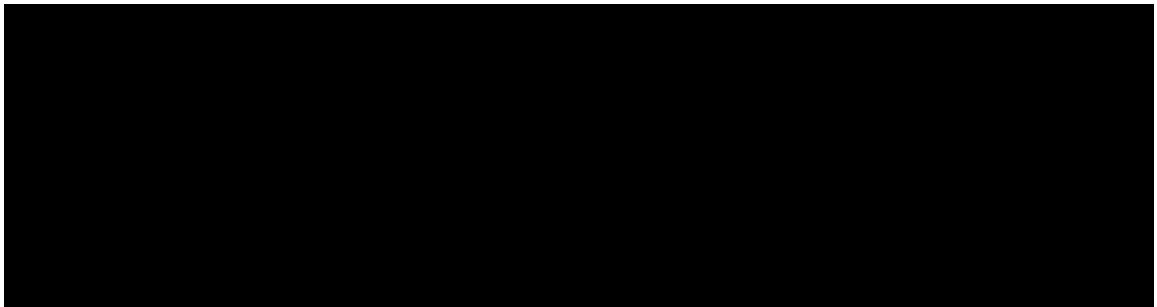
5.2. Audits

Upon prior written notification delivered to CSAT at least three (3) Days prior to the requested access, Customer's representatives, the competent aviation authority of Customer and EASA/FAA standardization team staff shall have access to CSAT's facilities at any time (but not earlier than three (3) Days after delivery of such notification to CSAT, unless CSAT allows earlier access) in order to carry out an audit of compliance with the applicable standard and procedures regarding to provided Services.

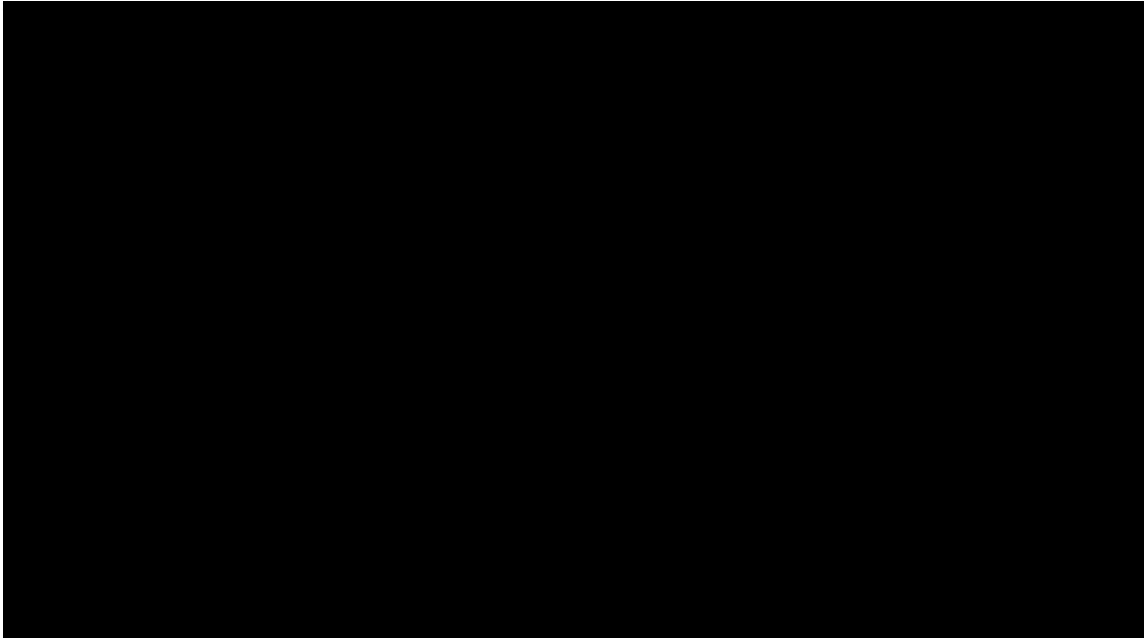
If required, quality meetings shall be organized in order to examine matters raised following these audits and to agree upon necessary corrective actions and its timing.

5.3. Certification/Approvals

- 5.3.1. CSAT warrants that all Materials and all Parts supplied by CSAT/CSAT's Subcontractor or Redelivered by CSAT under this Agreement conform to the applicable airworthiness requirements and the aircraft manufacturer specifications. Product source and certification must be established and documented and made available to Customer. Unless otherwise stated below all Parts delivered by CSAT must be traceable pertaining to part number, manufacturer, serial number or lot/batch number, delivery date, quantity of delivered parts.
- 5.3.2. Delivery information and documents related to the Materials and all Parts supplied by CSAT/CSAT's Subcontractor must be archived at least  years in electronic version by CSAT. CSAT will hand over to Customer after Redelivery Term hardcopy and electronic version of the documentation.
- 5.3.3. Deliveries of new Parts shall be traceable to the OEM, Deliveries of used material shall be traceable to maintenance organizations and repair stations and shall in any case be accompanied by an entirely completed CRS. In addition to the required certificate of conformance, the Parts must be accompanied by the operational records (maintenance records) that provide with information on the Parts status:



5.3.4. Specifically for LDG:

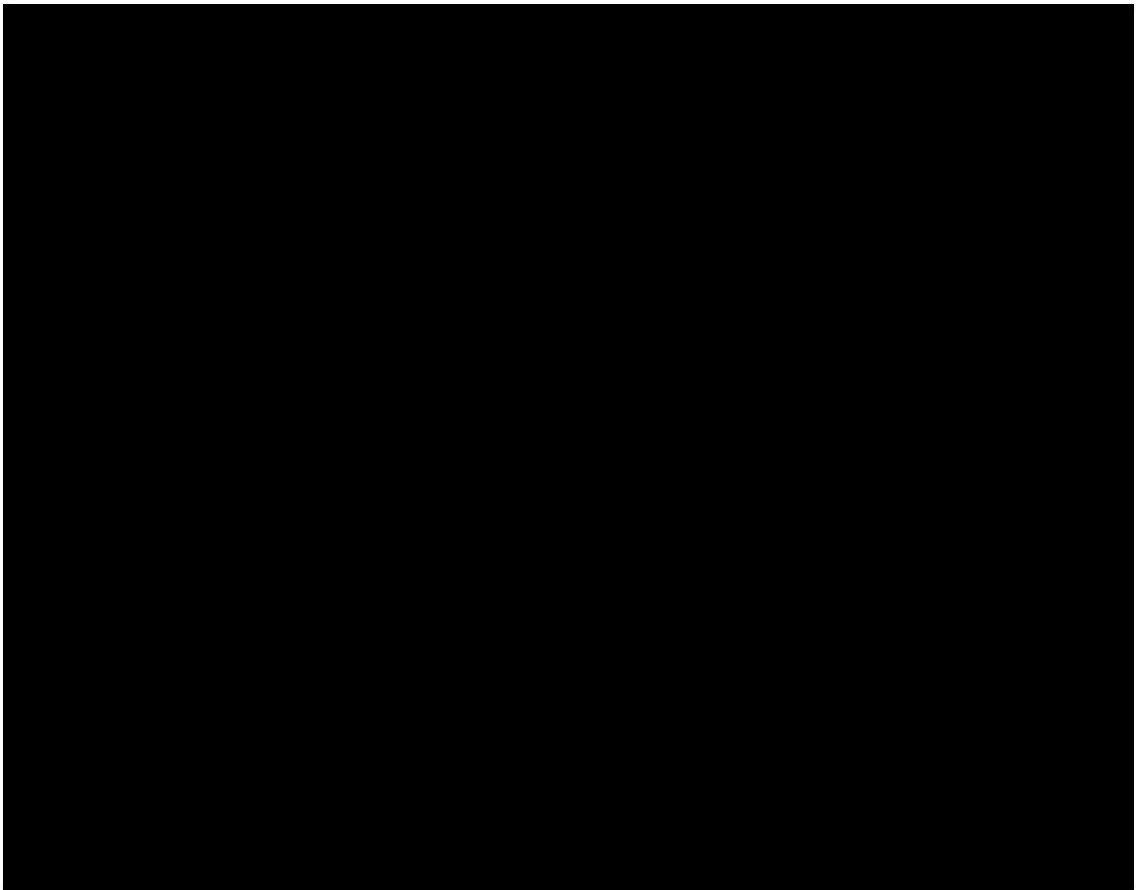
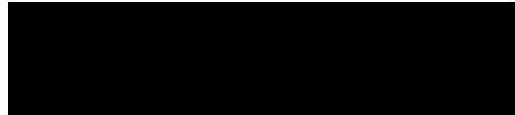


Specifically for LDG Parts with no complete Back to Birth Traceability may only be installed with Customer's approval. Customer is obliged to deliver to CSAT its written approval with such installation or its written rejection of such installation within twenty four (24) hours after delivery of CSAT's query to Customer at the latest. During weekends and public holiday CSAT will inform Customer responsible person on duty at email address:

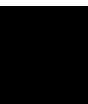
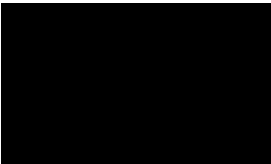


Provided that such Customer's written approval or Customer's written rejection will not be delivered to CSAT within the aforementioned period, it shall be deemed excusable delay of CSAT. Parties are entitled to deliver the documents under this provision to the other Party via email sent to the email addresses specified in Article 24 of this Agreement.

All Parts returned to Customer after Maintenance have to be released and accompanied by a Combined Certificate (Dual Release) in accordance with the regulations of EASA Part-145, 14 CFR Part 145 (the status "rebuilt" on FAA Form 8130-3 is not accepted by the EASA and must be agreed). FAA Form 8130-3 is only accepted if the EASA Approval Number is explicitly stated in box 13. Deviating decisions while ordering should be documented and obvious within the material incoming inspection.



Customer detailing the condition at Redelivery and the Services performed by



port"). The Repair Report and a copy of the invoice have to be attached to each Item Redelivered to Customer.

Customer shall accept or reject (as the case may be) the Redelivered Part within [REDACTED] after its Redelivery. Such acceptance or rejection shall be based on the examination of Parts Redelivered for any Defect or non-conformance. In case Customer does not reject the Redelivered Part within the aforementioned period, Customer shall be deemed to have accepted it ("Acceptance"). Any actual or deemed Acceptance shall be deemed to include a reservation with regard to latent Defects and shall not limit the obligations of CSAT pursuant to Article 18 ("Warranty") or any other obligations or liabilities of CSAT under this Agreement with respect to latent Defects. For avoidance of any doubt Parties hereby declare that after Acceptance or deemed Acceptance of Item Customer is not entitled to exercise its rights arising from a defective performance and/or rights arising from warranty with respect to evident Defects.

Customer shall not be obliged to accept Redelivery of partial shipments of related relevant Repair Order unless otherwise agreed in writing between the Parties. Payment for provided Services shall only be effected for complete Redelivery related to the relevant Repair Order.

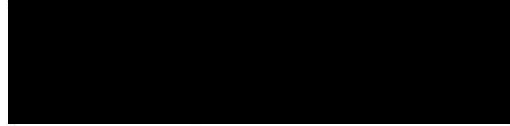
Parts Redelivered shall only be deemed to have been accepted upon full performance, such as but not limited to Redelivery of all Parts of the respective Repair Order in accordance with this Agreement, even if partial shipments are not rejected by Customer.

7. SUBCONTRACTING

CSAT may Subcontract only to EASA/FAA approved maintenance facilities or to any other maintenance facility provided that CSAT's quality assurance system is extended to such facility.

Subject to the provisions of Article 18 ("Warranty") of this Agreement CSAT warrants that any Services rendered by Subcontractors are of the same standards and of the same quality as those required under this Agreement for the Services rendered by CSAT. CSAT shall remain responsible towards Customer for any Services rendered by any Subcontractor.

CSAT will inform Customer about new Subcontractors in advance for Customer prior approval, list of current Subcontractors is stated in Attachment B of this Agreement.



8. MATERIAL PROVISIONING

CSAT will be responsible in full for its own material provisioning.

All defective parts removed shall be replaced by CSAT with corresponding serviceable parts.

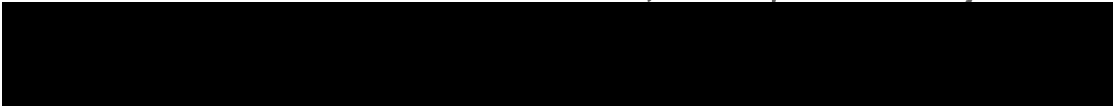
8.1. Modification Material

CSAT is responsible for provisioning of the modification material and the tooling required to accomplish service bulletins or Modifications.

8.2. PMA parts usage

For assembly, CSAT is entitled to use PMA parts only for non-standard replacement Parts after prior written approval of Customer. Customer is obliged to deliver to CSAT its written approval with use of PMA parts or its written rejection of use of PMA parts within twenty four (24) hours after delivery of CSAT's query to Customer at the latest.

Provided that such Customer's written approval or Customer's written rejection will not be delivered to CSAT within the aforementioned period, it shall be deemed that Customer rejected the use of PMA parts. During weekends and public holiday CSAT will inform Customer responsible person on duty at email



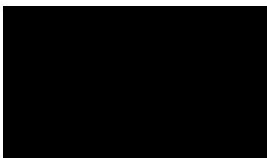
the email addresses specified in Article 24 of this Agreement.

9. MODIFICATIONS

CSAT shall perform all Mandatory Modifications and any Modifications required by an OEM. Modifications issued as recommended or optional will be performed upon written request of Customer. The list of such recommended modifications must be approved or rejected by CSAT before LDG Delivery.

10. BEYOND ECONOMICAL REPAIR (BER)

In the event that the Part is BER CSAT will at discretion of Customer Maintain the Part or replace it by a new or used Part at expense of Customer. CSAT will send Quotation to Customer, which shall be approved or rejected. Customer is obliged to deliver to CSAT its written notification whether Customer requests Maintenance of such Item or replacement of such Item within twenty four (24) hours after delivery of CSAT's query to Customer at the latest. Provided that



such written notification will not be delivered within the TAT period, it shall be deemed as an excusal to deliver the documents under this provision to the email addresses specified in Article 2.

11. SCRAP HANDLING

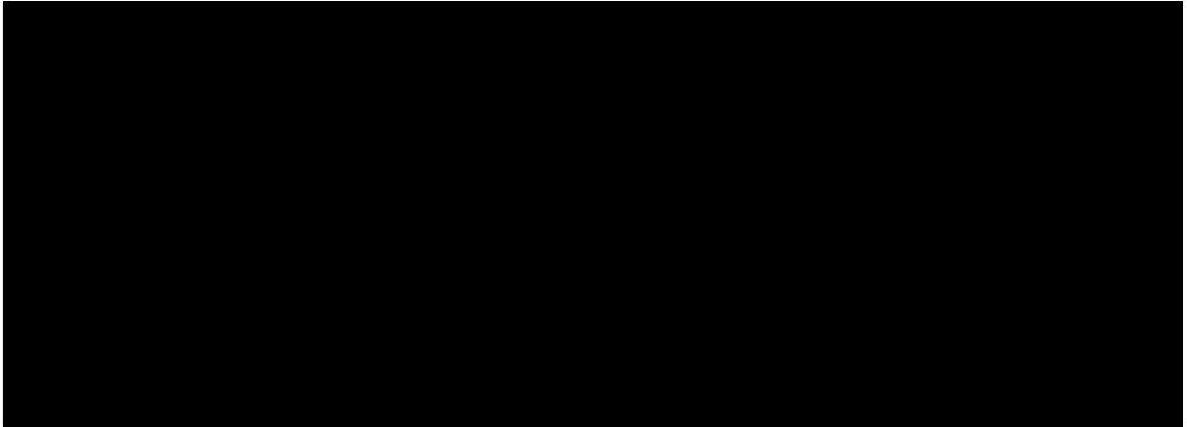
Any Scrap Material shall be identified by CSAT within the TAT, shall be without any unreasonable delay reported to Customer in writing and shall be Redelivered with the [REDACTED]

If Customer informs CSAT in writing prior Redelivery of Maintained LDG that Customer does not want Redelivery of the Scrap Material with the Maintained LDG the Scrap Material shall remain at CSAT's facilities and Customer shall pay all cost to CSAT including local and customs fees. For scrapped Parts Customer shall receive scrap reports from CSAT.

In case CSAT exchanges Parts thereof (e.g. in order to meet the TAT), intends to maintain the replaced Part thereof at a later stage and during such maintenance realizes that the replaced Part thereof is scrap, Customer shall be obliged to pay, upon its prior approval, for the fact that the replaced Item or part thereof is scrap if such scrap was reported.

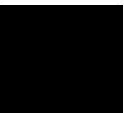
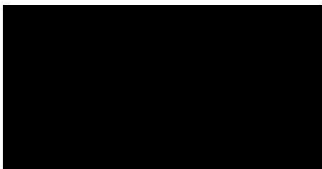
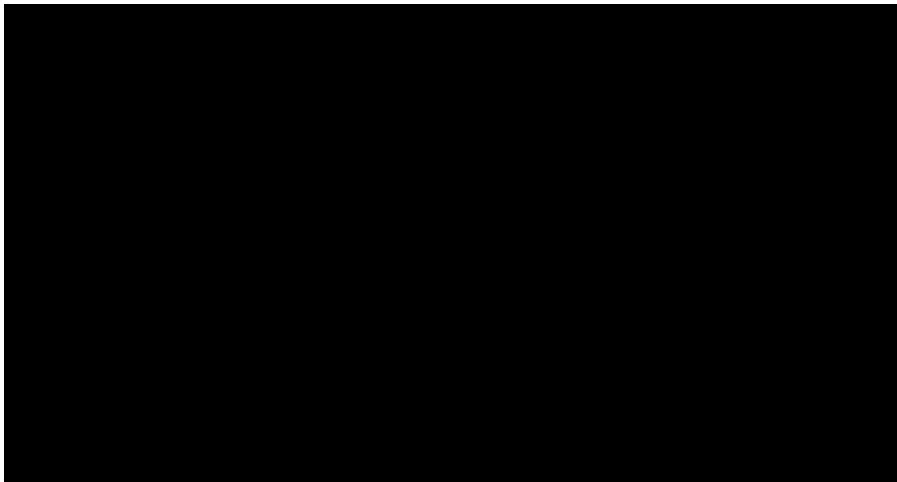
If Customer decides to scrap the Scrap Consumable Material locally at CSAT's facilities after the notification specified above in this Article, CSAT shall perform scrapping based on quotation of scrap from CSAT for consumable material.

Any further use of Scrap Material by CSAT shall be subject to a separate written agreement between CSAT and Customer. CSAT shall in no event make any use of Scrap Material unless such agreement has been entered into by and between CSAT and Customer.



12.3. CSAT shall not charge Customer for packing of the Parts in case of the packing for Redelivery, unless Customer did not fulfil its obligation specified in Article 12.3 of this Agreement.

12.4. All Items shall be accompanied by appropriate shipping documents enabling CSAT to identify the Item accordingly.



13. TURNAROUND TIME

13.1. General

13.2. Extended TAT for Modifications

Extended TAT for Modifications shall be negotiated between the Parties prior to the performance of each Modification.

13.3. Exchange/Loan/New Parts

In case of an exchange, exchange Part shall become the property of Customer or the respective owner of LDG originally Delivered to CSAT for Maintenance upon receipt by Customer in its facilities. The exchanged Parts must have complete documents (history) and Flight Cycle (FC) same or lower than FC of relevant complete LDG. Title to the LDG originally Delivered to CSAT shall pass to CSAT at the same time. Customer represents and warrants that in case the LDG originally Delivered to CSAT for Maintenance is owned by other person or entity than Customer, Customer is entitled to act on behalf of such owner and conclude this Agreement, in particular with respect to transfer of the ownership title to such Item from such owner to CSAT under terms and conditions specified in this Agreement and that the ownership title to such Item will pass to CSAT at the aforementioned time. In this context Customer undertakes that the owner of such Item originally Delivered to CSAT for Maintenance will without undue delay take all steps/actions and will provide CSAT with all cooperation needed to successful transfer of the ownership title to such Item from such owner to CSAT.

Provided that

- (i) any aforementioned Customer's representation and/or warranty will be untrue, misleading or incomplete,
- (ii) CSAT will not become an owner of the Part originally Delivered to CSAT for Maintenance at the aforementioned time and/or will not become an owner of such Part at all and/or
- (iii) Customer breaches its obligation that the owner of the Item originally Delivered to CSAT for Maintenance will take all steps/actions and provide cooperation in accordance with the aforementioned,



Customer undertakes to compensate to CSAT all damages and/or other harm suffered by CSAT in this connection at CSAT's request. The exchanged Part shall be of the condition and modification status as the Part originally Delivered to CSAT would have been after Maintenance. CSAT may provide Customer with Part with a higher modifications status after having received a written approval of Customer and only if the Part originally Delivered to CSAT and the exchange Part are two ways interchangeable. CSAT shall submit to Customer all relevant data concerning the exchange item such as, but not limited to, maintenance life history data.

In case of provision of a new Part, such Part shall become the property of Customer upon receipt at facilities of Customer. The Part originally Delivered for Maintenance shall remain the property of Customer. As soon as the Services on the Part originally Delivered to CSAT have been completed such Part shall also be Redelivered to Customer.

In case CSAT is not able to provide a sufficient number of exchange, loan or new Parts in accordance with this Article, CSAT shall reimburse Customer in full and on demand for the loan of such items from any other source.

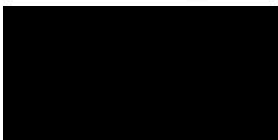
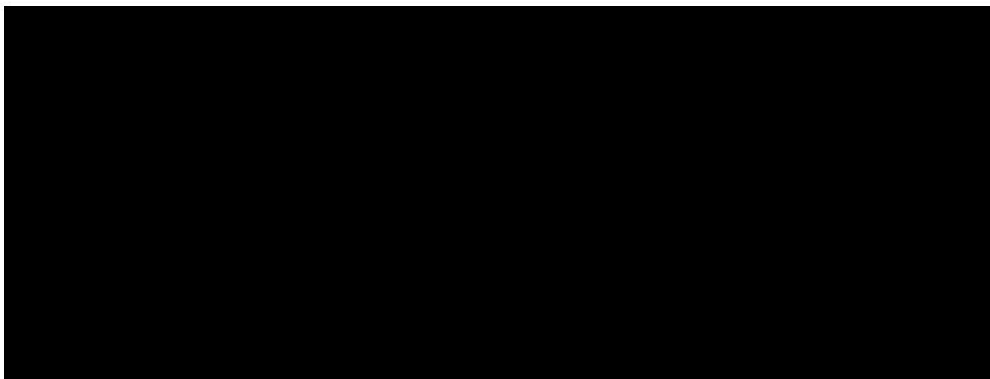
14. LDG MAINTENANCE SCHEDULE

14.1. The slots reservation stated in this Article and financial volume of this Agreement is binding for Customer.



CSAT shall perform  defined in this Agreement and modifications specified in subsequent table.

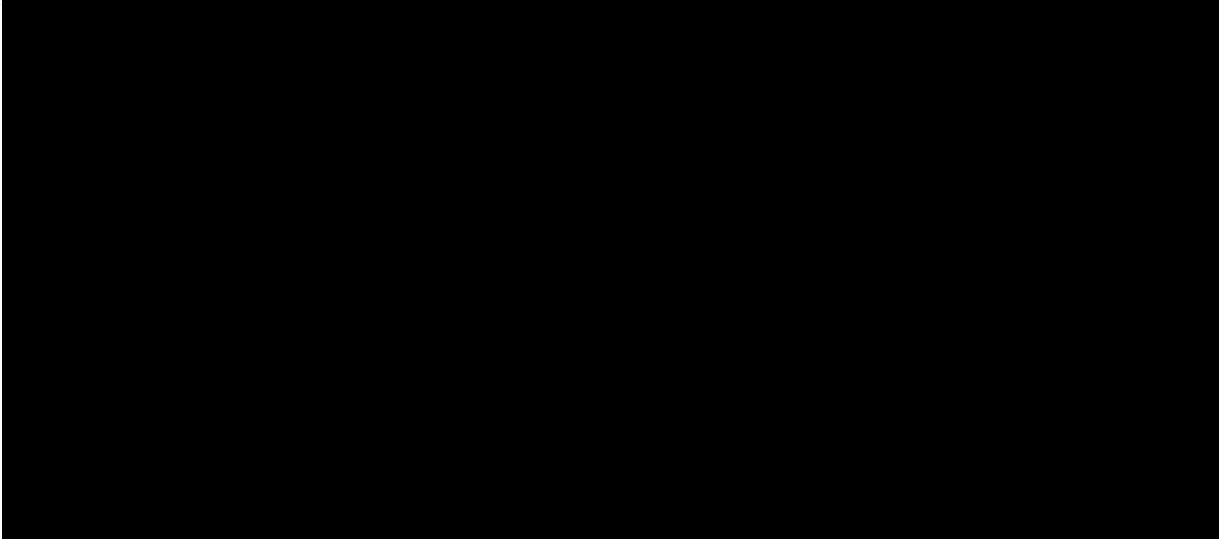
Any changes on the agreed LDG Maintenance Schedule requested by Customer shall be made in writing and agreed in writing by both Parties.





LDG will be delivered/redelivered in accordance to following table.

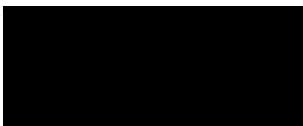
(LT = Local Time)



14.2. Cancellation of slot

Above mentioned slots are binding for Customer and reserved by CSAT, in case of its cancellation [redacted] before the scheduled slots or less, Customer will compensate CSAT [redacted] of LDG [redacted] specified in Article 15 of this Agreement. In case of cancellation more than the [redacted] before the scheduled slots, Customer will compensate CSAT [redacted] specified in Article 15 of this Agreement.

Customer is obliged to inform CSAT immediately about all circumstances which may possibly influence the Maintenance Schedule and which may result in cancellation of any slot pursuant to this Agreement. The Parties shall use its best effort to minimize the impact of such circumstances/ expected cancellation of slot and to find a mutually reasonable solution.





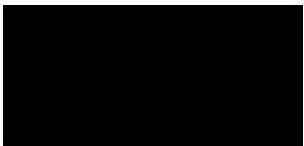
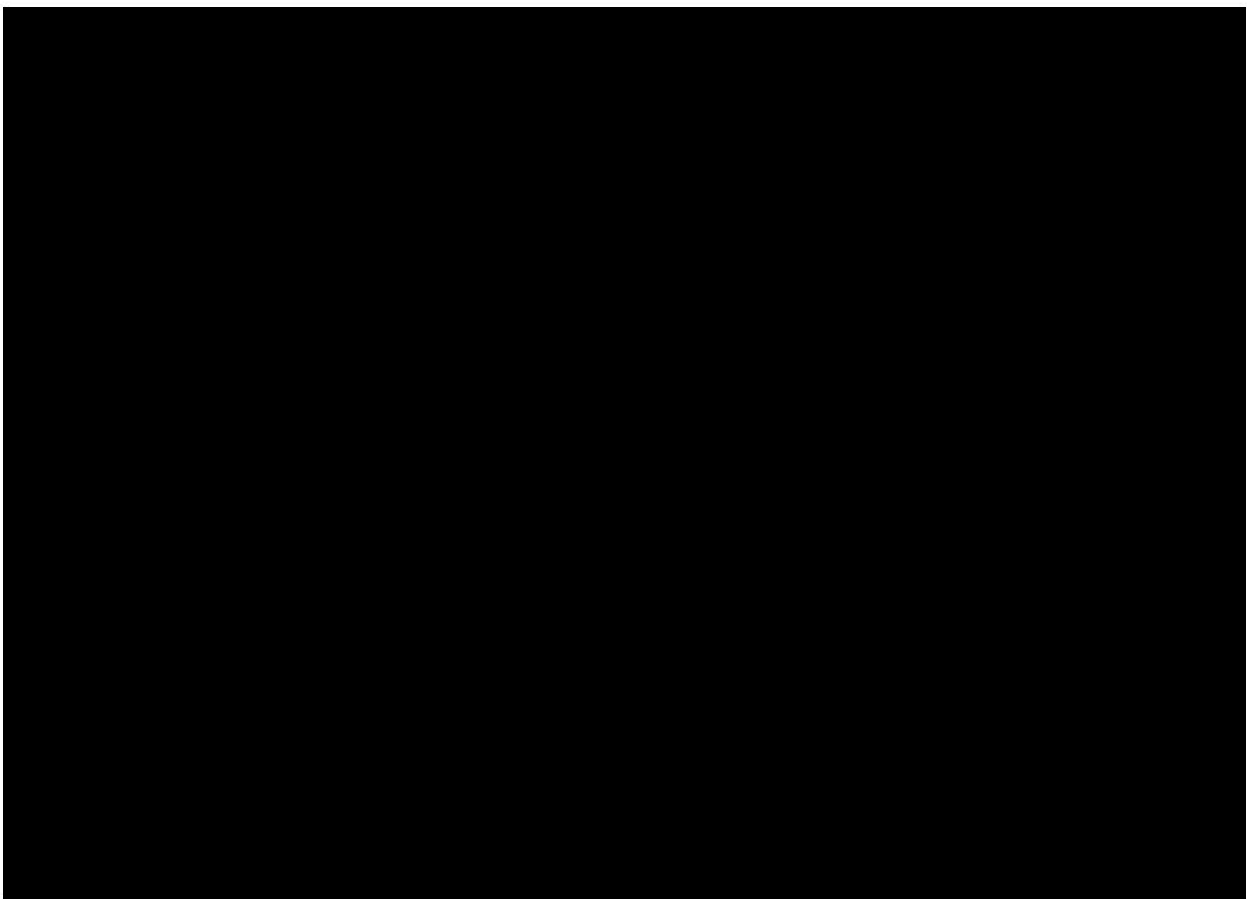
SECTION III: COMMERCIAL

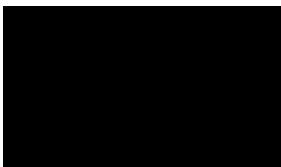
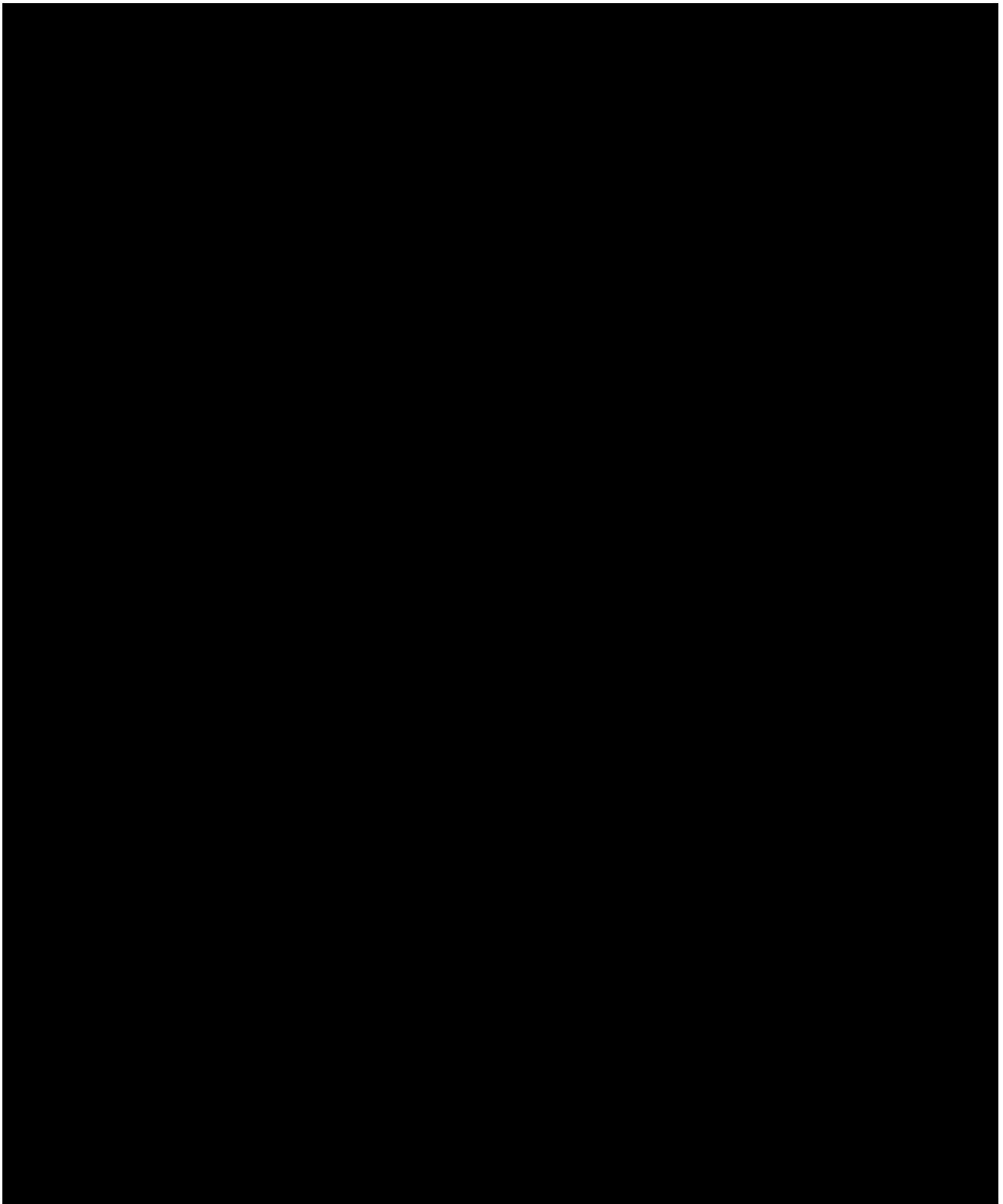
15. PRICES

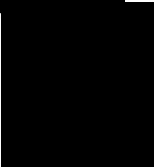
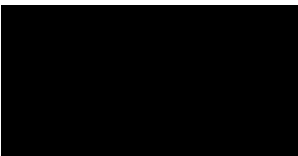
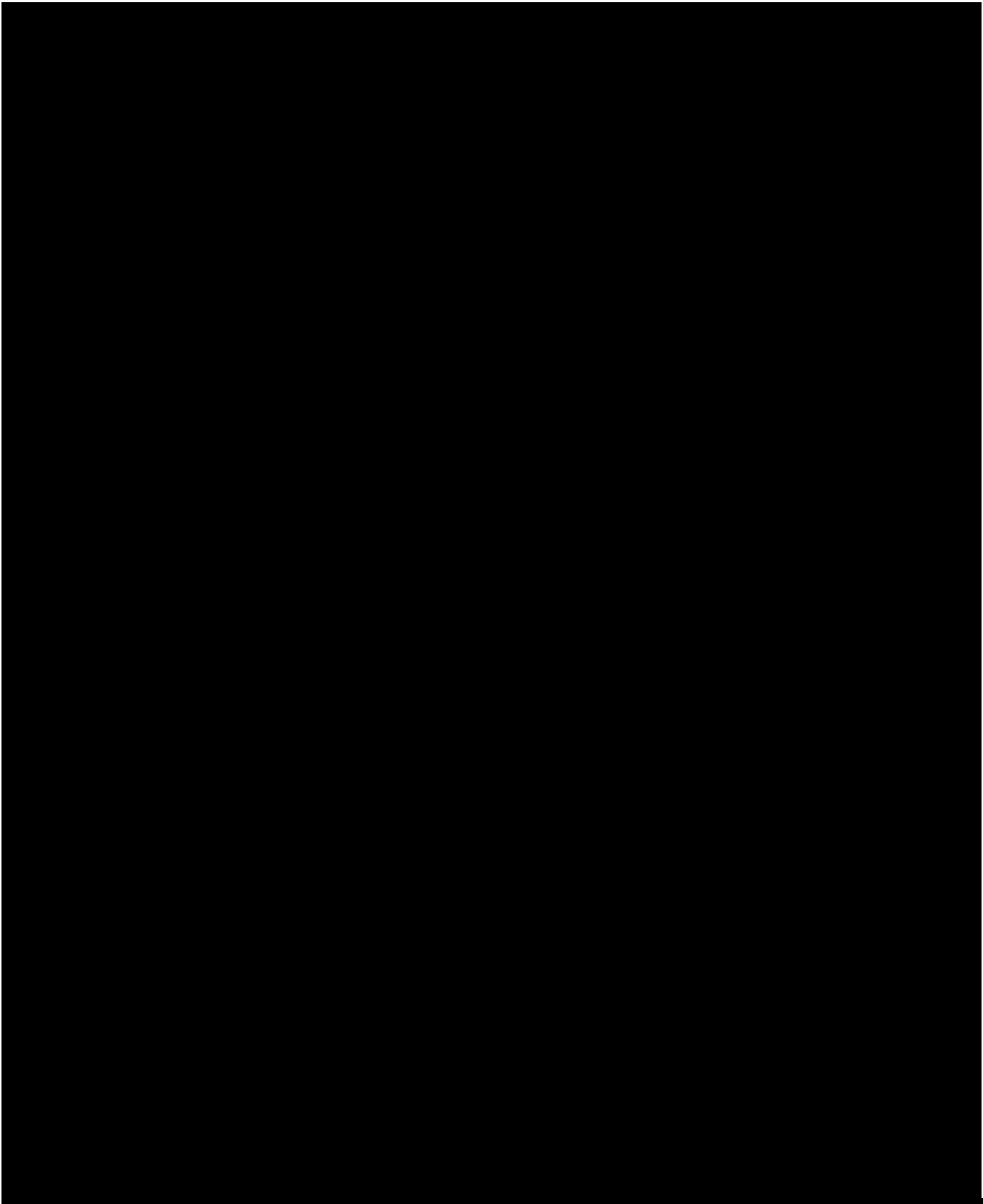
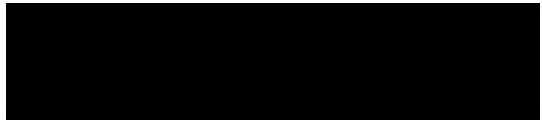
15.1. The applicable prices are mutually agreed upon between the Parties for the Services in accordance with this Agreement. The agreed prices specified in this Agreement are exclusive of VAT, sales taxes, levies, impositions, charges, local fees and other taxes (including but not limited to customs duties, export, import, stamp and transactional duties). Those taxes shall be applied to the prices in addition, if lawful, and under such condition paid by Customer.

In respect of any withholding tax Customer agrees to pay such additional amounts as may be necessary, such that CSAT receives the amount which it would have received provided that no withholding tax been imposed.

Each contracting Party shall be responsible for its own corporate taxes imposed by the state of tax residence of any Party, or by international tax law no matter if such taxes are administered by the other contracting Party.





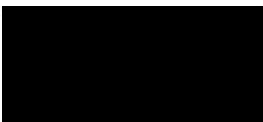




15.5. Subcontracting

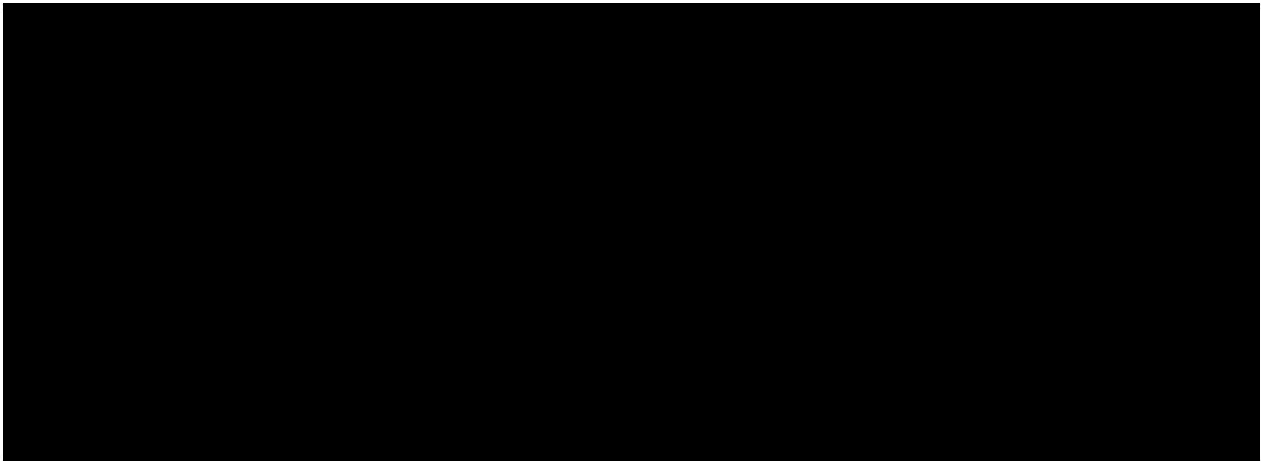
Subcontracted activities shall be charged to Customer against the Subcontractor's invoice.

15.6. Material handling charges

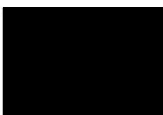
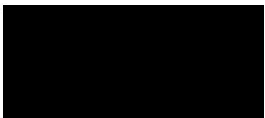
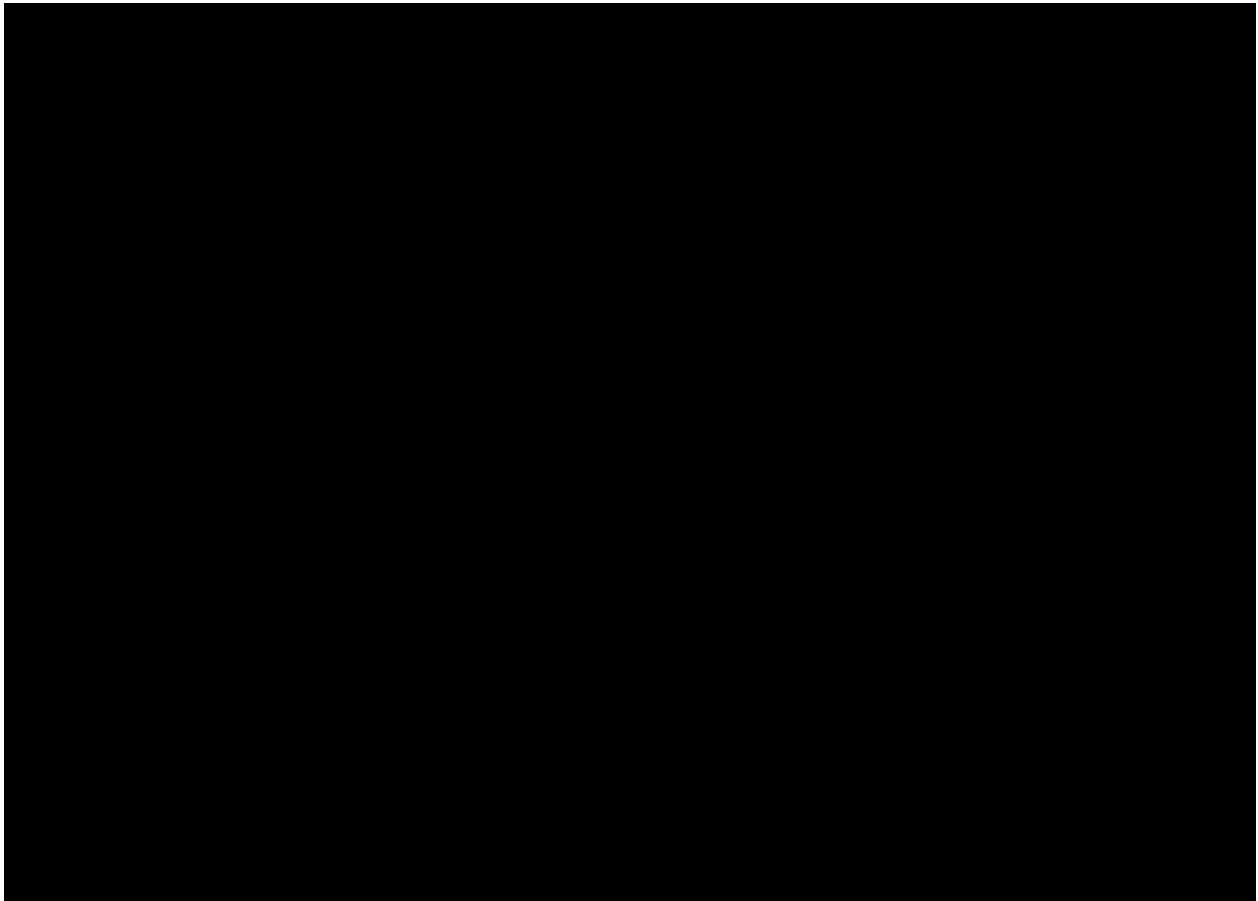




16. INVOICING AND PAYMENT

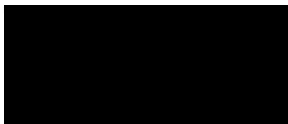
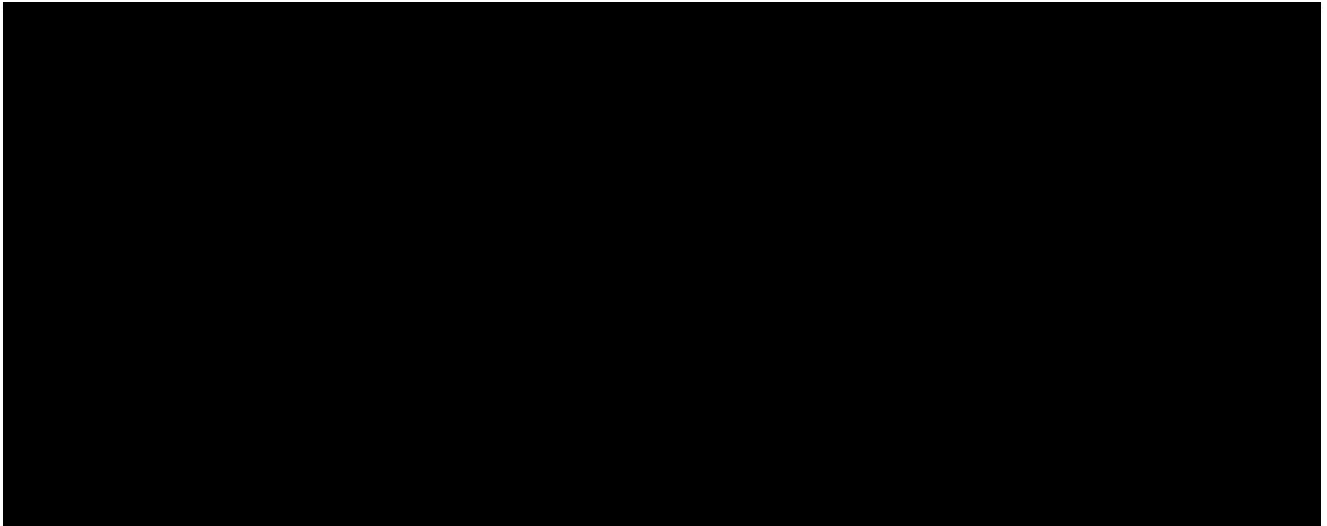


16.4. All invoices shall follow the Czech VAT Act in force and comply with valid EU VAT laws and other applicable legislation and indicate:





respective sum to the CSAT's bank account. Without fully covered first invoice CSAT will not release the landing gear set to service.





SECTION IV: LEGAL

17. TITLE TO THE PARTS EXCHANGED

17.1. Title to all Parts Delivered for Maintenance remains with Customer or the respective owner of the Parts at all time while under custody of CSAT or any authorized Subcontractor.

17.2. CSAT guarantees that all Parts replacing Parts, which have been removed from LDG, shall become the property of Customer or the respective owner of LDG upon installation into such Part free and clear of any liens or encumbrances. Unless this Agreement states otherwise, Parts removed from the Item become the property of CSAT at the same time. Property of any Part removed from LDG shall not become property of CSAT until replacement of such In this context Customer represents and warrants that in case LDG and/or the Part originally Delivered to CSAT by Customer is owned by other person or entity than Customer, Customer is entitled to act on behalf of such owner and conclude this Agreement, in particular with respect to transfer of the ownership title to such LDG and/or Part from such owner to CSAT under terms and conditions specified in this Agreement (in particular this Article 17.2 of this Agreement), and that the ownership title to such Item/Part will pass to CSAT at the aforementioned time. Customer undertakes that the owner of such Part originally Delivered to CSAT by Customer will without undue delay take all steps/actions and will provide CSAT with all cooperation needed to successful transfer of the ownership title to such Part from such owner to CSAT.

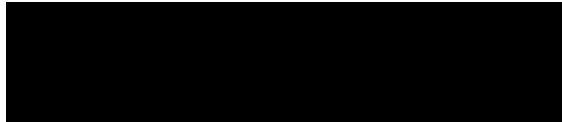
Provided that:

- (i) any aforementioned Customer's representation and/or warranty will be untrue, misleading or incomplete,
- (ii) CSAT will not become an owner of the LDG and/or Part originally Delivered to CSAT by Customer at the aforementioned time and/or will not become an owner of such LDG/Part at all and/or
- (iii) Customer breaches its obligation that the owner of the LDG/Part originally Delivered to CSAT by Customer will take all steps/actions and provide cooperation in accordance with the aforementioned, Customer undertakes to compensate to CSAT all damages and/or other harm suffered by CSAT in this connection at CSAT's request.

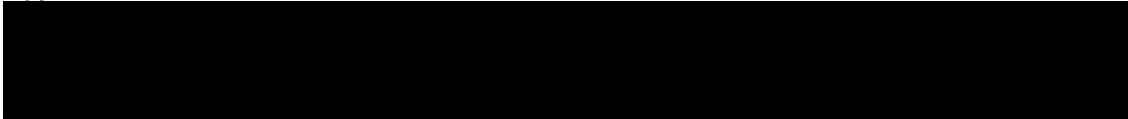
17.3. CSAT guarantees that replacement Parts are of the same condition and modification status as replaced Part(s).

CSAT may replace Part(s) with a Part(s) with a higher modification status after having received a written approval of Customer and only if the Parts are two ways interchangeable. Customer is obliged to deliver to CSAT its written approval with such replacement or its written rejection of such replacement





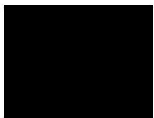
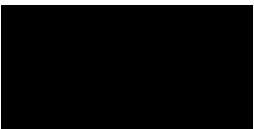
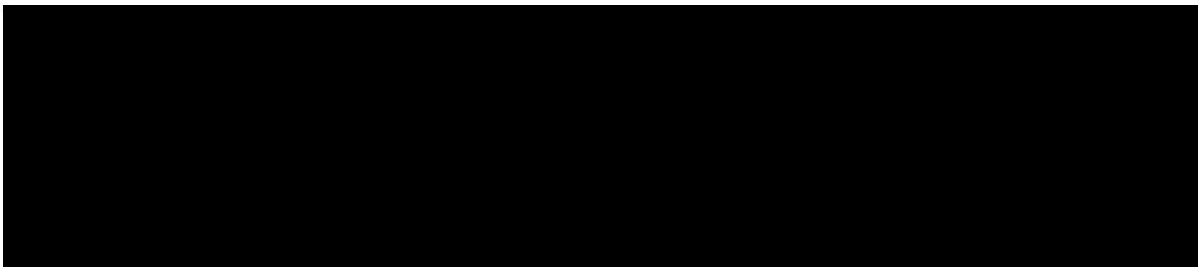
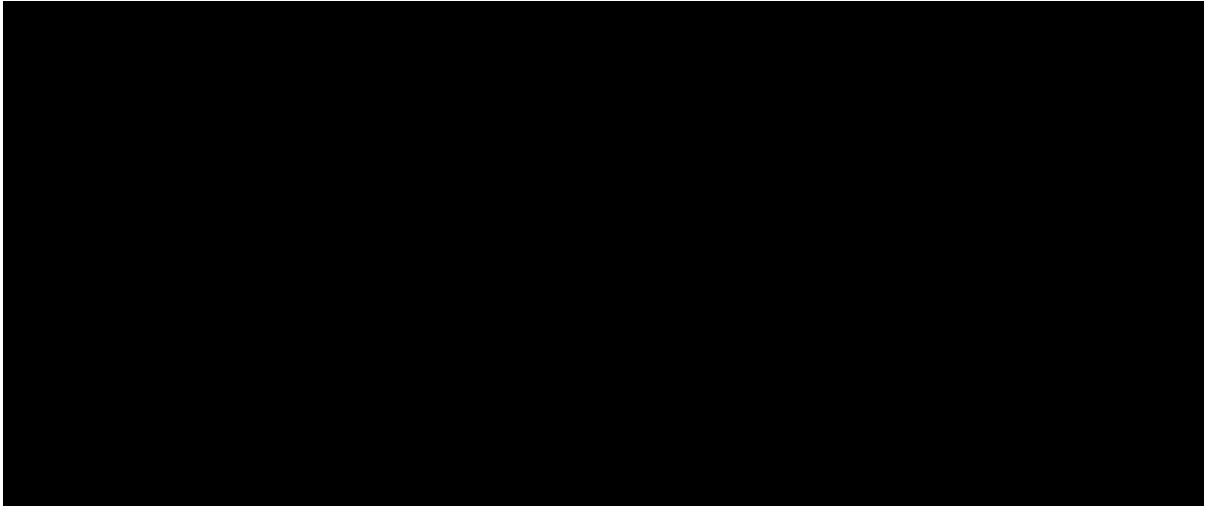
within twenty four (24) hours after deli
latest. During weekends and public
responsible person on duty at email address:

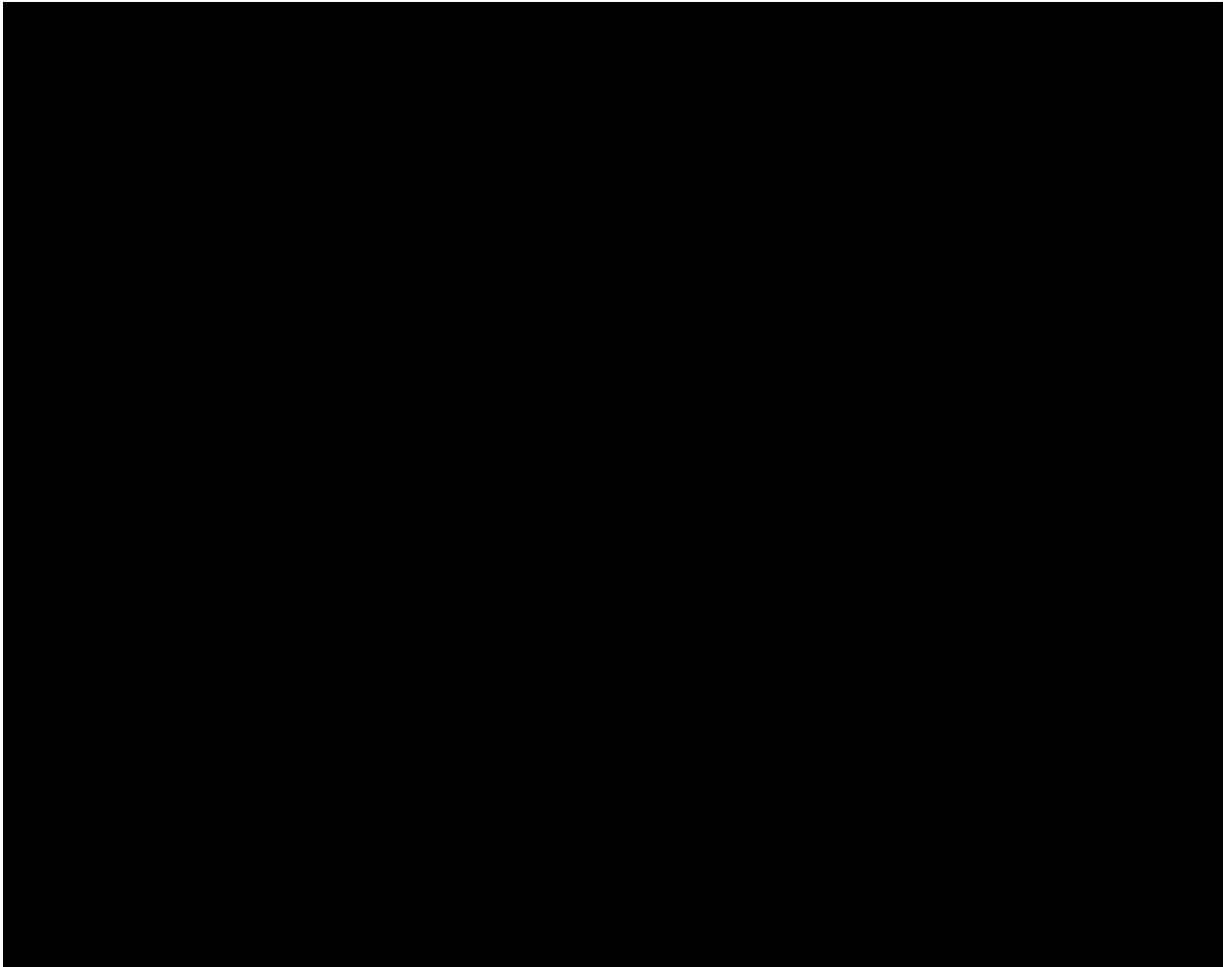
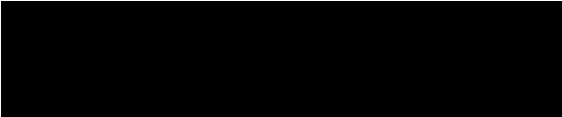


Provided that such Customer's written approval or Customer's written rejection will not be delivered to CSAT within the aforementioned period, it shall be deemed that Customer rejected such replacement. Parties are entitled to deliver the documents under this provision to the other Party via email sent to the email addresses specified in Article 24 of this Agreement.

18. WARRANTY

18.1. General

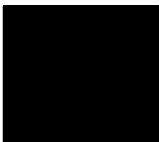
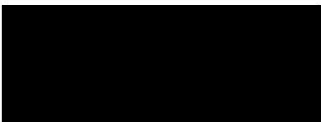
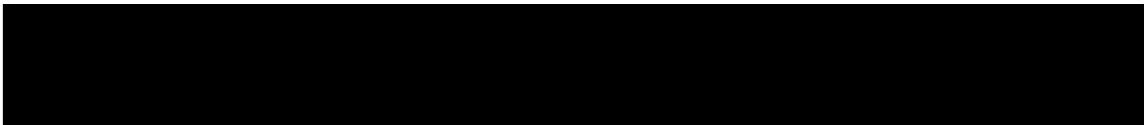




of CSAT's description, specification and/or drawing by Customer shall be deemed to include a reservation with regard to latent Defects but shall not limit CSAT's obligation under this Article 18.1.3 ("Warranty") of this Agreement with respect to latent Defects.

18.1.4. For Services rendered by CSAT's Subcontractors, CSAT's warranty shall also apply.

18.2. Warranty Period



CSAT shall at its own cost, and at the request of Customer promptly perform all rectification(s) necessary to make such Part free from such Defect. In case of rectification(s) under warranty, the original warranty period as stipulated in Article 18.2 ("Warranty Period") of this Agreement, is suspended for the time during which Customer cannot use the defective Part and shall continue running from the date of delivery of the rectified Part to Customer. In case of warranty confirmed by CSAT, CSAT will cover shipping costs in region of Europe, shipping costs for another region will be divided in half between the Parties.

Customer may assign the warranty as granted in this Agreement in whole or in part to any of its customers upon CSAT's written consent.

19. LIABILITY

19.1. Indemnification and liability does not automatically mean insurance coverage. Scope of coverage is always subject to terms, conditions, exclusions and limitations under the LAIG policy. e.g. penalties, fines, punitive damages, pure financial losses, non-fulfilment of a contract, infringement of any intellectual property, loss of use, consequential damages like loss of profit or loss of revenue etc. are not insured. Insured is the legal liability arising out of aviation operations according to terms, conditions, limitations and exclusions of the underlying insurances.

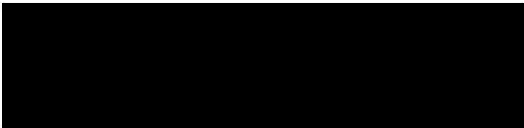
19.2. Liability and Indemnification

19.2.1. Customer hereby waives to the maximum extent permitted by applicable law of the Czech Republic its right to compensation of harm that Customer (or any other person) suffered/will suffer in connection with this Agreement, in particular with provision of Services under this Agreement. In this context, CSAT is only liable for harm caused by CSAT intentionally or due to gross negligence and/or for harm caused by CSAT to the natural rights of an individual.

19.2.2. Each party will be liable towards the other party for damage to or loss of property and for the injury to or death of any person caused by the first party due to gross negligence or by willful misconduct in connection with or as a result of the Services rendered under this Agreement.

19.2.3. CSAT shall indemnify and save harmless Customer, its directors, officers, employees, agents or Subcontractors from and against any claim for compensation of any harm made by any third party, including but not limited to claims by directors, officers, employees, agents of CSAT, provided such harm was caused by CSAT due to gross negligence or by willful misconduct or unless such harm was caused by CSAT to the natural rights of an individual.

19.2.4. Customer shall indemnify and save harmless CSAT, its directors, officers, employees, agents or Subcontractors from and against any claim for



compensation of any harm made by any third party, including but not limited to claims by directors, officers, employees, agents of Customer, unless such harm was caused by CSAT due to gross negligence or by willful misconduct or unless such harm was caused by CSAT to the natural rights of an individual.

- 19.2.5. The Parties shall not be liable for any indirect or consequential damages or losses, including, but not limited to, loss of profit.
- 19.2.6. Subject to the provisions of this Agreement, the warranties, obligations and liabilities of CSAT and remedies of Customer set forth in this Agreement are expressly in lieu of and Customer hereby waives and releases any and all other warranties, agreements, conditions, duties, guarantees, obligations, remedies or liabilities, express or implied, arising by law or otherwise, including without limitation any warranty or merchantability and fitness for intended use, with respect to CSAT's performance hereunder and Customer agrees that CSAT shall not be liable for any damage or loss (including but not limited to, consequential damage) suffered by customer directly or indirectly because of any defect in CSAT's performance hereunder. No agreement in or understanding varying, altering or extending CSAT's liability hereunder shall be binding on CSAT unless in writing and signed by CSAT's and Customer's duly authorized officer or representative.

20. **INSURANCE**

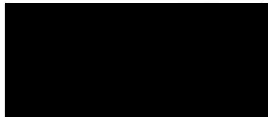
In accordance with Article 19, during the term of this Agreement (and in respect of aviation products legal liability only for a minimum period of two (2) years after the termination or expiration of this Agreement or upon redelivery of the Parts to the Customer, whichever occurs first) Customer shall effect and maintain at its own cost and in full force:

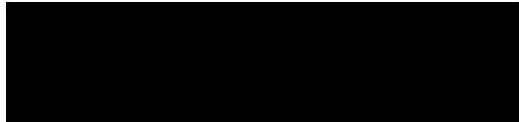
1. "All Risks" and "Aircraft Risks" insurance in respect of the Aircraft;

2. "All Risks" insurance covering engines and parts whilst not installed on the Aircraft as well as any parts or items delivered to CSAT;

Aviation Legal Liability insurance with respect to the Aircraft (including 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 than [REDACTED] any one accident or occurrence and in the annual aggregate in respect of products legal liability and war and allied perils coverage.

The above liability insurance shall name CSAT, its directors, officers, agents, employees and Subcontractors as additional insureds (hereinafter referred to as "the Additional Insured"), except in respect of claims caused by the negligence,





gross negligence or the willful misconduct of the Additional Insured and hull and spares insurances shall provide that insurers waive any and all of their rights of subrogation against the Additional Insured, except in respect of claims caused by the negligence, gross negligence or the willful misconduct of the Additional Insured.


All the insurances stated above 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 disclosure) or any other person which results in a breach of any term, condition or warranty of the insurances provided that the Party so protected has not cause contributed to or knowingly condoned the said act or inaction or omission;

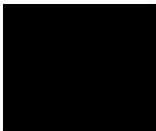
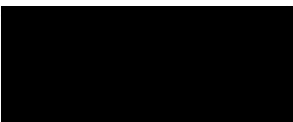
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or such less period as may be available for War Risks Cover) and in case such notice is given, it shall be provided to the Additional Insured;

a provision that the Additional Insured is not liable for the payment of any premium.

In accordance with Article 19, during the Term of this Agreement and in respect of products liability insurance only for a minimum period of  after the termination or expiration of this Agreement or upon redelivery of the Aircraft to Customer, whichever occurs first, CSAT shall effect and maintain at its own cost and in full force:

Aviation General Legal Liability Insurance (including to the extent available war and allied perils coverage in accordance with AVN52G) to cover Hangar keepers and Products Legal  (property damage) for a combined single limit of not less than  for any one accident or occurrence and in the annual aggregate in respect of products liability and war and allied perils coverage of such higher amount required by applicable law.

Prior to the commencement of the Services under this Agreement, each party shall provide to the other certificate of insurance issued by internationally recognized 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.



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.

In case parts or items are leased or loaned to Customer by CSAT, the Customer will additionally provide CSAT with a certificate of insurance with regard to hull and spares insurances stating that such parts or items are covered for full replacement cost and that CSAT (or the owner of the respective parts or items) will be the loss payee in case of damage or loss of the loaned or leased parts or items whether or not such damage or loss is caused by the negligence of CSAT (or the owner of the respective parts or items).

21. FORCE MAJEURE AND EXCUSABLE DELAY

- 21.1.** Neither Party shall be under any obligation to perform this Agreement or be liable for any delay or any other breach if and to the extent that such delay or other breach is due to extraordinary, unexpected, insurmountable and unavoidable events or circumstances beyond such Party's control such as but not limited to: Acts of God or the public enemy, war, insurrections or riots, fires, floods, explosions, earthquakes or serious accidents, epidemics or quarantine ("Force Majeure").
- 21.2.** In case of Force Majeure, the party affected by such Force Majeure shall immediately inform the other Party in writing about the commencement of such Force Majeure, and when such Force Majeure has ended the relevant Party shall give written notice to the other Party of its termination.
- 21.3.** In case of delay or any other breach caused by Force Majeure, Parties shall use its best effort to minimize the impact of such breach.
- 21.4.** If either Party is unable to perform its obligations under this Agreement due to Force Majeure, the other Party may, after a reasonable time has expired since the onset of Force Majeure which shall not be less than ten (10) Days, withdraw from any outstanding Repair Orders by giving written notice to other Party.
- 21.5.** Any of the following events preventing the CSAT from the performance of its obligations in due time and for which the CSAT shall not be held liable is hereinafter referred to as the "Excusable Delay":

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

22. TERM AND TERMINATION

22.1. This Agreement [REDACTED] of this Agreement become effective as of signature by the authorized representatives of both Parties and shall remain in force for a period of [REDACTED]

22.2. Either Party may terminate this Agreement by written notice of [REDACTED] any of the [REDACTED] agreement of [REDACTED] written notice by registered mail. The Minimum Period is stated with reference to scheduled Overhaul and Loan Program negotiated in this Agreement.

22.3. Either Party may terminate this Agreement by written notice without a notice period (i.e. with immediate effect) in case that:

Other Party commits any material breach of any term of this Agreement and (in the case of a breach capable of being remedied) shall have failed in reasonable time after the receipt of a written request from the other to remedy the breach (such request containing a warning of such party's intention to terminate); or

Other Party shall have a receiver or administrative receiver appointed or shall pass a resolution for winding up (other than for the purpose of a bona fide scheme of solvent amalgamation or reconstruction) or a Court of competent jurisdiction shall make an order to that effect or if either Party shall become subject to an administration order or shall enter into any voluntary arrangement with its creditors or shall cease or threaten to cease to carry on business or if action analogous to the foregoing shall occur under the laws of any jurisdiction with respect to such other party.

23. CONFIDENTIALITY

23.1. The Parties shall treat as strictly confidential for the Term of this Agreement and thereafter, this Agreement, including the document itself as well as individual provisions contained herein. In particular each Party shall treat as strictly confidential the contents of the negotiations leading up to this Agreement. Neither Party shall disclose this Agreement or the contents of the negotiations leading up to this Agreement to any employee, third party or other person



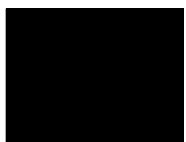
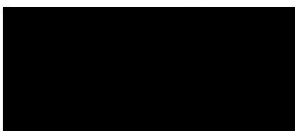
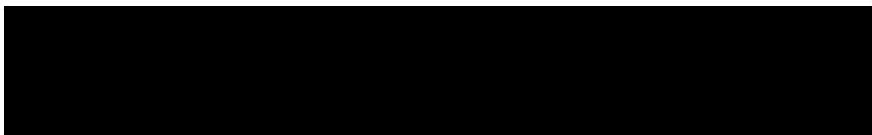
except where such disclosure is necessary in order to fulfill the obligations under this Agreement.

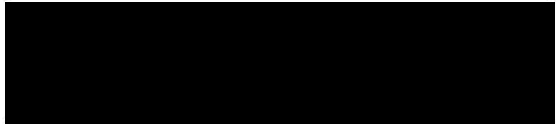
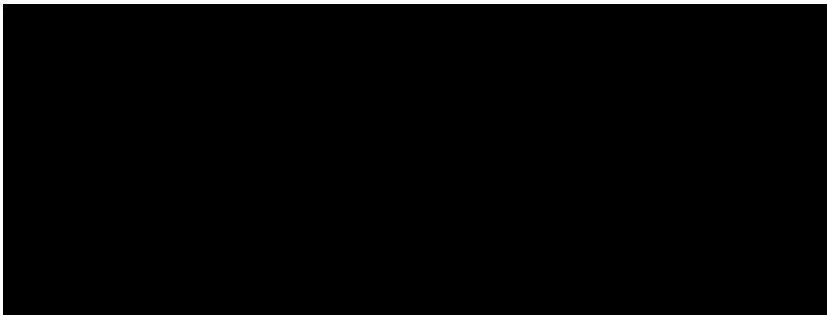
- 23.2.** CSAT shall treat as strictly confidential for the Term of this Agreement and thereafter any information received in connection with this Agreement, including, but not limited to any business, technical and strategic data disclosed by Customer, its customers or Subcontractors at any time for any reason – comprising any and all such information in oral or visual form, and shall use such information solely for the performance hereunder.
- 23.3.** The disclosure of any documents, data and other information to CSAT in connection with this Agreement shall not be construed as a grant or transfer of any rights, in particular but not limited to intellectual and industrial property rights such as patents or copyrights nor a permission to use such documentation, data or other information except for the purposes required by this Agreement.
- 23.4.** The Party who is lawfully obliged to disclose information relating to the Agreement shall be exonerated from liability, subject to sending in advance of a written notice to the other Party detailing the information to be disclosed, the persons to whom the information shall be disclosed as well as the legal grounds of such disclosure.
- 23.5.** The Agreement, the applicable CSAT, and the Orders issued by means of the Agreement and/or the applicable CSAT, shall not give rise to direct or indirect publicity unless with prior written agreement by both Parties.
- 23.6.** 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.
- 23.7.** Such confidentiality obligation shall survive five (5) years after termination of this Agreement.

24. NOTICES AND COMMUNICATION

Unless otherwise stipulated in Article below or elsewhere in this Agreement, all communication required under this Agreement shall be addressed

to Customer as follows:



This Agreement and any legal matters that may arise out of or in connection with this Agreement shall be subject to and construed exclusively in accordance with the laws of the Czech Republic excluding Czech law's conflict of law rules and excluding the United Nations Convention on Contracts for the International Sale of Goods (CISG). Any dispute, claim or controversy relating to, arising out of, or in connection with this Agreement, including any question regarding its formation, existence, validity, enforceability, performance, interpretation, breach, or termination, shall be finally resolved by relevant Czech courts.

25.2. Exclusion of Application of Provisions

With regard to the conclusion of the Agreement and/or Supplemental Agreement between Parties as entrepreneurs in connection with its business activities, the Parties further in accordance with § 1801 of the Act No. 89/2012 Coll., Civil Code, as amended (hereinafter as "Civil Code") agree that, for the purposes of the Agreement and/or Supplemental Agreement, § 1799 and § 1800 of the Civil Code shall not apply.

For avoidance of any doubt, the Parties expressly acknowledge that they are entrepreneurs and are concluding the Agreement and any Supplemental Agreement as part of their business activities and therefore the provisions of § 1796 of the Civil Code (usury) do not apply hereunder.

25.3. Assignment

Neither Party may assign any of its rights and/or obligations under this Agreement or any Repair Order or part thereof without the prior written consent of the other Party. The transfer, sale or other disposal of the ownership of one of the Parties' LDG Maintenance, Repair and Overhaul Business, of the respective acting divisions or of the respective part(s) of its enterprise, or the establishment of one of the Parties' respective acting divisions or of the respective part(s) of its enterprise as a separate and legally independent business unit, and the transfer, sale or other disposal of the ownership of such business unit or of the majority of shares or voting rights in such business unit



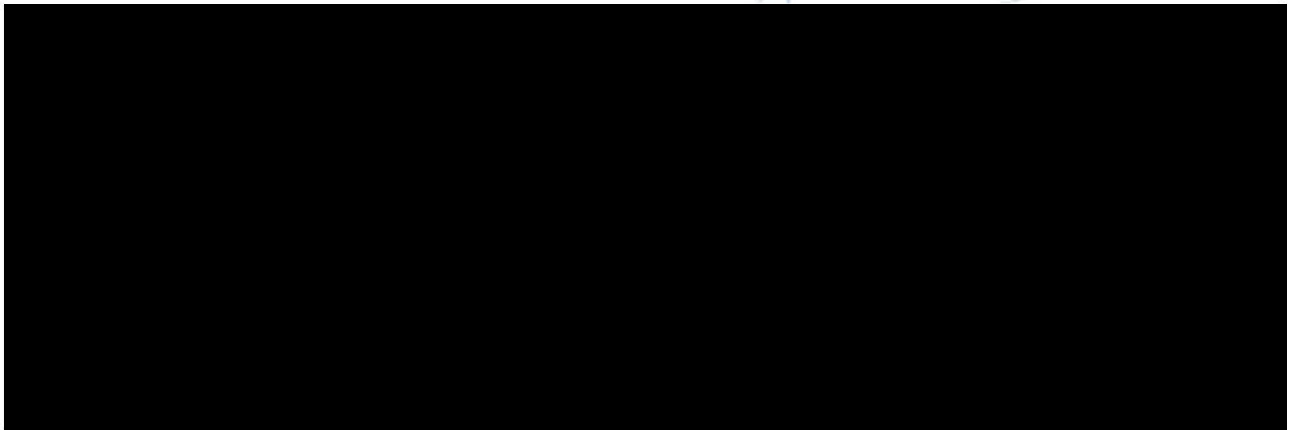
Verbal agreements reached during the negotiations or during the period of this Agreement shall not be binding upon either Party unless and until mutually confirmed in writing.

All communication between the Parties shall be in English and all documentation shall be made available to the other Party in English. In case any other language is used or any document including this Agreement is translated into any other language it shall be for convenience only. The version in English shall be legally binding.

IN WITNESS THEREOF the Parties have caused this Agreement to be executed as of the day and year written below.

For and on behalf of

12 MAY



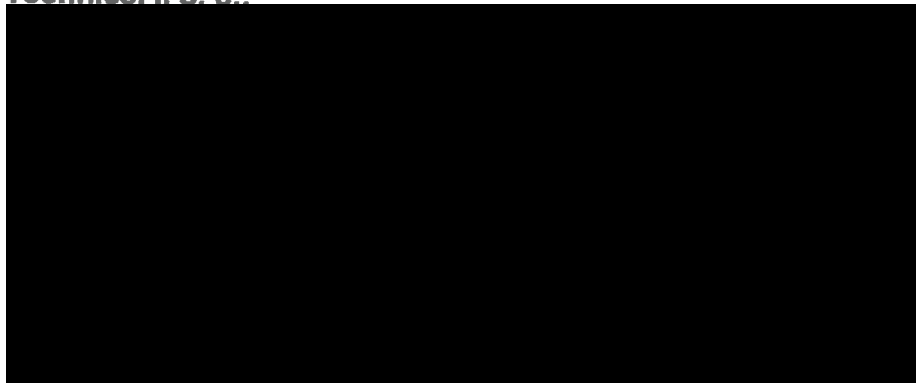
For and on behalf of

Czech Airlines Technics, i. s. c.:

Signature:

Name:

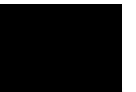
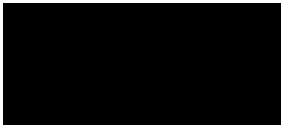
Title:



Town, Date:

PRAGUE, 15 MAY 2017

PRAGUE, 15 MAY 2017



shall not be considered as assignment of such Party's rights and/or obligations under this Agreement or any Repair Order or part thereof.

25.4. Waiver and Severability

Failure by either Party to enforce any of the provisions of this Agreement shall not be construed as a waiver of such provisions.

If any of the provisions of this Agreement are held unlawful or otherwise ineffective by any court of competent jurisdiction, the remainder of this Agreement shall remain in full force and the unlawful or otherwise ineffective provision shall be substituted by a new provision mutually agreed upon by Customer and CSAT reflecting the intent of the provision so substituted.

25.5. Notification of Changes

Any changes or alterations, including change of address, company name, organization, approval etc. shall be immediately notified in writing to the addressee stipulated in Article 24 of this Agreement.

25.6. Interpretation

The list of contents, section names and headings are for ease of reference only and shall not be taken into account in construing this Agreement.

25.7. Form of Agreement

Two (2) originals of this Agreement shall be signed and executed by the authorized representatives of both Parties. One (1) original shall remain with each Party. Each of the two (2) originals shall constitute an original of this Agreement, but together the counterparts shall constitute one agreement.

25.8. Alteration

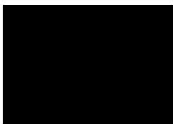
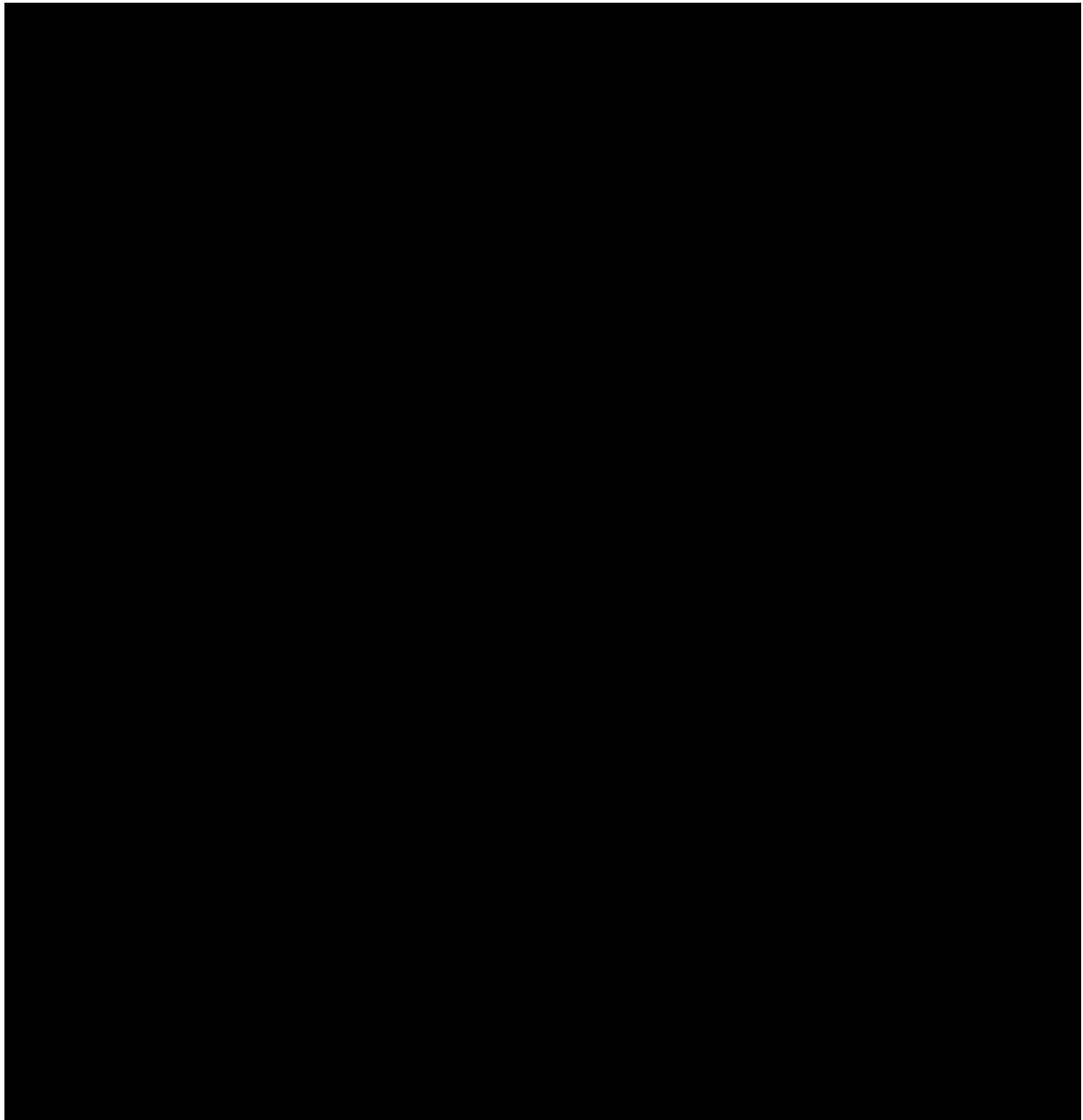
This Agreement shall not be varied in any terms or amended except by an instrument in writing explicitly named an amendment to this Agreement and signed by duly authorized representatives of the Parties.

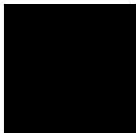
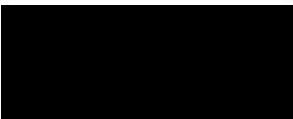
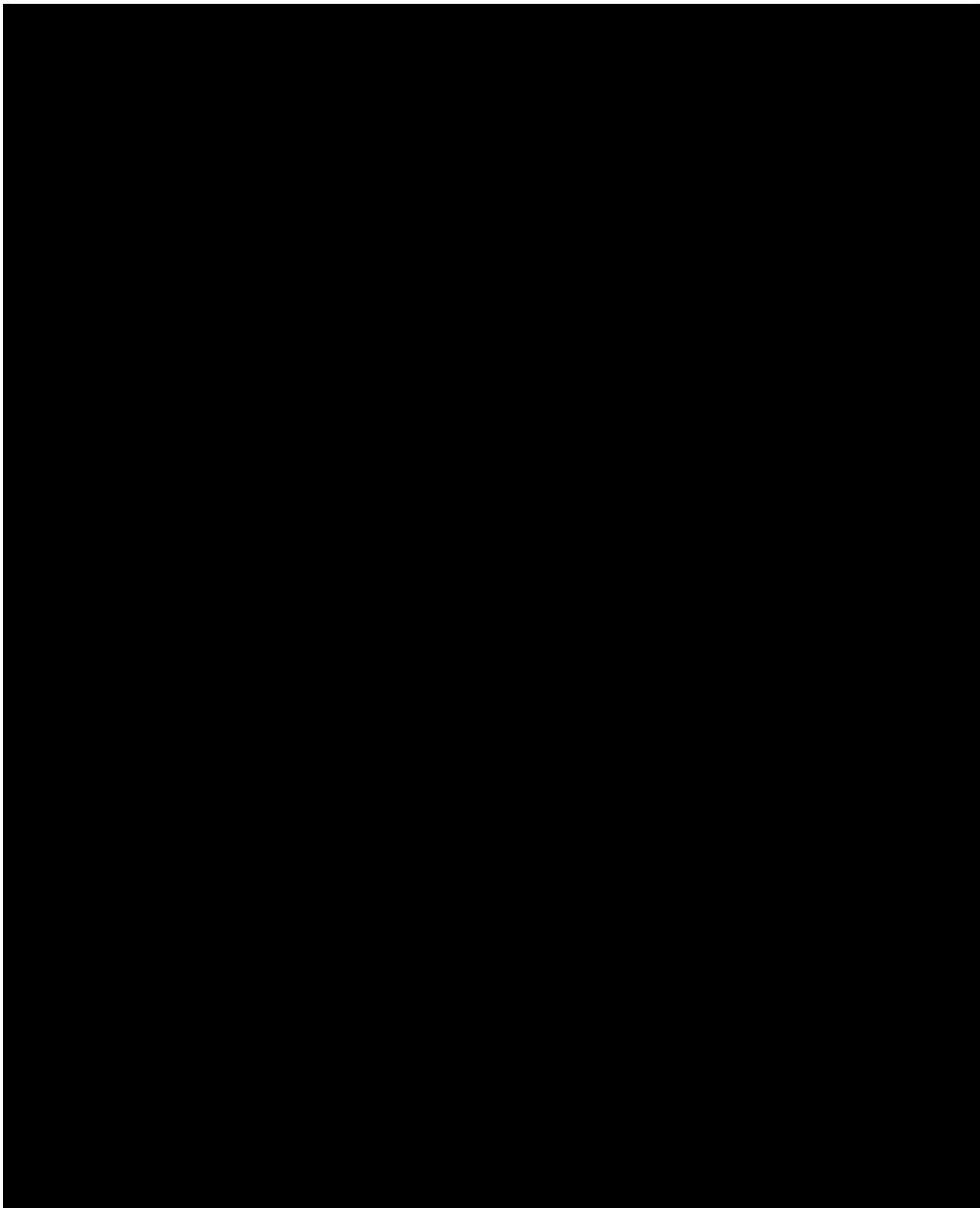
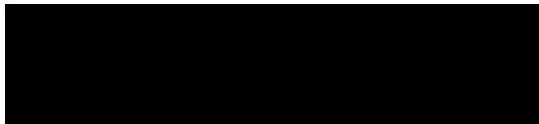


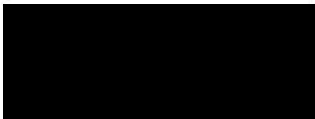
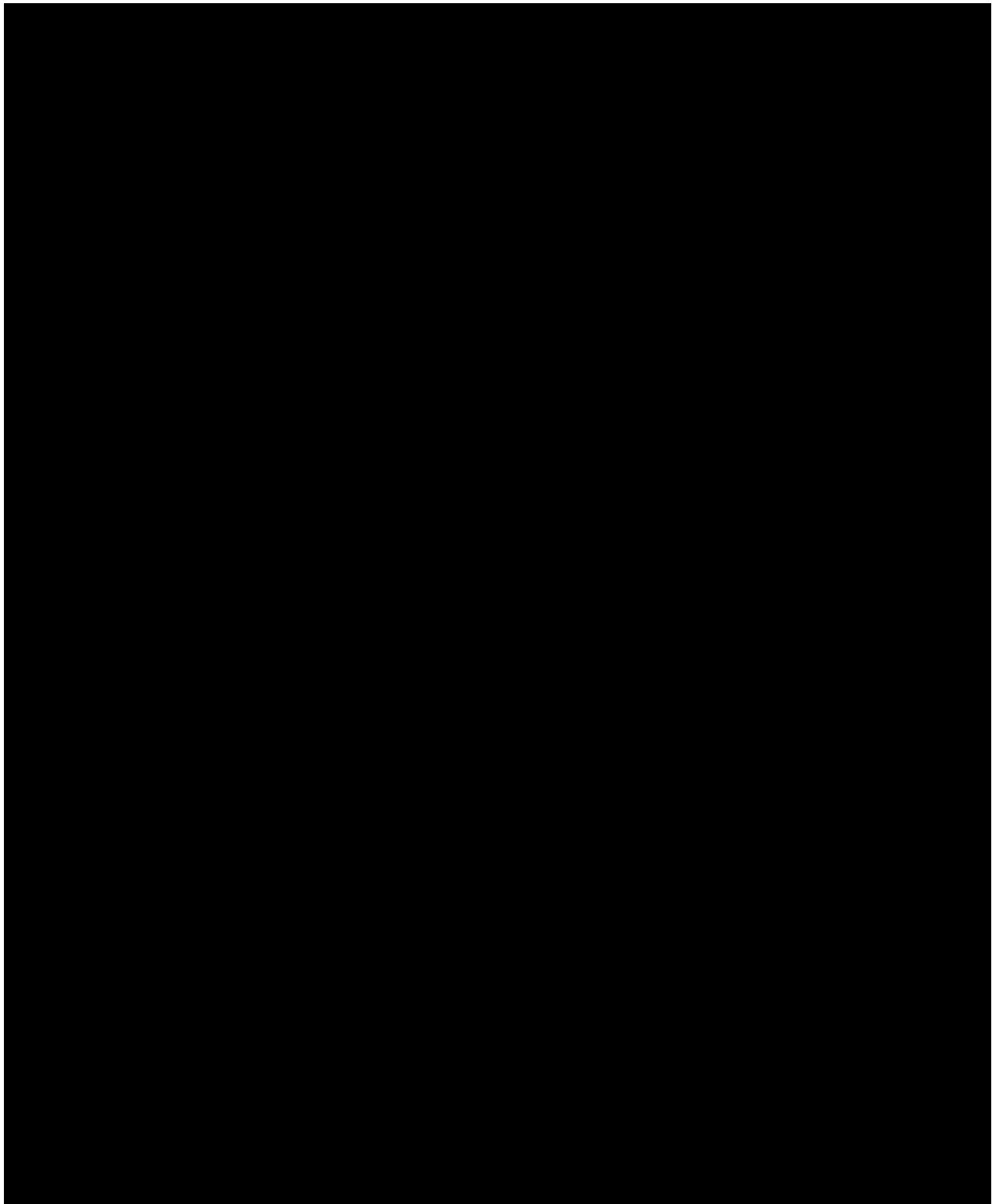
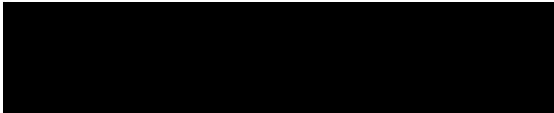
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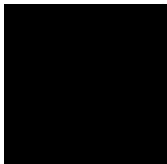
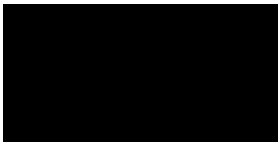
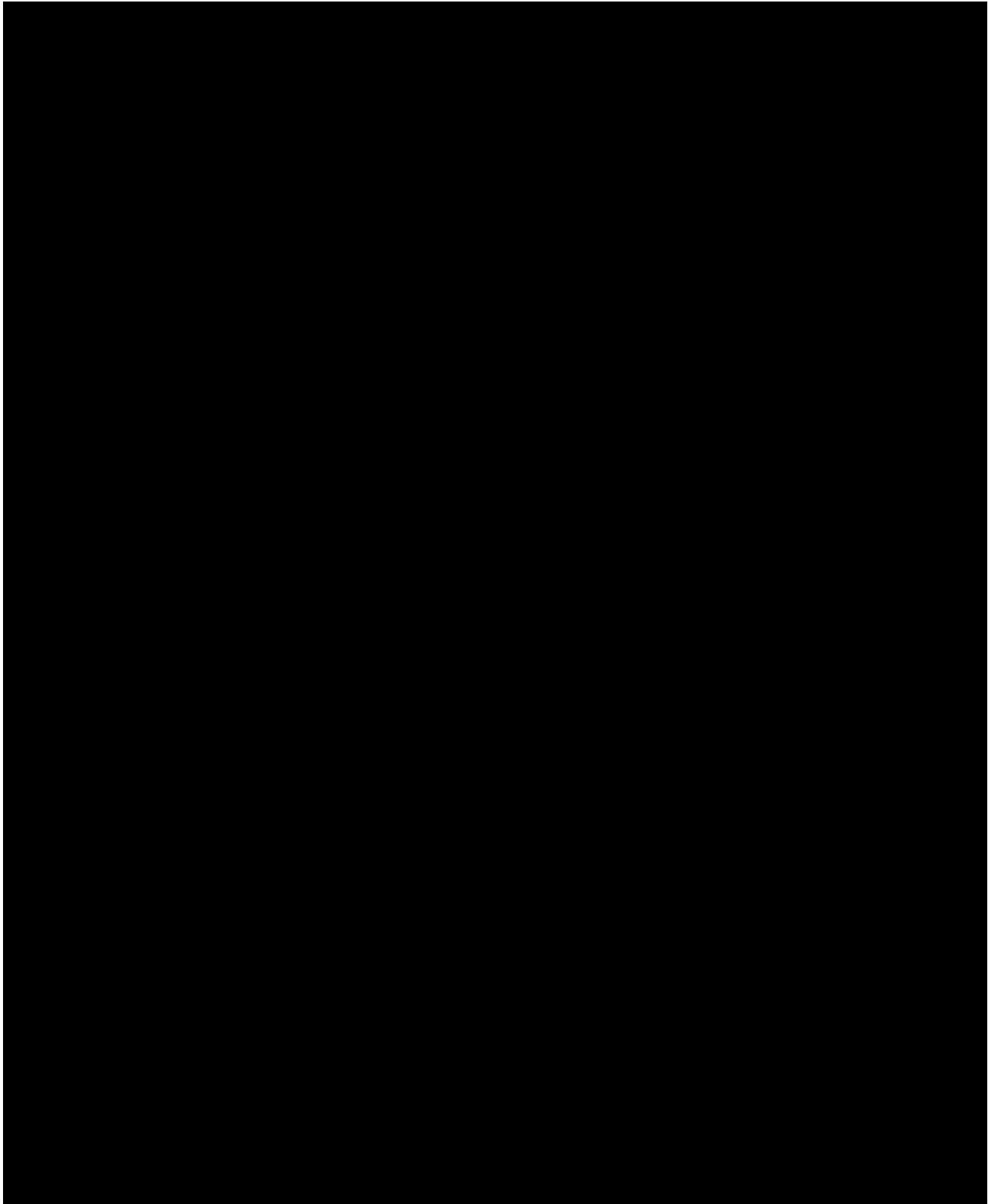
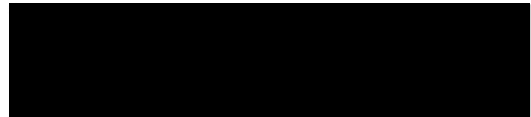
ATTACHMENT A- 

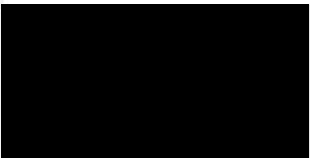
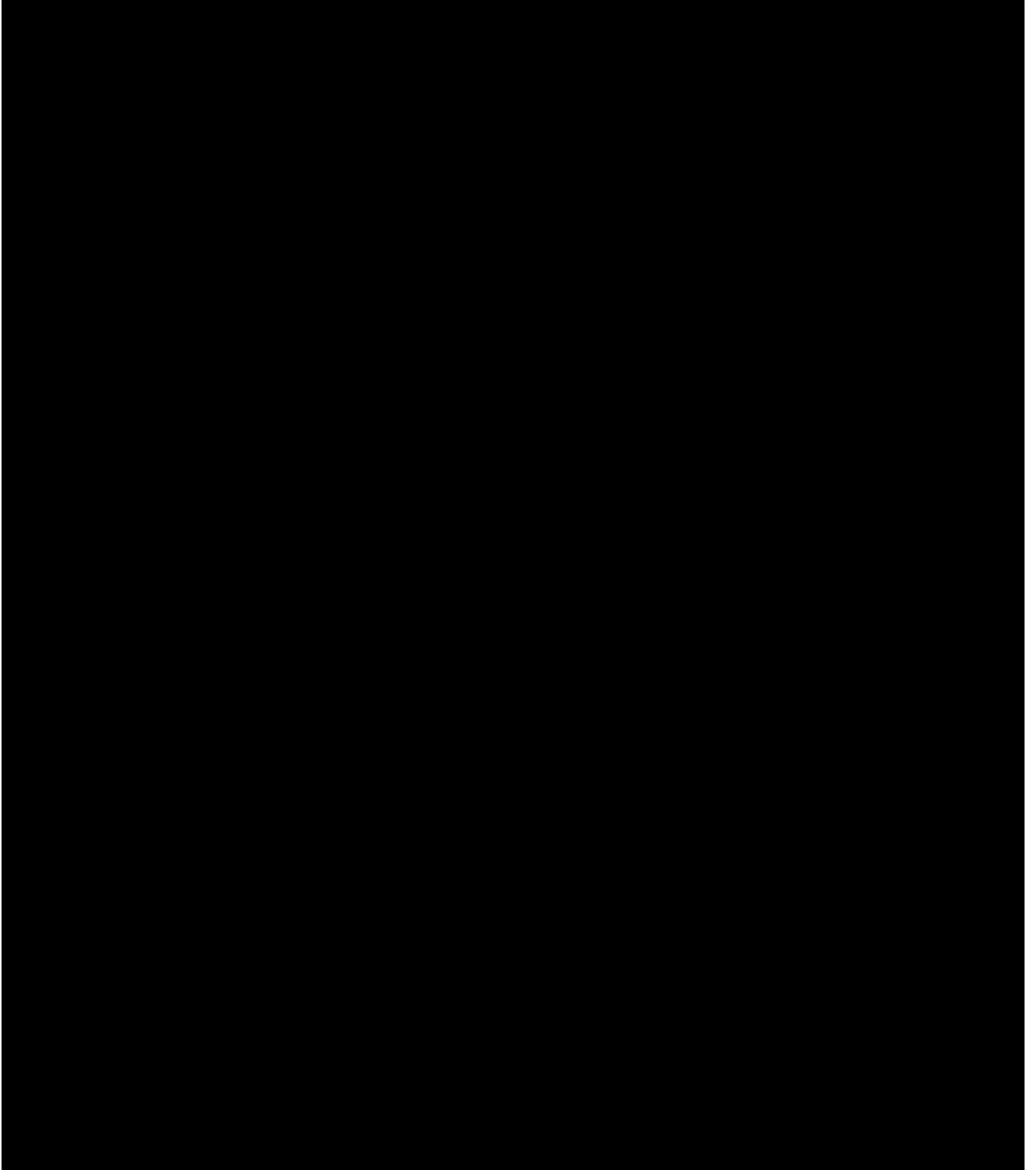
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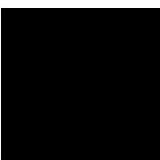
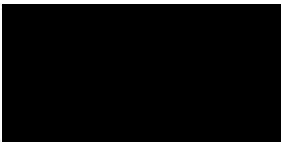
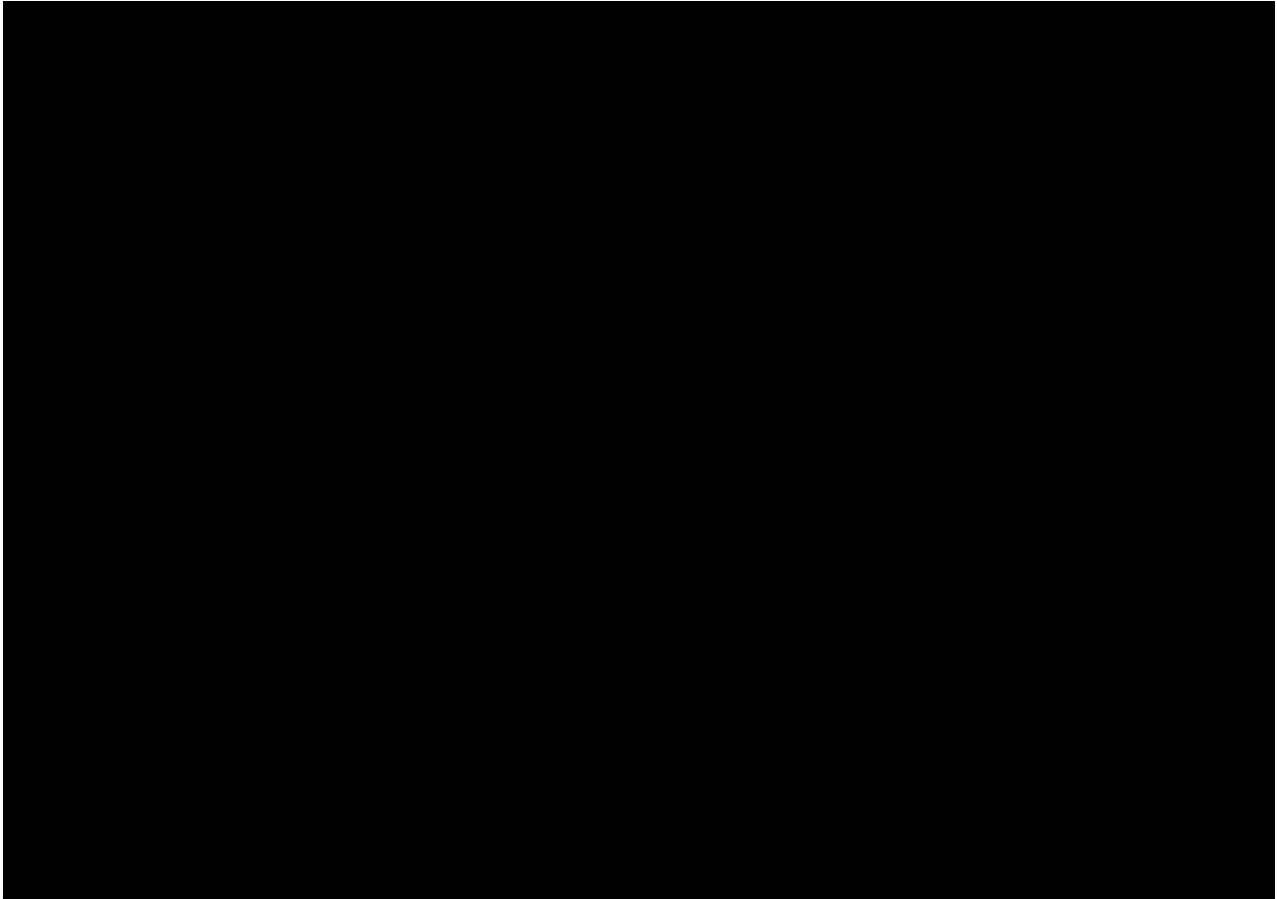






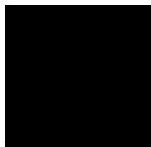
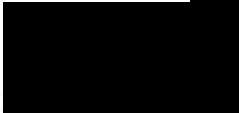
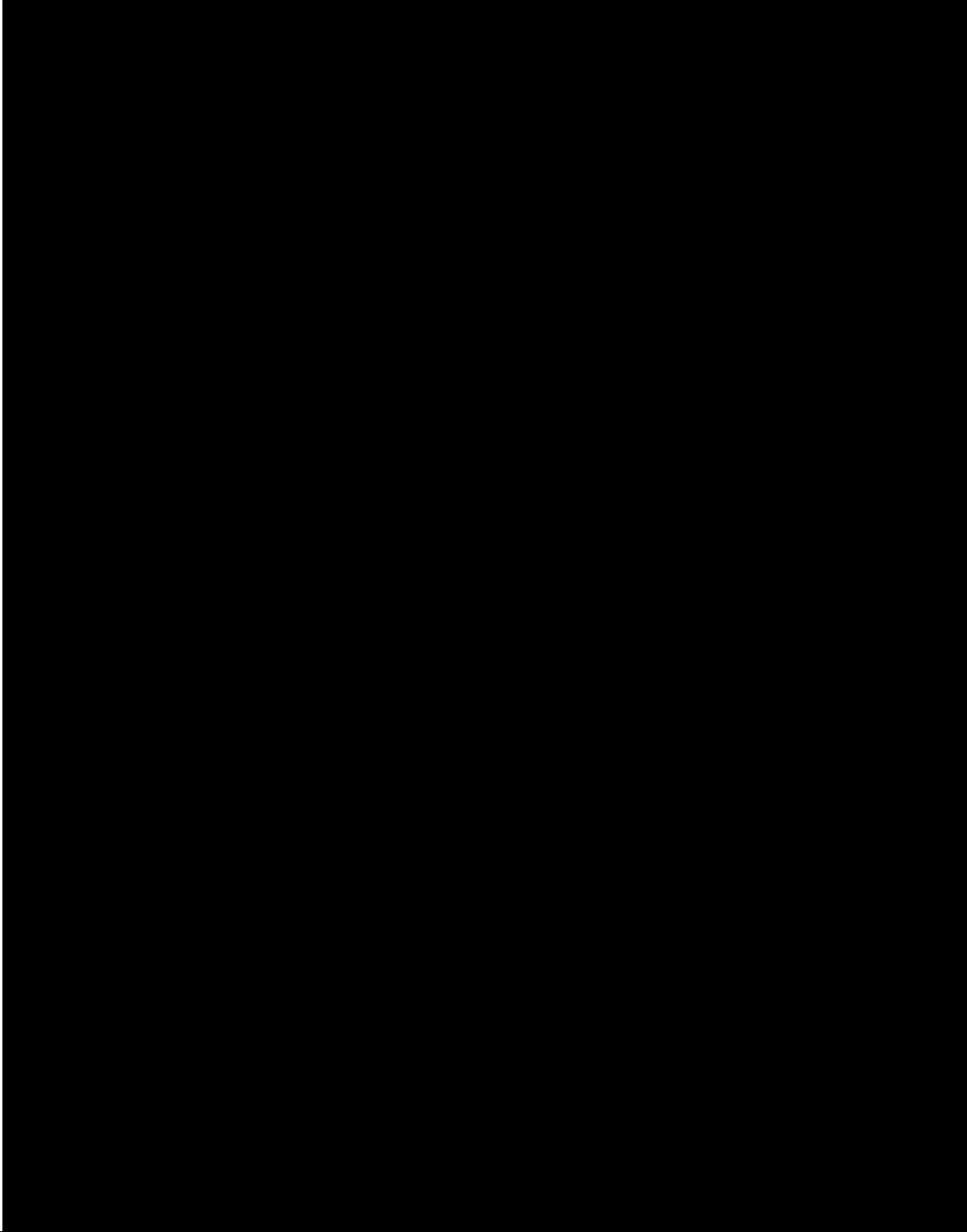


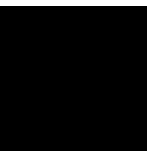
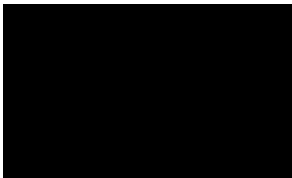
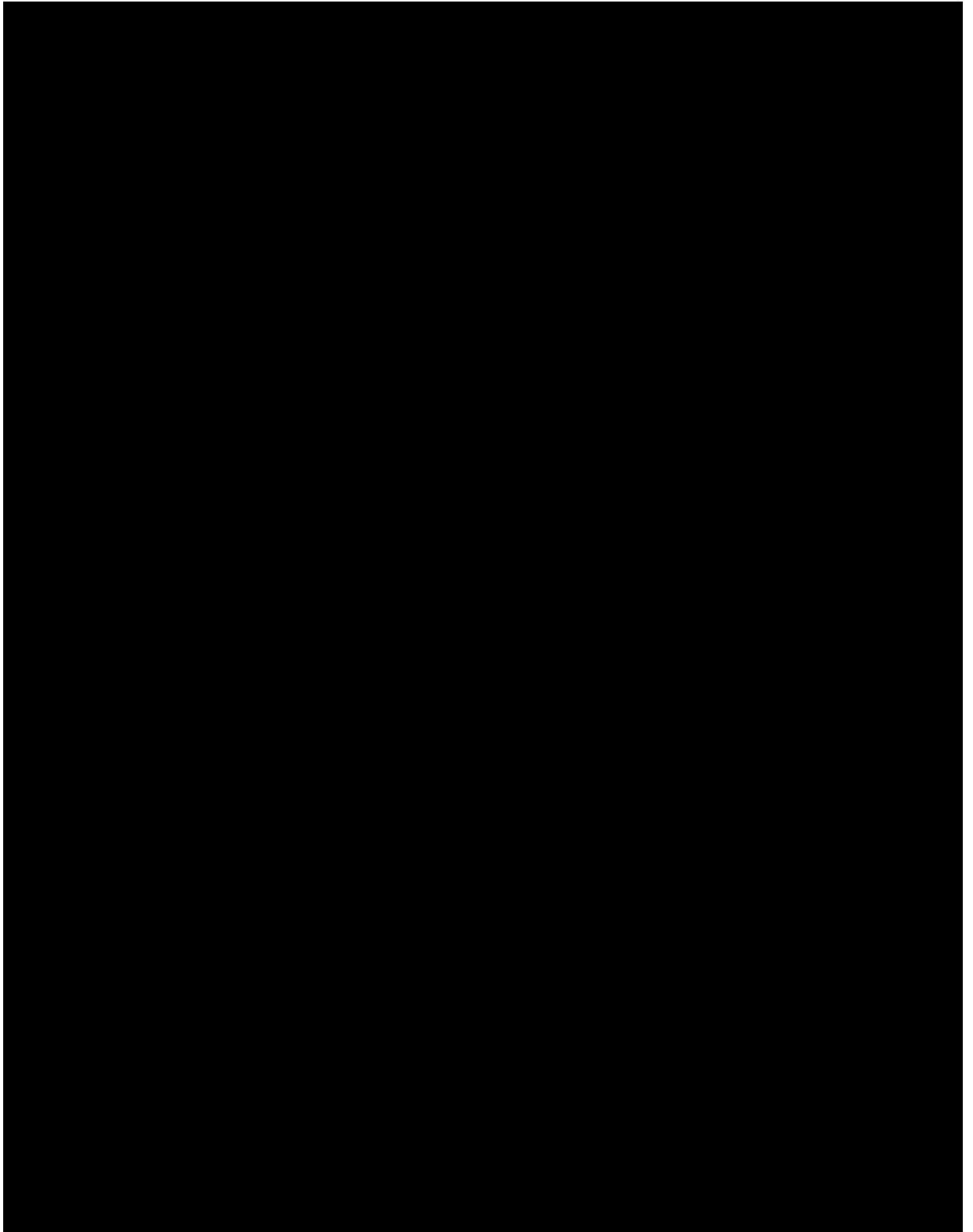
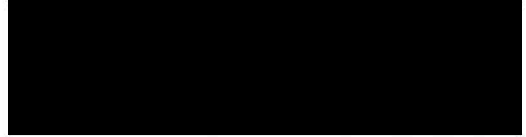


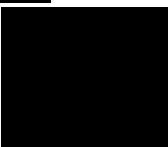
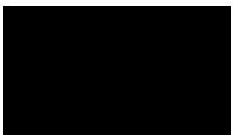
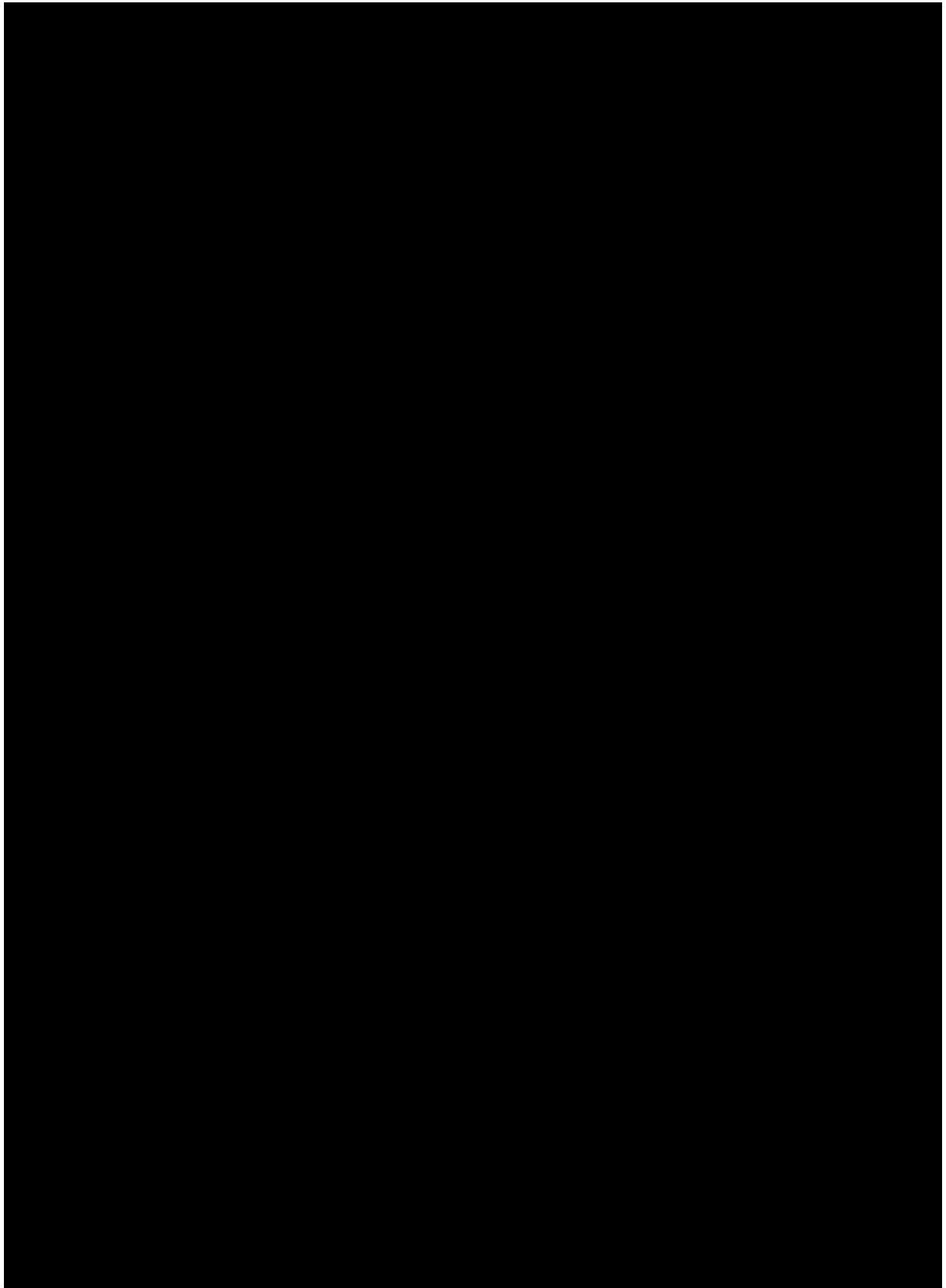




ATTACHMENT B - Definition of Lar







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