



IATA Document No. 2014-01

MASTER AIRFRAME MAINTENANCE AGREEMENT

(Master AMA)

Release Date: January 2014

PREPARATORY NOTES

1. This Master Agreement was jointly prepared by IATA's Safety and Flight Operations Department and by IATA's Legal Department, with input from subject matter experts of IATA airline-members, and maintenance providers.
2. The structure of the document is that of a reference template - which is not signed - but rather is incorporated by reference in a particular transaction through an individually executed amendment / attachment / supplement / exhibit / annex.
3. **The Parties may modify / add / remove / validate / invalidate Articles of this Agreement through Part III of Annex 1, or customize the commercial and technical details through Part II of Annex 1.**
4. Transaction parties, whether or not members of IATA, may utilize this form if and when they desire and with whatever amendments they deem appropriate. For convenience, the Master Airframe Maintenance Agreement (Master AMA) shall also be posted on IATA's website, in a downloadable format.
5. IATA intends to review this document on a periodic basis to determine whether modifications are appropriate. If modified, the document shall be retitled.
6. The Federal Aviation Administration (FAA) Advisory Circular (AC) 120-106 ("Scope and Recommended Content for a Contractual Agreement Between an Air Carrier and a Contract Maintenance Provider") and EASA Part M Appendix XI to AMC to M.A. 708(c) ("Contracted Maintenance") have been utilized to create this IATA Master AMA form as the minimum requirements for contracted maintenance. Air Transport Association (ATA) Common Support Data Dictionary CSDD and United States Title 14, Code of Federal Regulations, (14 CFR) Section 1.1 form the basis for certain Definitions and Abbreviation.
7. Please return your comments on use of this new IATA template to psc@iata.org

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PREAMBLE

IATA Document No. 2014-01 addresses arrangements for Aircraft Maintenance Services performed by the Service Provider for the Customer, hereafter referred to as the Parties.

RECITALS

WHEREAS, this standardized form has been developed to facilitate contract formation for Aircraft Base Maintenance, Line Maintenance, that is essential part of the Base Maintenance Work Scope and other maintenance of Aircraft; and

WHEREAS, the Service Provider is a Maintenance and Repair Organization (MRO) certified by the appropriate national aviation authority with privileges for accomplishing the work to be performed under this agreement; the Service Provider has a fixed place of business, with a fixed address; and

WHEREAS, the Parties represent and warrant that their companies are duly incorporated under the laws of the claimed jurisdiction, have the legal right to enter into this Agreement, and that entering into this Agreement does not violate or contravene any obligations that a Party may have to any third party; and

WHEREAS, the Customer desires to have the Service Provider perform the Services, set forth in this Agreement; and

WHEREAS, the Service Provider and the Customer wish to utilize this Master AMA for the Services on the terms hereof and Annexes hereto

IT IS HEREBY AGREED as follows:

1 OBJECTIVE

- 1.1 This Master Airframe Maintenance Agreement governs the maintenance services, including, but not limited to Inspection, Repair, Modification, Overhaul, Painting and other related Airframe Services, as described in Airframe Maintenance Agreement and specifically incorporates the terms thereof.
- 1.2 Annex 1 – Airframe Maintenance Agreement (AMA) clarifies and stipulates details of the terms hereof with respect to any Airframe Services carried out on the specific Aircraft described therein. Where an AMA is executed, this Master AMA, as complemented by Annex 1 (and all other Annexes) shall be read as a single independent contract applicable to any such Airframe Services and Work Package; and is referred to herein as “this Agreement”.
- 1.3 The AMA shall have the form as set forth as in Annex 1 – Airframe Maintenance Agreement.

2 SCOPE OF AGREEMENT

- 2.1 Subject to the terms and conditions set forth herein the Service Provider shall perform the work and render Services on the Customer's Aircraft(s) as detailed in Annex 2 – Work Scope and Package and on commercial terms the Customer agrees to purchase such Services from the Service Provider and at the Maintenance Base location hereafter set forth in Annex 1 – Airframe Maintenance Agreement.

The Work Scope shall identify the Aircraft on which Services are to be performed, describe the check level or work scope and set forth the Delivery and Return Dates. For the avoidance of doubt, this Agreement is nonexclusive, and thus the Customer may itself perform, or engage others to perform, other services on the Aircraft and perform any services on any other of the Customer's Aircraft.

- 2.2 The Customer may request a modification to the Services or services in addition to the Services. The Parties shall agree on the description, schedule, rates and charges for such modification or additional services and prior to the commencement of any additional services, document them in writing as per Article 19 hereof. Any modifications or additional services are subject to the terms and conditions of this Agreement.

3 DEFINITIONS AND ABBREVIATIONS

1. Light checks Scheduled maintenance of high frequency, short interval and short Turn Around Time required
2. Acceptance of Aircraft Acceptance of the Aircraft to / from the Services by the Service Provider or by the Customer in accordance with Annex 3 of this Agreement
3. Additional Work Any work requirement beyond the content of the Work Scope of the Services, which when mutually agreed to in writing by the Service Provider and the Customer, shall become part of the Services
4. Agreement This Master AMA including all relevant Annexes, subsequent Amendments and Side Letters, as amended or varied from time to time, which the Parties have signed in respect to Services
5. Aircraft Aircraft, as set forth in Annex 1, identified by Manufacturer's Serial Number and Registration Mark, including equipment and components, attached to it on which Service Provider is to perform the Services
6. Technical Log Electronic or paper book reflecting flight and technical records of the Aircraft's operation and maintenance, sometimes referred to as Aircraft Flight & Maintenance Log (AFML)
7. Airframe Includes the fuselage, booms, nacelles, cowlings, fairings, and airfoil surfaces (including rotors but excluding rotating airfoils of engines), and landing gear of an Aircraft including their accessories and controls
8. Airworthiness Conformity to Approved Design and in a condition for safe operation
9. Airworthiness Data Information issued by the design holder that defines approved maintenance to be performed on such Aircraft or component
10. Airworthiness Directive (AD) A rule or regulation issued by a NAA informing owners and/or operators of the Aircraft, Aircraft engine, propeller or appliance of an unsafe condition that must be corrected
11. Annexes Annexes to this Agreement regarding the Services to be performed on the Aircraft
12. AOG Aircraft on Ground, a situation created by a technical or any other problem, serious enough to prevent the Aircraft from flying
13. Approved Data Data specifically approved by the relevant NAA which may include drawings, specifications, manuals or procedures
14. Approved Design Holder An organization, which has been approved by the relevant NAA to develop design information
15. Base Maintenance Scheduled or unscheduled maintenance activities requiring low frequency, long intervals and substantial Turn Around Time (TAT)



16. Business Day A day on which the banks of the Customer's or the Service Provider's are open for the transaction of business of the type required by this Agreement
17. Calendar Day Any calendar day at the location at which Services are being performed or shall be performed
18. Catalog List Price (CLP) The current list price of materials that are issued by OEMs, distributors or suppliers
19. Chemicals The CML (Chemical Markup Language) and CP (Chemical Pure) series used in Aircraft, such as cleaning solvent, paint removal, lubricant, lubricant oil, hydraulic oil, grease, combination, seal agent, binder, stickers film, lacquer, preservatives, penetrant, anti-seize compound, etc.
20. Claims and Losses Any and all (i) claims, suits, judgments and orders and (ii) losses, accrued liabilities, damages, costs, and expenses (however described, characterized or classified), including reasonable professional fees and expenses, in each case incurred or binding and regardless of (a) the legal theory or economic assumptions on which they are based, (b) whether they are described as penalties and/or fines, and/or (c) whether they are susceptible to appeal or mitigation
21. CMM Component Maintenance Manual
22. Component Any (a) device or module or individual Part of an Aircraft, including Engine or flight equipment or emergency equipment, identified by Part number and serial number by the respective Aircraft or component design holder, or (b) self-contained part, combination of parts, subassembly or unit that performs a distinctive function necessary to the operation of a system, which is removable and controllable on a unit basis and has a potential reuse through Inspection, test, Overhaul, Repair, Modification or other disposition
23. Consumables Materials identified by a standard or other specification (or by a Part number in exceptional cases) in the maintenance or operational documents issued by the Approved Design Holder. Consumables can include but are not limited to fluids (such as cleaning agents, pickling agents, primers, paints, etc.) for surface treatment, adhesives, lubricants, oil, tape, etc
24. CRS Certificate of Release to Service
25. Customer The organization ordering and receiving the Services from the Service Provider
26. Customer Furnished Material Material provided by the Customer to the Service Provider
27. Customer's Representative A person assigned by the Customer to act as its agent regarding issues related to the Service
28. Customized Material & Equipment Material & Equipment specifically and exclusively used on the Customer's Aircraft, including cabin/décor items

29.	Default Interest Rate	Interest on any overdue and unpaid amount, calculated at a per annum rate (based on a calendar year). Such interest is applied to the amount due and unpaid from the date the amount was due to the actual date of Payment thereof
30.	Defect	A finding or malfunction, that may result in a failure, incompliance, missing Part
31.	Defect Rectification	Corrective Maintenance Action to eliminate Defects
32.	Defect Rectification Cap	The maximum amount of non-routine MHs to be included in the fixed price on Defect Rectification
33.	Deferred Item	Performance which is deferred to a time later than originally scheduled
34.	Delay	Failure by either Party to meet an agreed timeframe in this Agreement and its Annexes.
35.	Delivery	Delivery of the Aircraft by the Customer to the Service Provider at the Service Provider's facilities or as otherwise agreed upon in writing, and the Service Provider's acceptance thereof as evidenced by execution of a Delivery Acceptance Certificate
36.	Delivery Acceptance Certificate	Document set forth in Annex 3 confirming the Acceptance of the Aircraft by the Service Provider
37.	Documentation	Documentation listed in Annex 5 required to perform the services on the Aircraft(s)
38.	EASA	European Aviation Safety Agency
39.	EASA Approval Certificate	Approval issued by relevant NAAs based on EASA regulations
40.	Effective Date	The Calendar Day as of which this Agreement or certain conditions gain legal power
41.	Engineering Order (EO)	Technical instruction document issued by the authorized engineering department
42.	Exchange	One-for-one exchange of like components between the Parties
43.	Expendables	Items without existing Repair procedure or the cost of Repair of which would not be economical, including without limitation items such as hoses, filters and switches
44.	Exterior Work	Services performed on the external surface of the Aircraft(s), such as stripping, painting, polishing, application of logos and decals, and washing
45.	Technical Report	A report prepared by an Independent technical expert selected by mutual agreement of the Parties for the purpose of mediating a technical dispute between the Parties



46.	FAA	Federal Aviation Administration
47.	Fixed Price	The predetermined set price(s) defined in Annex 1
48.	Flight Cycle	An Aircraft's single takeoff and subsequent landing
49.	Flight Hour	A 60-minute period flown by the Aircraft between takeoff and landing, as recorded in the Technical Log excluding taxi time (will normally be measured to the nearest tenth of an hour)
50.	Flight Test	An Inspection of an Aircraft and/or its systems or components performed during flight that will verify functionality and performance
51.	Foreign Object Damage (FOD)	Damage to the Aircraft caused by external articles' impact or ingestion, such as birds, stones, hail or other debris
52.	Governing Law	The statutes of the country or jurisdiction to which the Parties agree to subject, to construe and to interpret any legal matter which may arise out of it or in connection with the Agreement
53.	Government Entity	Any executive, legislative, judicial or administrative authority (however described, characterized or classified), including courts and agencies
54.	Handling Charge	A surcharge determined as a percentage of costs or in a fixed amount
55.	Hangar Facility	The hangar at the Maintenance Base, mentioned in Annex 1 where the Services are rendered
56.	IATA	International Air Transport Association
57.	ICAO	International Civil Aviation Organization
58.	IOSA	IATA Operational Safety Audit
59.	Incoterms	The latest revision of the Publication by the International Chamber of Commerce (ICC Publication No. 560)
60.	Inspection	Visual and other examinations to detect actual or potential unacceptable conditions
61.	Intellectual Property	Creations protected from unauthorized use by common law or statute, such as, patents, trademarks, trade secrets and copyrights
62.	Interior Works	Services related to the cabin and cockpit of the Aircraft
63.	Labor	MHs consumed during the Services
64.	Labor rate	Price per 1 MH
65.	Late Payment	A payment made after the due date set forth in this Agreement

66. Law Any (i) statute, decree, constitution, regulation, order or any directive of any Government Entity, (ii) treaty, pact, compact or other agreement to which any Government Entity is a signatory or party and (iii) judicial or administrative interpretation or application of any of the foregoing
67. Lien Any form of security interest granted over an item of property (mortgage, lien, charge, encumbrance, hypothecation, lease, or other claim, right or interest in any property, whether that right or interest (i) arises by contract or operation of Law and/or (ii) is possessory or non-possessory in nature) in order to secure the payment of a debt or the performance of some other obligation
68. Life Limited Parts Articles for which a mandatory replacement limit has been established by the NAA and specified in the type design, Airworthiness Data or by an AD
69. Line Item The Material Part number or reference used for the performance of the Services
70. Line Maintenance Any maintenance that is carried out before flight to ensure that the aircraft is fit for the intended flight
71. Maintenance Action An act that restores an item to a level that it may continue in service
72. Maintenance Base or Agency Site The facility, as specified in Annex 1 at which the Services are rendered
73. Maintenance Planning Document (MPD) A document developed by the Aircraft manufacturer that assists an operator in developing and revising an approved Maintenance Program
74. Maintenance Program (MP) The program developed for the Aircraft by an airline operator and approved by the NAA which defines the sequence of Maintenance Actions to be performed for the continued Airworthiness of the Aircraft
75. Maintenance Records The documentation required by NAA and requested by the Customer to record the Services performed on an Aircraft.
76. Major Defect A non-compliance that may continuously affect the continued safe operation of an Aircraft or cause an Aircraft to become a danger to person or property
77. Major Modification An alteration to the Aircraft that has other than a negligible effect on the weight and center-of-gravity limits, structural strength, performance, power plant operation, flight characteristics or other qualities affecting its Airworthiness or environmental characteristics
78. Major Repair A Repair which, (i) if improperly done, might appreciably affect weight, balance, structural strength, performance, power plant operation, flight characteristics, or other qualities affecting Airworthiness; or (ii) is not done according to accepted practices or cannot be performed by basic operations
79. Man-Hour (MH) A 60-minute period of work for one person. A measurement used for the estimation, calculating and recording of the total amount of uninter-



	rupted labor required to perform a task
80. Man-Hour Cap	Quantity of MHs, included in the Fixed Price required to perform a certain work or task, the usage of such MHs is separately invoiced to the Customer
81. Material	Any of the materials used during the Service, including but not limited to standard parts, Raw Materials, Consumables, Expendables, Components, LLP, Repairable Parts, Rotable Parts and self-fabricated parts
82. Material Cap	Monetary limit per Line Item, included in the Fixed Price
83. MEL	Minimum Equipment List
84. Modification or Alteration	Set of actions required to modify an Aircraft or a Component in a specified manner
85. MOE	Maintenance Organization Exposition
86. NAA	National Aviation Authority
87. Negligence	The act/omission of any Party falling below the expectable ordinary standard of care
88. Non Routine Work	The Services discovered and to be carried out as a result of performance of Routine Work
89. Not to Exceed Price (NTE)	Maximum Price for a Work Package or a part thereof
90. OEM	Original Equipment Manufacturer
91. Overhaul	The most extensive scope of work that may be performed on an item; usually it includes disassembly, cleaning, Inspection, Repair or restoration as necessary, reassembly and test
92. Payment	Transfer of money as per invoice to the Service Provider for the Services rendered under this Agreement
93. Part	Any item or unit installed on or attached to the Aircraft
94. Partial Loss	A Loss which, by financial and operational measures, is less than a Total Loss
95. Part Manufacturing Approved part (PMA part)	An article designed and produced under appropriate NAA approval
96. Principal Taxation Jurisdictions	The jurisdiction or jurisdictions so specified in Annex 1
97. Raw Material	Material, identified by a standard or other specification (or by a Part number in exceptional cases) in Airworthiness Data; it may be a semi-finished product (such as metal sheets or metal/plastic profiles, etc.). Raw Materials are distinguished from components or standard parts, is that they cannot be used without further processing

98. Return	Delivery of the Aircraft by the Service Provider to the Customer as per Certificate of Release to Service, and execution of a Return Acceptance Certificate
99. Return Acceptance Certificate	Document set out in Annex 3 confirming the Acceptance of the Aircraft by the Customer upon Return from the Service Provider after completion of the Services
100. Return Date	Calendar Day and local time at which Return takes place
101. Repair	Maintenance Actions required to return an article to a serviceable condition
102. Repairable Parts	Articles the restoration of which is economically reasonable
103. Rotable Parts	Repairable Part that can be economically and repeatedly restored over a period approximating the life of the flight equipment to which it is related
104. Routine Work	Planned scheduled maintenance, and other Maintenance Action to be performed in accordance with the Work Package provided in Annex 2 – Work Scope and Package
105. Routine Materials	Materials used to perform Routine Work
106. Service Bulletin (SB)	Document issued by the manufacturer to notify the airline of recommended Modifications, substitution of parts, special inspections/checks, life limit change or conversion from one model to another
107. Service Provider	The Party which renders the Services as per this Agreement
108. Services	All or any part of the work to be performed by the Service Provider or its Subcontractors under the terms and conditions of this Agreement
109. Special Tools	Tools, that are required to be used in accordance with the Airworthiness Data
110. Subcontractor	Any person, legal or natural, supplying materials or supplemental Services to either Party to accomplish the Services as per this Agreement
111. Task(s)	Activities defined by the Customer's Maintenance Program
112. Task Card	Document covering Tasks used for documenting the accomplishment of the work
113. Taxes	All taxes, fees, charges or duties and other additions thereto, including, but not limited to, sales, use, value added, stamp, excise, transfer and similar taxes imposed by any domestic or foreign taxing authority arising out of or in connection with this Agreement
114. Time and Material (T&M)	A way of pricing, where the actual consumption of labor, and Material are charged as consumed



115. Termination	Event, as of which the Parties are no longer liable and responsible for the contractual obligations hereunder, unless otherwise agreed and legally documented
116. Total Loss	Any of the following events which, with the passage of time or the payment of insurance on the basis of a total loss, indicates that the Aircraft is no longer available to the operator for normal use: (a) destruction, damage beyond repair or being rendered permanently unfit for normal use for any reason; (b) requisition of title, confiscation, forfeiture or any compulsory acquisition or other similar event; or (c) sequestration, detention, seizure or any similar event
117. Turn Around Time (TAT)	Period of time between Delivery and Return
118. Quality Assurance	A management system for programming and coordinating the quality and improvement efforts of the various groups in an organization, to permit compliance with regulatory and customer requirements
119. Warranty	A guarantee, issued to the Customer by the Service Provider, promising to repair, replace or rectify a product/service if necessary and within a specified time
120. Willful Misconduct	The deliberate act/omission of a Party who intends to cause harm to the other Party through such act/omission, and the other Party is harmed as a direct result of such act/omission
121. Workmanship	Refers to the correct physical actions and proceedings, correct usage of tools, tooling and equipment, during work performance
122. Work Package/Work Scope	List of the tasks to be performed set forth in Annex 2 – Work Scope and Package

NOTE: THE ABOVE DEFINITIONS PROVIDE A GENERAL MEANING OF AN ITEM OR AN ACTION AND IN MOST CASES REPRESENT THE COMMON DEFINITION ADOPTED BY REGULATORS. HOWEVER, IN THE EVENT OF CONTRADICTION BETWEEN THE PRESENT DEFINITION AND THE DEFINITION STATED IN AN APPLICABLE REGULATORY DOCUMENT THE LATTER SHALL ALWAYS PREVAIL.

4 DELIVERY, TURN AROUND TIME AND RETURN

4.1 Aircraft Delivery

- 4.1.1 Delivery shall take place at the Maintenance Base as per Section 8 of Annex 1 – Airframe Maintenance Agreement at the date and time set out in Section 4 of Annex 1 – Airframe Maintenance Agreement. The Service Provider may perform the Services at facilities other than those set forth in Section 8 of Annex 1 - Airframe Maintenance Agreement upon the Customer's prior written approval.
- 4.1.2 With regard to the initial Delivery of the Aircraft(s), the Customer shall be liable for all transportation costs of the Aircraft to the Maintenance Base.
- 4.1.3 The Aircraft is deemed delivered on the date of the signature by the Parties of the Delivery Acceptance Certificate as per Annex 3 – Delivery/Return Acceptance Certificates.
- 4.1.4 If the Aircraft requires to be de-fuelled upon Delivery, the Parties shall agree on the procedure of de-fuelling by a designated certified fuel provider. The Parties shall also agree on cost of storage, fuel credit, and fuel disposal, if any. This shall be confirmed in writing between the Parties prior to such tasks being performed.
- 4.1.5 Prior to Delivery, the Service Provider shall provide the Customer with the overview of performance of the Work Scope and Package and shall highlight any concerns and possible risks related to the upcoming Services, and shall provide the Customer with a risk mitigation report. The planned Turn Around Time will be adjusted based on the results of such risk mitigation discussion if necessary.

4.2 Aircraft Return

- 4.2.1 Upon completion of the Services, the Service Provider shall issue to the Customer a Certificate of Release to Service (CRS).
- 4.2.2 Upon completion of the Services, the Service Provider shall redeliver the Aircraft to the Customer at the Maintenance Base as per Section 8 of Annex 1 – Airframe Maintenance Agreement. Return shall be confirmed by the execution of Return Acceptance Certificate as per Annex 3 and the Aircraft shall be deemed redelivered on the date specified in the Annex 3.

4.3 Turn Around Time

- 4.3.1 The planned TAT in Calendar Days shall be as stated in Section 7 of Annex 1 – Airframe Maintenance Agreement.
- 4.3.2 The actual TAT shall start from the date stated as the acceptance date in the Delivery Acceptance Certificate signed by both Parties and shall end as of the date of the Return Acceptance Certificate signed by the both Parties. The TAT can be extended in certain cases and on the conditions set out in Article 14.2 of this Agreement.

5 STANDARDS OF SERVICES

5.1 Maintenance Program

- 5.1.1 The work to be performed by the Service Provider pursuant to this Agreement shall, as a minimum, be performed in a timely manner, good Workmanship and in accordance with the applicable Customer's Maintenance Program, instructions issued by the manufacturer and in accordance with the Customer's applicable standards, i.e., EASA Part 145 or FAA and/or relevant NAA maintenance applicable standards.
- 5.1.2 Any deviation from the Customer's approved Maintenance Program, and other approved maintenance procedures shall be agreed upon in writing by the Parties and shall be approved if required in advance by applicable NAA. Such approvals shall remain the Customer's responsibility unless other is agreed by the Parties in writing.
- 5.1.3 If a deviation from tasks defined in the Maintenance Program becomes necessary or a limit shall be exceeded for important reasons, the Service Provider shall inform the Customer immediately and provide substantiating data, information and assistance to enable the Customer to get the approval from applicable NAA.
- 5.1.4 The Service Provider shall provide the Customer with access to the documentation concerning establishment and procedures of its maintenance organization and advice of its latest revisions.
- 5.1.5 If requested by the Service Provider, the Customer shall coordinate the Service Provider's access to the Aircraft for the purpose of an aircraft pre-check. The date, location and duration shall be subject to the availability of the Aircraft and not interfere with the Customer's operations.

5.2 Facilities

- 5.2.1 The Service Provider shall ensure it has the basic facilities and work environment appropriate for the Service to be performed for the benefit of the Customer.
- 5.2.2 The Hangar Facility shall have protection from the weather elements expected throughout any twelve month period, including from rain, hail, ice, snow, wind, dust, etc. The Aircraft hangar and component workshop floors shall be sealed to minimize dust generation. The work areas shall be well-lit and heated or air-conditioned, as appropriate.
- 5.2.3 Aircraft maintenance staff shall be provided with an area where they may study maintenance instructions and complete Maintenance Records in a proper manner, with a sufficient level of light, heating or conditioning, depending on local climate conditions.
- 5.2.4 The Service Provider shall ensure that its facilities are suitable for the work, storage of parts, equipment, tools and Material under conditions that provide security and prevent deterioration of and damage to stored items, including:
- i. Clean work areas, including management offices;
 - ii. Parts and Material properly identified and stored;
 - iii. Oxygen and other high-pressure bottles properly identified and secured;
 - iv. Flammable, toxic or volatile materials properly identified and stored;
 - v. Equipment identified and protected;
 - vi. Clean and well ventilated storage facilities for serviceable Aircraft Components, to be maintained at a constant dry temperature to minimize the effects of condensation. Manufacturer's storage recommendations should be followed for those Aircraft Components identified in such published recommendations;
 - vii. Strong enough storage racks to hold Aircraft Components and to provide sufficient support for large Aircraft Components such that the Component is not distorted during storage;

All Aircraft Components, wherever practicable, shall remain packaged in protective Material to minimize damage and corrosion during storage.

- 5.2.5 The Service Provider shall ensure that any facility other than the Customer's facility, where it proposes to have Services performed for the Customer, shall be properly licensed and certified for the scope of the Services to be performed, and that all technical personnel performing Services are properly qualified, trained and licensed for the work they perform. If required by the NAA, no service may be performed until the Customer has inspected and audited the proposed facility, including review of employee training records. Also, the Customer notifies the Service Provider of the satisfactory completion of such audit. If the Customer notifies the Service Provider that any facility is no longer authorized to perform Services hereunder, the Service Provider shall immediately direct such facility to cease any Customer work until notice is received that such facility is once again authorized to perform such Services. The Service Provider shall immediately notify the Customer if any facility performing or authorized to perform Services hereunder has its license or certification suspended or revoked, or if any such action is threatened or likely. If any such event occurs, the Parties shall work together to develop an efficient plan for the performance of Services by a properly authorized facility in a manner minimizing any disruption of Services or impacting the Customer's maintenance and operations.

5.3 Customer's Property

- 5.3.1 The Service Provider shall store parts and equipment removed from the Customer's Aircraft, or shipped to the Service Provider for use or installation on the Customer's Aircraft, in an area secure and separate from the work being done for other customers. No such parts or equipment may be used for other work without the Customer's prior written permission. Any equipment loaned by the Customer to the Service Provider for use in performing the Services shall be maintained by it in proper working order in accordance with the manufacturer's instructions, and returned to the Customer when all work is completed in the same condition as when received, save for ordinary wear and tear.

5.4 Repairs and material

- 5.4.1 The Service Provider shall ensure it has all devices necessary to provide the Services, including, but is not limited to planning bulletin boards, card files or a computer system. The Service Provider shall ensure it has a secure and dry storage area to retain Aircraft technical records as well as the necessary technical data, equipment, tools and Material to perform the work specified in Annex 1 – Airframe Maintenance Agreement and Annex 2 – Work Scope and Package.
- 5.4.2 All minor and Major Repairs shall be performed using Approved Data such as, but not limited to CMM and SRM. Approved Data may be provided by the Approved Design Holder or OEM. Determination as to whether a Repair is major or minor shall be made using relevant guidance from NAA.
- 5.4.3 The Service Provider shall be responsible for determining if any findings discovered during the performance of the Services affect the Airworthiness of the Aircraft. All such findings shall be documented in writing and presented to the Customer's Representative, who shall also be consulted and advised of any other Repair beyond SRM.
- 5.4.4 All Material used for the Services, including, but not limited to components, rotables, Expendables and Consumables must have necessary certificates from manufacturer, relevant industry certificates, quality certificates where applicable, serviceability tags and NAA certificates.
- 5.4.5 Components installed by the Service Provider must have back-to-birth history, configuration history, SB and AD compliance status (also known as "full traceability"), unless otherwise agreed to by the Parties in writing.

5.5 Calibration of Tools and Equipment

- 5.5.1 The Service Provider shall have procedures to control and document the calibration and records of all tools, including personnel-owned tools, and preventing out-of-service and due-for-calibration tools and equipment from being used.

5.6 Deferral of Defects

- 5.6.1 If the rectification of a Defect or accomplishment of a Maintenance task (excluding tasks exceeding a specified interval) cannot be performed for reasons outside of the Service Provider's control during the TAT, the item might be deferred considering the Customer's MEL requirements. A list of deferred Defects or maintenance tasks shall be issued by the Service Provider's certifying staff. Any deferral of a Defect rectification or maintenance task may only be done if agreed upon and signed by the Customer's Representative.

5.7 Responsibility

- 5.7.1 The Customer shall at all times bear the overall engineering and operational responsibility for the Aircraft (including engines and other components) towards the NAA of the country of the Aircraft registration and of its (the Customer's) country as holder of the Airline Operators Certificate (AOC). The Customer shall be responsible to any owner or Lessor of the Aircraft or any of such owner's or Lessor's equipment / components.
- 5.7.2 The Service Provider, upon the Customer's written request, may supply engineering support for Defect Rectification and Aircraft Modification. However the final engineering responsibility shall remain with the Customer.

5.8 Replacement of components rendered unserviceable by the Service Provider

- 5.8.1 In case any Component that is provisioned by the Service Provider is subsequently rendered unserviceable, the Service Provider shall promptly provide to the Customer an equivalent replacement in serviceable condition.
- 5.8.2 If the Service Provider cannot perform the replacement described in Article 5.8.1 above, it shall reimburse the cost of any components rendered unserviceable by the Service Provider, including the cost of inspection, replacement, labor, materials, transportation etc. related to the replacement thereof.

5.9 Licensed Service Provider's personnel

- 5.9.1 The Service Provider shall ensure that only certificated personnel, approved by the relevant NAA is directly in charge of maintenance and/or performing the required work stated in the Work Package.
- 5.9.2 The Service Provider shall have properly trained and qualified personnel, including but not limited to mechanics, quality auditors, and Material receiving inspectors to maintain the Aircraft in accordance with the Customer's requirements.
- 5.9.3 The Service Provider's personnel shall also have safety training required by Governing Law. The Service Provider shall keep documentation of such training for the period of time specified by Governing Law, or if none is specified, for a period of time during the performance of the Services.
- 5.9.4 If, after an audit or as a result of any event during performance of the Services, the Customer determines that an employee / agent / Subcontractor of the Service Provider has performed an act that could implicate safety, the Customer has the right to direct that this particular individual be prevented from working on or being in the vicinity of the Aircraft during the period of the Services.

5.10 Procedures and Certification

- 5.10.1 Where applicable, procedures shall be mutually agreed upon by the Parties. If so required by the relevant NAA, the Customer shall train, qualify, certificate and authorize the selected personnel of the Service Provider. The dedicated Service Provider personnel should be capable of following the Customer's manuals and procedures.
- 5.10.2 The Service Provider shall provide the Customer with copies of all required authorizations, licenses and certificates received by it, its affiliates and its Subcontractors from time to time, including any Modifica-

tions thereof pertinent to the Customer's operations. The Service Provider and its Subcontractors are required to obtain and maintain all such required authorizations, licenses and certificates in good standing throughout the duration of this Agreement, and to comply with all rules and regulations of the NAA, any airport or other facility at which Services are provided, and any other applicable laws and regulations of any state, provincial or local government. If any government or agency acts to suspend or revoke any such required authorization, license or certificate, or issues a notice of serious violation of any term thereof or of any law or regulation, the Service Provider shall notify the Customer immediately. The Service Provider shall keep the Customer apprised of the status of all such actions or violations and shall notify the Customer immediately if further action is taken or threatened which is more severe than the initial action or threat, or if the government or agency raises further or additional concerns to those initially alleged. The Service Provider shall also advise the Customer as any such action or violation is terminated or closed with no violation found or no further action taken.

5.11 Maintenance Records

- 5.11.1 The Service Provider shall maintain and provide all Maintenance Records related to the Services, in accordance with the Service Provider's and the Customer's standards and procedures. The Customer's authorized representative shall perform training for technical records handling if required. The Maintenance Records shall be presented to the Customer in agreed format, either electronic, XML, PDF, fax, scanned paper or paper by postal mail at the times indicated in Annex 6. The Maintenance Records shall be retained by the Service Provider for a period at least 3 (three) years from the date of completion of all of the Services under this Agreement, or such longer period as required by Governing Law.

5.12 Aircraft de- fuelling and re-fuelling

- 5.12.1 The Service Provider or its fuel / ground handling contractor should follow the procedures and best practices to assure the highest standards of safety as described in the following IATA manuals:
- i. IATA Guidance Material on Standard Into-Plane Fuelling Procedures – for fuelling the Aircraft;
 - ii. IATA Guidance Material on Microbiological Contamination in Aircraft Fuel Tanks, Appendix 3 – for de-fuelling the Aircraft.
- 5.12.2 It shall be mutually agreed to by the Parties whether the Aircraft requires to be de-fuelled, whether the fuel shall be disposed, sold or stored to be re-fuelled after the completion of the Services prior to Return. Such conditions shall be stipulated in Section 29 of Annex 1 – Airframe Maintenance Agreement.

5.13 The Services shall be performed in accordance with

- 5.13.1 All applicable laws and regulations.
- 5.13.2 Other methods, techniques and practices that are acceptable to the Customer and its NAA.

6 AIRWORTHINESS DATA

6.1 Responsibility for the Provision of Work Packages

- 6.1.1 The Service Provider is not required to carry out engineering and Maintenance Planning activity under this Agreement, unless otherwise agreed in writing in Annex 1, Part III of this Agreement. The Work Packages as per Annex 2 shall therefore be provided by the Customer, which shall also be responsible for their content.

6.2 Pre-Services Documentation

- 6.2.1 All documents to be used for the performance of the Services – including, but not limited to, such as AMM, the ASRM, the IPC, the AWDM, CMMs, Interior Configuration Diagrams, Layout of Passenger Arrangements, Procedures of Test Flight, Weight and Balance Manual, Service Bulletin Status, Job Cards or Task Cards – shall be provided by the Customer in the language agreed to by the Parties prior to the commencement of the Services, as agreed in Section 28 of Annex 1 – Airframe Maintenance Agreement.
- 6.2.2 The list of necessary Documentation shall be detailed in Annex 5 – List of the Documentation.
- 6.2.3 Work Packages, in accordance with the Customer's current MPD, shall be provided by the Customer in the language agreed to by the Parties prior to the commencement of the Services, as agreed in Section 5 and 28 of Annex 1 – Airframe Maintenance Agreement.

6.3 Customer's data currency and accuracy

- 6.3.1 The Customer shall include a statement indicating the valid revision status of all Work Package documentation. It is the Customer's responsibility to provide such valid documentation, updated in accordance with the latest revisions.
- 6.3.2 The Customer shall be responsible to ensure that the Airworthiness Data provided reflect the Airworthiness status of the Aircraft and that all the Airworthiness Data are accepted by the NAA. The Customer shall declare its responsibility for the accuracy of the Airworthiness Data provided. In case the data do not reflect the technical status of the Aircraft, corrective action shall be negotiated between the Parties to rectify the non-compliances.

6.4 Provisions for Repairs exceeding the Customer's Approved Data

- 6.4.1 For any design and approval of repair schemes for any work exceeding the limits defined in the Customer's approved Airworthiness Data, the Customer shall be responsible for acquiring the relevant approvals and/or data from the relevant NAA and/or the Aircraft's OEM. The Service Provider shall exercise reasonable efforts to assist the Customer.

6.5 Post-services documentation

- 6.5.1 Upon Return of the Aircraft, the Service Provider shall supply the following documents in a mutually agreed format as XML, scanned paper or paper format: including, but not limited to Flight Test report, CRS, List of Modifications embodied, List of Repairs, List of ADs incorporated, Maintenance Visit report, Defect Rectification, List of Defect Records, List of Deferred Items Records, List of Component replacements. The full list of necessary Documentation shall be detailed in Annex 5 – List of Documentation.
- 6.5.2 The Service Provider shall make available to the Customer any other document retained by the Service Provider and related to the Services which are not part of the Work Package.
- 6.5.3 The final Work Package shall be sent to the Customer after the completion of the Services in the terms agreed by the Parties.

- 6.5.4 All documents by the Service Provider shall be in the language agreed by the Parties in the Section 28 of Annex 1 - Airframe Maintenance Agreement.
- 6.5.5 If required, the Service Provider shall supply all necessary paperwork, documents, logbook entries and related matters to assist and otherwise demonstrate to the Airworthiness authorities that the work performed by the Service Provider meets or exceeds all applicable Airworthiness standards and applicable rules, regulations and/or program and manual requirements of the Customer.

7 MATERIAL AND TOOL PROVISIONING

7.1 Customized Materials and Customer's Furnished Materials

- 7.1.1 The Customer shall provide the Service Provider with a list of all Customized Materials prior to the Delivery Date.
- 7.1.2 The Customer shall be responsible for the supply of Customized Materials including but not limited to Modification kits, cabin interior material, rotables, major components, and Special Tools peculiar to the Aircraft if not otherwise agreed.
- 7.1.3 As agreed between the Parties, the Customer may procure and supply any Materials and parts to be used in the Services, as specified in the Work Scope – Customer Furnished Material.
- 7.1.4 Prior to the Delivery Date, the Customer shall deliver to the Service Provider's warehouse - by using the Customer's designated freight forwarder or its own freight services - any Customized Material or the Customer's Furnished Material.
- 7.1.5 Packing of the Materials shall be carried out following adequate industry standards to prevent damage and deterioration. The Service Provider shall be competent and responsible to ensure, upon the Material's arrival at its warehouse, that the parts meet the Approved Data standards and shall ensure that the Aircraft Components are in satisfactory condition for installation in accordance with its incoming inspection procedures. The Service Provider shall immediately inform the Customer's Representative of any discrepancies in packaging damage, quantities and specifications.
- 7.1.6 If the Materials procured by the Customer are not received by the Service Provider on the dates required, or if the Material does not meet the requirements for the work to be performed, the Service Provider, upon mutual agreement between the Parties, may:
- i. Redeliver the Aircraft without such Materials and the Service Provider shall be relieved of all its obligations relating to Service requiring the use of such Material, in which case the rates and charges shall be adjusted accordingly; or
 - ii. Wait for the arrival of such Material and redeliver the Aircraft with such Material; or
 - iii. Redeliver the Aircraft using the Service Provider's own parts, after receipt of the Customer's approval. The Customer agrees to reimburse the Service Provider for the use of such parts.
- In either case the Service Provider may charge the Customer the idle Labor cost for such late Delivery of Materials in case its relevant workforce is idle as a result of such late Delivery. The TAT of the Aircraft may also have to be adjusted to reflect the effects of the late Delivery of Materials.
- 7.1.7 In case the Customer supplies any dangerous goods to the Service Provider, the thorough application of ICAO's Technical Instructions for the Safe Transport of Dangerous Goods by Air.
- 7.1.8 The Service Provider shall store the Materials provided by the Customer in an area segregated from any other Material stored by the Service Provider. Such Materials shall be properly identified as property of the Customer and shall be utilized solely in the provision of the Customer' Services. Storage and handling of all stocks of components shall take place as per the Service Provider's Engineering Procedure Manual. The Service Provider shall immediately notify the Customer's Representative if the Customer's property is lost, damaged or destroyed, and shall compensate the Customer the value of the lost property as per Article 11.5 of this Agreement.

7.2 Service Provider's furnished materials

- 7.2.1 The Service Provider shall be responsible for forecast, planning, management and furnishing the following Materials necessary to perform Services under Annex 2 – Work Package (except for the Customized Material):
- i. Expendable parts, standard parts, Raw Material, Chemicals and Hangar/Workshop consumable Material necessary for the performance of the Services as per Annex 2 – Work Package;
 - ii. Tools other than the Special Tools;

iii. Standard Equipment, used for the work described in the Work Package.

7.2.2 The Service Provider may upon request of the Customer provide, or if not in the Service Provider's possession, procure, deliver and/or rent the Customized Materials/equipment and Special Tools. In such case the cost of Customized Materials / equipment and Special Tools (including insurance, Delivery, Return, restocking charges and loans if any) shall be borne by the Customer. The Service Provider shall however notify the Customer in advance if it does not have such Customized Materials/equipment or Special Tools available.

7.3 Scrapped material

7.3.1 The Service Provider shall, promptly upon discovery, notify the Customer's Representative of all scrapped parts. The Service Provider shall have the scrapped parts ready for shipment as per the Customer's Representative's instructions except in the event that the removal of the rejected Component is delayed due to the need of hardware or connectors for the replacement/installation of the replacement component. The Customer may instruct in writing the Service Provider about the disposal of such parts. The transportation cost of scrapped Material shall be borne by the Customer.

7.3.2 The commercially reasonable disposal costs of any items disposed of by the Service Provider in accordance with the instructions of the Customer's Representative shall be charged to the Customer. If the Customer's Representative does not notify the Service Provider, within agreed time, with instructions as to the disposal of such parts, they shall be disposed of as scrap at the Service Provider's facilities and any cost or benefit associated with such disposal shall be for the account of the Customer.

7.3.3 The Service Provider agrees that all the export activity it does shall be in compliance with all dangerous goods (DG/hazardous Materials - HAZMAT) transportation regulations contained in the ICAO's Technical Instructions for the Safe Transport of Dangerous Goods by Air in addition to any local country requirements. The Service Provider shall be the shipper of the record and properly listed as such on all related documentation. The Service Provider is not authorized to offer, accept, reject, load or unload DG/HAZMAT on behalf of the Customer on any Customer Aircraft unless specifically trained and authorized in writing to do so by the Customer.

7.4 Other charges and fees of parts' suppliers

Any service charge applied by a Parts' supplier resulting from the cancellation of orders per the Customer's instruction shall be paid by the Customer.

7.5 Shipping Documentation

7.5.1 Materials to be provided by the Customer shall be delivered to the Service Provider with a complete and sorted cargo manifest, including but not limited to description, quantity, P/N, condition (New, Repaired, O/H, SVS), country of origin and custom documents where applicable for each item, and be accompanied by the required documents as per EASA / FAA or other applicable NAA.

7.6 Approval of components, one-for-one exchange, control of Life Limited Parts

7.6.1 The Service Provider shall not install onto the Aircraft components from vendors other than approved by the Customer, or the OEM of the Aircraft/power plant/relevant Part thereof attached to the Aircraft at the Delivery date, unless the Customer has been notified in advance and a written authorization from the Customer's Representative has been obtained.

7.6.2 In the case of one-for-one Component Exchange, the Customer's Representative shall be consulted prior to such Exchange. The Customer shall provide from the Customer's own records historical Component data (hours, cycles, etc.) for the removed Component as required to facilitate one-for-one Exchanges.

7.7 Return of Material

7.7.1 Upon completion of the Services at the Customer's request the Service Provider may:



- i. Retain such Materials, free of charge for use on other aircraft of the Customer;
 - ii. Retain such Materials free of charge for a period agreed by the Parties, starting from the Aircraft's Return Date; or
 - iii. Return such Materials to the Customer.
- 7.7.2 In case ii of Article 7.7.1 the Service Provider may charge to the Customer an amount per day for storing such remaining parts or Materials after the free of charge period, agreed to by the Parties. The Service Provider shall provide the Customer with a list of the parts and Materials in stock at the Service Provider's premises, and shall specify when the charging period commences and the Service provider shall also ask for disposition instructions before imposing any warehouse cost charges. The amount charged per day shall be commercially reasonable and not exceed the charge made to any other customers of the Service Provider.
- 7.7.3 In case iii of Article 7.7.1 the Service Provider shall return to the Customer all the Customer's owned parts and Materials, whether such parts and materials are:
- i. Previously delivered by the Customer to the Service Provider; or
 - ii. Purchased by the Service Provider for and on behalf of the Customer; or
 - iii. Rejected during the Services and belong to the Customer, i. e. scrapped parts.
- 7.7.4 The Customer shall indicate a way of return and acceptance of such Materials. A list of Material as per i-iii of Article 7.7.2 shall be provided to the Customer prior to, or on the day of, Return. The Service Provider may upon the Customer's request, prepare, pack, list and manifest the Customer's owned Material being shipped on board of the Aircraft upon Return.
- 7.7.5 In case Materials are to be returned using shipping company services, the Service Provider shall package and ship returned items as directed by the Customer. The Service Provider shall charge the Customer for packing, including packing materials and Labor costs. The Customer shall arrange for the export and import thereof. The Customer shall reimburse the Service Provider for all its actual import/export, transportation, forwarding agency fees, cargo insurance and government taxes which are supported by proof of all receipts. Risks of Loss or damage related to the return of the Material are transferred to the Customer as per conditions of the latest effective revision of Incoterms agreed between the Parties, set forth in Section 31 of Annex 1 – Airframe Maintenance Agreement. The amount charged to the Customer, if any, under this Article shall be commercially reasonable and not exceed the charge made to any other customers of the Service Provider.
- 7.7.6 The Service Provider shall use the package, provided with the Exchange parts if is reusable, to avoid incurring extra cost to the Customer.
- 7.7.8 The Service Provider may request to purchase the Customer's owned Material after the Services have been completed and the Aircraft has been returned, subject to mutual consent and agreement on the price.

8 RATES AND CHARGES

8.1 Price Structure and Adjustments

- 8.1.1. The price of the Services shall be determined based on one or more of the following principles:
- i. As a **Fixed Price** for the Work Package detailed for each specific Aircraft, with Additional Work arising from Defect Rectification or by the Customer's request, including Material cost with certain Labor cap/Material Cap. Services, not covered by the Fixed Price are invoiced on a T&M basis;
 - ii. As **NTE price** for a specific task, Inspection or group of the tasks / Inspections and Additional Works arising from Defect Rectification or by the Customer's request, including Material charges are included in the price with a certain Labor Cap/Material Cap. If the actual T&M cost of a Work Package is less than NTE price, actual T&M amount shall be invoiced. If actual T&M cost of Work package is more than the NTE price, the NTE price shall be invoiced. Services not covered by the NTE price shall be invoiced on a T&M basis;
 - iii. As **T&M price** for each and every specific task, Material item or Service (see T&M definition).
- 8.1.2 Rates and charges may be revised and adjusted in accordance with the cost increases/decreases experienced by the Service Provider; however they will remain unchanged within the term of a single signed Airframe Maintenance Agreement. In the case of rates and charges adjustment the Customer shall be notified in writing not less than 180 days before such adjustment shall come into force, unless otherwise agreed by the Parties.
- 8.1.3 If the Customer objects to price adjustments the Parties shall negotiate in good faith in order to render the continuation of this Agreement possible. Should the Parties not agree on any such price adjustment, the Customer may terminate this Agreement on 30 days prior written notice.

8.2 Fixed Price

- 8.2.1 In case Fixed price or NTE price is preferred by the Parties it will include the Services, detailed in Section 9 of Annex 1 – Airframe Maintenance Agreement with reference to tasks from Annex 2 – Work Scope and Package, including, but not limited to:
- i. Labor on Routine Task Cards;
 - ii. Labor on rectification of findings arising from the Work Package with the cap agreed between the Parties as specified in Section 11.1 of the of Annex 1 – Airframe Maintenance Agreement ;
 - iii. Labor on ADs, SBs, known at the moment of signature of Annex 1 – Airframe Maintenance Agreement;
 - iv. Consumables/expendable Material required for Modifications (ADs, SBs, EO, etc.);
 - v. Any expenses related to the Materials (Consumables / Expendables, routine Materials, raw and repair Materials) supplied by the Service Provider within the cap agreed to between the Parties as specified in Section 11.2 of the of Annex 1 – Airframe Maintenance Agreement;
 - vi. Handling of parts supplied by the Customer before or at the time of Delivery for the performance of the Services;
 - vii. Aircraft ground handling at arrival and departure;
 - viii. Utilization of tooling and GSE equipment, and hangar space for a defined layover period;
 - ix. Departure assistance, Aircraft towing, technical Aircraft washing and Component cleaning as per maintenance manuals;
 - x. Light Checks, such as Transit checks, Pre-Flight Inspection.
- 8.2.2 Upon mutual consent, the Parties may agree to include additional items into the Fixed Price or NTE price or exclude items from Article 8.2.1.
- 8.2.3 The Fixed Price shall be specified in Section 9 of Annex 1 – Airframe Maintenance Agreement.

8.3 Additional Charges

- 8.3.1 Additional charges (not included in the Fixed Price or NTE price) include, but are not limited to:
- i. Additional Labor exceeding the Labor Defect Rectification Cap (shall be charged on actual MH spent over the agreed cap, starting with and including the first MH);



- ii. Consumable/expendable materials resulting from the rectification of findings over Material Cap (shall be charged on a real consumption basis);
 - iii. Consumables/expendable Material required for Modifications (ADs, SBs, EO etc.), Customer requests (i.e. cabin works);
 - iv. Customized Materials and Special Tooling for works, not related to MPD;
 - v. Major Repairs;
 - vi. Aircraft weighing;
 - vii. Cabin refurbishment;
 - viii. Cabin cleaning, Interior Works, IFE repair;
 - ix. Aircraft washing;
 - x. Aircraft defueling / fueling; or
 - xi. Flight Test.
- 8.3.2 Upon mutual consent, the Parties may agree to include items from 8.3.1 above into the Fixed Price or NTE price and stipulate them in Section 9 of Annex 1 – Airframe Maintenance Agreement.
- 8.3.3 Additional charges shall be invoiced on a T&M basis, additional Man-Hours shall be charged at the MH rate set forth in Section 11 of Annex 1 – Airframe Maintenance Agreement, for:
- i. Technical Performance;
 - ii. Engineering support;
 - iii. Non - Destructive Testing;
 - iv. Unskilled work (washing, polishing, cleaning);
 - v. Calibration of measuring and test equipment;
 - vi. Other types of MH rates.
- 8.3.4 The Service Provider shall charge the Customer for all parts and Materials ordered by the Service Provider on behalf of the Customer for performance of the agreed Services and not covered by the Fixed Price or NTE price. The cost of such Material may include a handling and transportation charge, as the percentage of the CLP or purchase price specified in the Section 11.2 of Annex 1 – Airframe Maintenance Agreement.
- 8.3.5 Labor or Materials that are above the additional charges' cap set forth in Annex 1 – Airframe Maintenance Agreement shall have to be approved in writing by the Customer's Representative.

8.4 Customer' supplied parts, one-to-one Exchanges

- 8.4.1 One-to-one Exchanges shall consist of price of Repair/Overhaul, plus related costs such as packing, shipping, etc. The Service Provider may charge a certain percentage of market price as Exchange rate, stipulated in Section 11.2 of Annex 1 – Airframe Maintenance Agreement.
- 8.4.2 Unserviceable part will be considered beyond economical repair (BER) if the repair of this component exceeds the percentage of serviceable component's market price, stipulated in Section 11.2 in Annex 1 – Airframe Maintenance Agreement. In case part is considered BER, the exchange shall be converted to sale.
- 8.4.3 The cost of the one-to-one exchange of the parts supplied by the Customer, confirmed by relevant documentation, such as but not limited to customs clearance, shipping from / to the Maintenance Base, storage, end etc., shall be charged to the Customer.

8.5 Subcontracted work fees, other fees and TAT Delay

- 8.5.1 The Service Provider's direct costs of subcontracted work shall be charged to the Customer. The Customer's written approval is required prior to subcontracting any such work.
- 8.5.2 Other fees, related to operation of the Aircraft during the Services, such as but not limited to: landing fees, ground handling fees, catering fees, and navigation charges, if any may not be included in the

Fixed Price or NTE price and can be paid separately by the Customer to the third party service provider (i.e. airport authority, ground handling company, NAA and etc.)

- 8.5.2 The reimbursement of the TAT inexcusable Delay shall be as stipulated in Section 21 of Annex 1 – Airframe Maintenance Agreement and it shall be paid by the Service Provider or may be deducted from the charges otherwise due to the Service Provider, as elected by the Customer.
- 8.5.3 For any loan of Material the Customer may be charged a percentage of the material's current book value or cost of subcontracting in accordance with Section 11.2 of Annex 1 – Airframe Maintenance Agreement.

9 WARRANTY

9.1 Limited Warranty

- 9.1.1 The Service Provider warrants that all rendered Services and supplied Materials shall be free from Defects (either in Workmanship or in terms of non-compliance of Services and Materials with the Quality System).
- 9.1.2 This Warranty is limited exclusively to the Service Provider's obligation to repair or replace any Defect arising from the provision of the Services, at its own expense and risk, for the calendar period or upon reaching the amount of Flight Hours since completion of the Services after Aircraft(s) Return to the Customer, whichever comes first. Such calendar period or Flight Hour amount shall be stipulated in Section 24 of Annex 1 – Airframe Maintenance Agreement.
- 9.1.3 The Warranty shall remain in place during the Warranty period even after the Termination of this Agreement. If the Warranty claim is to be administered by the Service provider, the Customer shall officially inform the Manufacturers and provide the Service Provider with a copy of the authorisation to raise and administer the said Warranty claims, if any.
- 9.1.4 The Service Provider shall make all Repairs or replacements in order to comply with the Warranty with reasonable care and promptness in order that the Aircraft is not kept out of service longer than necessary.
- 9.1.5 The remedies shall be performed by the Service Provider at its facilities or at mutually agreed facilities.
- 9.1.6 In case of a Major Defect (including without limitation, major corrosion findings, structural defects, or system related Major Defects) the Service Provider shall without undue delay and, subject to the availability of the Aircraft, make the Repair or replacement in order to comply with the Warranty.
- 9.1.7 If on account of reasonable business considerations of the Customer it is not practical for the Aircraft to be worked on at the Maintenance Base, such Repair or replacement may also be immediately performed at the Service Provider's sole cost and expense, by any other maintenance provider designated by the Customer in order to avoid or resolve an AOG situation. The Customer shall inform the Service Provider without undue delay about such Repair or replacement.
- 9.1.8 In the event that the Aircraft is rendered unserviceable to the extent attributable to a Defect in the Services provided by the Service Provider, and if the Service Provider is unable to bring the Aircraft back into a serviceable condition in a reasonable amount of time and the Customer is therefore required to obtain Services from a third party to bring the Aircraft into a serviceable condition, then direct costs associated with such work shall be the sole responsibility of the Service Provider. Repairs or replacements by other maintenance providers within a non AOG situation require prior written approval by the Service Provider. Approval by the Service Provider shall not be unreasonably withheld. In case a non AOG situation deteriorates into an AOG situation the provisions apply as above in Article 9.1.6.
- 9.1.9 In case of Defect Rectification at the Customer's base by the Service Provider's staff, all costs related to the expenses born in connection to such Defect Rectification, including without limitation, transportation expenses, daily allowance, hotel accommodation, Labor and Materials' costs, and hangar rent shall be the responsibility of the Service Provider.
- 9.1.10 The Customer shall notify the Service Provider of any Defect discovery promptly in writing and in any event no later in term stated in Section 24a of Annex 1 – Airframe Maintenance Agreement after the Defect in the Service Provider's Workmanship has become apparent to the Customer.
- 9.1.11 Normal wear and tear and the need for regular Overhaul shall not constitute a Defect under Warranty. The Service Provider shall reasonably approve or disapprove substantiation of any Warranty claim as

to any Defect in the Service Provider's Workmanship. Nothing of the above said under this article prevents the Customer from forwarding any dispute to arbitration.

- 9.1.12 If any alleged Defect is not covered by this Warranty, then the Customer shall pay the Service Provider at the applicable rates for Additional Work and for the disassembly, investigation, reassembly and operational test of the Aircraft actually performed by the Service Provider.
- 9.1.13 The Service Provider shall use all reasonable efforts to provide an advance Warranty replacement to the Customer free of charge immediately after receipt of a Warranty claim from the Customer while waiting for the Service Provider to ascertain the Warranty acceptance and while the Warranty Item is being repaired. Should the Warranty claim not be confirmed by the Service Provider, the Customer shall pay for the use of the replacement Item in accordance with then existing market rates, not to exceed the charge the Service Provider may have last charged another customer for the same, if it had or secured such a replacement Item for another customer. Should the Service Provider fail to provide a free of charge replacement Item in the case of a Warranty event, the Service Provider shall compensate the Customer for actual costs incurred in sourcing such a replacement Item from a different supplier.
- 9.1.14 The Service Provider warrants that all records, manuals, drawings, software, data and other similar documents and records produced hereunder, in whatever medium produced or stored, shall be accurate and complete at the time produced. If the Customer discovers any inaccuracy or omission in any such item at any time, it shall advise the Service Provider promptly. The Service Provider shall then diligently correct such inaccuracy or omission by correcting or completing all issued copies of such item or by replacing them with correct or complete items.

9.2 Warranty Exclusions/Limitations

- 9.2.1 The Warranty for work performed by any Customer approved third party or Subcontractor (except Subcontractors within the Service Provider's relevant NAA approval), is limited to the Warranty provided by the given third Parties or Subcontractors. When transferable such warranties shall be assigned to the Customer. When such warranties are not transferable the Service Provider shall warrant such subcontracted work in accordance with the provisions of this Agreement. If the Warranty is assigned to the Customer, the Service Provider shall upon the Customer's request provide the Customer with full assistance with Warranty claims asserted by the Customer against the third party or Subcontractor.
- 9.2.2 The Warranty does not extend to Customer Furnished Materials (including the case of faulty design of equipment).
- 9.2.3 The Warranty does not cover:
- i. Any Defect caused by the Customer's failure to operate and maintain the Aircraft in accordance with applicable NAA and OEM standards (as set forth in applicable AMM);
 - ii. Any Defect caused by FOD, environmental damage, including airborne fallout, Chemicals, acid, hail, lightning, floods and other environmental conditions, misuse, improper storage, transportation, Repair or alteration by any party other than by the Service Provider, or ordinary wear and tear; and
 - iii. Any Defect that would not likely have occurred had the Customer accepted all of the Service Provider's written recommendations, if any, for changes to either the routine or the Non-Routine Work Scope;
- 9.2.4 The Warranty and the remedy of the Customer are exclusive, and the Customer hereby waives, releases and renounces all other warranties, obligations and liabilities of the Service Provider and all other rights, Claims and remedies of the Customer against the Service Provider, express or implied, arising by Law or otherwise, with respect to any non-conformance or Defect in the Services provided under this Agreement, including:
- i. Any implied Warranty of merchantability or fitness for a particular purpose;
 - ii. Any implied Warranty arising from course of performance, course of dealing or usage of trade;
 - iii. Any obligation, liability, right, claim or remedy in tort, whether or not arising from the negligence of the Service Provider or any Subcontractor (whether active, passive or imputed); and



iv. Any obligation, liability, right, claim or remedy for loss of or damage to the Aircraft.

10 INVOICING AND PAYMENT

10.1 Structure of invoice

- 10.1.1 The Service Provider shall generate a detailed invoice(s) for the rendered Services with the following content:
- i. Amount of the Fixed Price / NTE / T&M as per Section 9 of Annex 1 – Airframe Maintenance Agreement;
 - ii. Amount of the Additional charges;
 - iii. Labor charges, showing separately amounts at straight time and overtime;
 - iv. charges for parts and materials, showing details for any markups, as well as any equipment or tooling lease charges; and
 - v. Any taxes and similar charges.

10.2 Payments in advance

- 10.2.1 The Service Provider may request a Payment prior to commencement of the Services. Such amount shall constitute an integral part of the total charges as per this Agreement and shall be reconciled after the Services are completed as per actual cost of the Services, calculated based on principles stated in Article 10.1. The Parties shall agree about the time frames of such advance Payments, if any.

10.3 Preliminary invoice

- 10.3.1 Upon the completion of the Services prior to the Return of the Aircraft, the Service Provider may issue the preliminary verifiable invoice, which shall include Fixed Prices or NTE prices, all known additional services calculated on T&M basis, and estimated amounts of Additional Work, the cost of which has not been finalized. The Customer shall pay such invoice in the full amount in the term agreed to by the Parties, however the Service Provider shall reconcile estimated amounts at a later time as per actual spend and cost of the Services.

10.4 Final invoice

- 10.4.1 Upon the completion of the Services and after the Return of the Aircraft, but not later than 3 months following completion of the Services the Service Provider shall issue the final verifiable invoice for total cost or remainder cost of the Services, in terms agreed between the Parties, stipulated in Section 18 of Annex 1 – Airframe Maintenance Agreement.
- 10.4.2 All Additional charges included in the final invoice referred to in 10.4.1 shall be supported with relevant documents, confirming the amounts of MH used, Material amounts used, Material cost, and subcontracted charges invoiced to the Service Provider. The Customer reserves the right to request any other documentation, technical or financial, relevant to the rendered Services as confirmation of the invoiced amounts. The Customer reserves the right to reject the amounts which, subject to the Customer representative's approval, have not been approved and finalized by the Customer.
- 10.4.3 The Service Provider shall assist the Customer in obtaining any other supplemental documentation for accounting and tax purposes of the Customer, to the extent of any applicable Customer's or Service Provider's national financial regulations and corporate policies.

10.5 Invoice receipt and Payment

- 10.5.1 The invoices shall be presented to the Customer in agreed format, either electronic, XML, PDF, fax, scanned paper or paper format posted by mail to a name and address of an appointed person in Annex 6 - Notices and Communication. The invoices shall contain necessary details as follows:
- i. Date of the invoice;
 - ii. Number of the invoice
 - iii. Number of the Agreement where applicable;
 - iv. Service Provider's full name and address;
 - v. Registration number of the Aircraft;
 - vi. Brief description and period of performed Services;



- vii. The Service Provider's bank details;
- viii. Stamp and signature (if applicable);
- ix. Total amount of the invoice and currency; and
- x. Other details the Customer may request to facilitate the Payment.

10.5.2 The Customer shall pay to the Bank details as per Section 18 of Annex 1 – Airframe Maintenance Agreement all undisputed invoice amounts in an agreed period of time. All bank wire charges and fees shall be borne by the Customer. If both, the Customer and the Service Provider are members of IATA Clearing House, the invoiced undisputed amount may be withdrawn via IATA Clearing House, following all necessary compliance procedures.

10.5.3 If the Customer fails to pay any amount due in the agreed time, the Late Payment charge (Default Interest Rate) as per Section 20 of Annex 1 – Airframe Maintenance Agreement shall be applied to such unpaid amount.

10.5.4 The Service Provider has a right to suspend the Services with a prior written notice to the Customer until all undisputed amounts due are cleared by the Customer within the agreed timeframe.

10.6 Disputed amounts

10.6.1 If the Customer disputes any of the charged amounts invoiced by the Service Provider under this Agreement, the Customer shall provide the Service Provider with full details of the reasons why such amounts are deemed to be disputed, and pay the undisputed amounts only.

10.6.2 The Parties shall use mutual efforts to reach an understanding with respect to disputed amounts and settle such dispute. However, if such understanding is not reached within 3 (three) months from the due date of the Payment, the dispute shall be dealt with in accordance with Section 27 of Annex 1 Airframe Maintenance Agreement and Article 17 of this Agreement.

10.6.3 The Customer or its designated representative may, upon reasonable notice and during regular business hours, access and review books, records, information and documentation maintained by the Service Provider with respect to performance of the Services under this Agreement.

10.6.4 If the Customer reveals as a result of such review that the Service Provider has overcharged the Customer for performance of the Services under this Agreement, the Service Provider shall within five (5) Business Days of being notified of such overcharge, reimburse the Customer for the reasonable costs of such audit in addition to the rectification of overcharged amounts.

11 LIABILITY

- 11.1** The Customer, its officers, directors and employees (the “Customer”) agrees to indemnify, defend and hold harmless the Service Provider from and against all Claims, Losses, liabilities, damages, costs and expenses (including without limitation, reasonable attorney fees) which the Service Provider may suffer or incur arising out of or in relation to the Services or otherwise in connection with this Agreement, except only to the extent caused by the negligence or wilful misconduct of the Service Provider.
- 11.2** The Supplier agrees to indemnify, defend and hold harmless the Customer from and against all Claims, Losses, liabilities, damages, costs and expenses (including without limitation, reasonable attorney fees) which the Customer may suffer or incur arising out of or in relation to the Services or otherwise in connection with this Agreement, except only to the extent caused by the negligence or wilful misconduct of the Customer.
- 11.3** Each Party shall take responsibility for any death of or injury to its own employees unless caused by the other Party’s negligence or wilful misconduct.
- 11.4** If either party becomes aware of a matter that might give rise to a claim per the above, the Party discovering such shall notify the other Party as quickly as possible, consult with the other party and offer reasonable assistance.
- 11.5** The Service Provider shall be responsible and liable for any Loss of or damage to the Aircraft or Loss of or damage to property of the Customer or injury to or death of any person to the extent caused by the negligence or Willful Misconduct of the Service Provider.
- 11.6** The Service Provider warrants that no part of the Services, including without limitation any Material, equipment, operation or software, will or does infringe any Intellectual Property right of any third party. The Service Provider shall indemnify, defend and hold harmless the Customer against all Claims in any way asserted against the Customer to the extent the same is based on a claim that the Services or anything else related to this Agreement constitutes an infringement of any Intellectual Property rights.

12 INSURANCE

12.1 Customer's (Re)Insurance

- 12.1.1 At all times during the term of this Agreement, the Customer shall, at the Customer's sole cost and expense, carry and maintain, or cause to be carried and maintained, (re)insurance in line with usual industry standards and with insurers (and reinsurer(s) as applicable) reasonably acceptable to the Service Provider; this (re)insurance to include:
- i. Hull and Spares All Risk, including war and allied perils coverage. Under this (re)insurance the Customer shall ensure that the applicable insurers/reinsurer(s) agree to waive any and all rights of subrogation against the Service Provider in accordance with this Agreement;
 - ii. Passenger, baggage, cargo, mail and aircraft third party legal liability, plus general aviation legal liability (bodily injury and property damage) insurance including products legal liability. Under this (re)insurance the Customer shall ensure that the applicable insurers/reinsurer(s) agree to add the Supplier as an additional insured for its respective rights and interests in accordance with this Agreement, along with severability of interest clause and that the (re)Insurance provided shall be primary and without right of contribution from any other insurance which may be available to the Supplier.
- These liability insurances for a combined single limit shall be specified in an amount not less than the limit specified in Section 26 of Annex 1 – Airframe Maintenance Agreement for any one occurrence, and in the aggregate for products and also for third party war and allied perils coverage.
- 12.1.2 Prior to the commencement of Services the Customer shall furnish the Service Provider with (re)insurance' certificates in forms reasonably satisfactory to the Service Provider, and certifying that all of the required insurance is in full force and effect and describing such insurance and the limits in reasonable detail.
- 12.1.3 The Service Provider shall be given thirty (30) days or (seven (7) days or such lesser period as is customary for War Risk coverage) prior written notice of cancellation or Material change of the Customer's (re)insurance specified hereunder.

12.2 Service Provider's (Re)Insurance

- 12.2.1 At all times during the term of this Agreement, the Service Provider shall, at the Service Provider's sole cost and expense, carry and maintain (re)insurances in line with usual industry standards to cover its obligations under this Agreement, including, but not limited to, aviation general legal liability (bodily injury and property damage) insurance to cover hangar keepers, premises and products legal liabilities for a combined single limit of not less than the one specified in Section 26 of Annex 1 – Airframe Maintenance Agreement for any one occurrence, and in the aggregate for products.
- 12.2.2 Prior to commencement of the Services, the Service Provider shall furnish the Customer with (re)insurance certificates, in forms and substance reasonably acceptable to the Customer, certifying that all of the aforementioned insurance policies are in full force and effect and describing such (re)insurance and the limits in reasonable detail.
- 12.2.3 The Customer shall be given thirty (30) days (seven (7) days for War Risk coverage) prior written notice of cancellation or Material change of this (re)insurance.

12.3 Risk of Loss and Title

- 12.3.1 Except as provided above per Article 11, any and all risk of Loss or damage to the Aircraft remains the responsibility of the Party stipulated in Section 26 of Annex 1 – Airframe Maintenance Agreement at all times and notwithstanding the existence of any Service Provider's insurance policies covering property damage or any endorsements naming the Customer as an additional insured thereunder.

12.3.2 Title to the Aircraft and its equipment and components at all times remains with the Customer or the owner of the Aircraft, if the Aircraft is not a property of the Customer. Title to all Parts passes to the Customer at the time the Part is placed on / attached to / installed on or becomes an integral part of the Aircraft or its equipment and components, except Parts rendered to the Customer on loan or lease conditions under the terms of this Agreement or other separate agreement.

12.4 Other insurance provisions

12.4.1 Insurance for shipment and transport of Material shall be carried out by the Party responsible for it according to INCOTERMS as per Section 31 of Annex 1 – Airframe Maintenance Agreement.

12.4.2 Any self-insured retention, deductible or exclusion in any (re)insurance policy maintained by either Party shall be assumed by, for the account of, and at the sole risk of the Party which maintains the (re)insurance.

13 FLIGHT TEST

13.1 Preparation and Performance of the Flight Tests

- 13.1.1 If a Flight Test is part of the scope of the Services as indicated in Annex 2 – Work Scope and Package, the Flight test shall be performed by the Customer's flight crew upon completion of the Services on the Aircraft and prior to its Return to the Customer. Qualified personnel of the Service Provider shall be on-board during the Flight Test in order to assist the flight crew and to monitor the results.
- 13.1.2 The Flight test shall be performed according to the Flight Test procedures as defined in the appropriate Flight Test Manual, Aircraft Maintenance Manual or other equivalent document, issued by OEM and approved by the applicable NAA and at the Customer's risk. The Flight Test report shall be signed by the Customer's flight crew and the Service Provider's personnel.
- 13.1.3 At the Customer's request a Flight Test program may be prepared by the Service Provider and approved by the Customer. The Flight Test program shall take into consideration the type of the check and work performed aircraft manufacturers and relevant NAA's requirements as well as requests raised by the Customer.
- 13.1.4 The time necessary for Flight Test performance and possible corrective actions shall be included into TAT.
- 13.1.5 In case a Flight Test is not part of the Work Scope and Package, but is desired by the Customer, the Customer shall inform the Service Provider in advance of the Services in order to consider the necessary preparation and accomplishment.

13.2 Expenses

- 13.1.1 Should Defects arise prior to, during or consequently with the Flight Test and to the extent these Defects are attributable to work performed by the Service Provider or its Subcontractors and are subject to Warranty, the Service Provider shall forthwith correct such Defects, without additional cost to the Customer. If Defects are noted which are not related to (or caused by) the Services performed, the Parties shall agree on the means of rectification by the Service Provider (to the extent it is qualified to perform the same) or by the Customer's personnel or other maintenance provider, in any such case all at the Customer's expense. If any such Defects prevented successful performance or completion of all items on the Flight Test checklist, the Flight Test shall be re-done at a mutually agreeable time.
- 13.1.1 Expenses including, but not limited to cost of fuel, routine, take off, landing, air space management, equipment usage, if any, and catering) resulting from any subsequent Flight Tests caused by the Service Provider's faulty Workmanship shall be borne by the Service Provider.

14 DELAY

14.1 Unexcused Delay

- 14.1.1 In the event that the Service Provider cannot meet the TAT commitment in the Section 7 of Annex 1- Airframe Maintenance Agreement, the Customer has the right to claim, and the Service Provider shall pay the amount agreed to in Section 21 of Annex 1 – Airframe Maintenance Agreement.
- 14.1.2 Any event which occurs during the performance of the Services and which could potentially cause a Delay shall be timely communicated by the Service Provider to the Customer as soon as the event is known to the Service Provider together with the potential impact on TAT. The Service Provider shall nevertheless strive to meet the scheduled Return Date.

14.2 Excusable Delay

- 14.2.1 The Parties agree that the Service Provider shall not be in breach of contract and shall not be held liable according to Article 14.1 hereof if the TAT or other agreed upon time limits are not met for reasons beyond the Service Provider's reasonable control, as follows:
- i. Force majeure as per Article 18;
 - ii. Major Defects on Aircraft (e.g. major corrosion findings, structural defects, system related Major Defects) which were unforeseen and which could not have been expected;
 - iii. Events where subject parts, CFM, or documentation to be supplied by the Customer are not available, not appropriate, supplied or arrived late;
 - iv. Delays in the supply of parts, Materials, engineering instructions by OEM, vendors or subcontracted services outside the reasonable control of the Service Provider;
 - v. The Customer's unreasonable withholding or delaying of its consent where such consent is necessary for the proper performance by the Service Provider of its obligations under this Agreement or relevant orders;
 - vi. Additional works carried out by the Service Provider upon the Customer's request;
 - vii. Delay caused by the Flight Test if not resulting from the fault of the Service Provider;
 - viii. Any other excusable Delay mutually agreed to in writing by the Parties.
- 14.2.2 In case of an event causing an excusable Delay, the Service Provider shall promptly notify the Customer of any excusable Delay affecting the Service Provider's performance, and, upon the Customer's request, the Service Provider shall be responsible to provide evidence and proof of the nature of the excusable Delay.
- 14.2.3 In case of excusable Delay, the TAT shall be extended by one day for each day of excusable Delay incurred.

14.3 Customer Caused Excusable Delay

- 14.3.1 The Customer shall be excused from not delivering the Aircraft or other parts on time to the extent that the Delay is caused by any of the following excusable Delay events:
- i. Force majeure;
 - ii. The fact that the subject parts, CFM, or documentation to be supplied to the Customer by the Customer's external suppliers are not available, not appropriate, supplied or arrived late after the Customer has exercised its best efforts for their timely and appropriate Delivery;
 - iii. Delays in the supply of parts, Materials, engineering instructions by OEM or vendors that are not the Customer's fault and are outside the reasonable control of the Customer;
- 14.3.2 Late discovery of Defects by the Service Provider shall not constitute a Customer caused Delay.

15 SUBCONTRACTED WORK**15.1 Scope of Subcontracting**

- 15.1.1 If:
- i. the Service Provider cannot technically perform a part of the Services, or
 - ii. the Service Provider has other alternative solutions to perform such part of the Services with cost saving benefits for the Customer, the Service Provider may subcontract part of the Services to any other relevant NAA approved maintenance facility.
- 15.1.2 The Services may also be subcontracted to an OEM or any other maintenance facility provided that the Service Provider's Quality Assurance system is extended to such facilities and is in compliance with the Customer's Quality Assurance system.

15.2 Customer's consent on subcontracting

The Service Provider shall inform the Customer prior to such subcontracting and shall supply the Customer with all the information relevant to Quality Assurance and Quality Monitoring. Subcontracted services are subject to the Customer's prior written approval, unless other is defined by the Service Providers and the Customer's joint procedure manuals and relevant Aviation Authorities.

15.3 Warranty of subcontracted work

- 15.3.1 Subject to the Warranty provisions in Article 9 of this Agreement, the Service Provider warrants that any Services rendered by Subcontractors shall be of the same standards and of the same quality as the Services rendered by the Service Provider itself. Subcontracting by the Service Provider shall in no way relieve the Service Provider from any of its duties, obligations or liabilities under this Agreement. The Service Provider shall in all events remain primarily liable under this Agreement for the performance and observance of all the terms and conditions hereof to the same extent as if such subcontract had not occurred.

16 DURATION/TERMINATION OF THE AGREEMENT

16.1 Duration and Termination by either Party

- 16.1.1 This Agreement shall be legally binding and remain in force for the period and starting from the date as set out in Section 6 of Annex 1 – Airframe Maintenance Agreement.
- 16.1.2 The Parties may terminate this Agreement upon mutual consent with not less than three (3 months) prior notice.
- 16.1.3 Either Party may give written notice to the other Party to terminate this Agreement with effect from the date stated in such notice or, if none, with immediate effect, if:
- i. The other Party ceases or threatens to cease to carry on its business or substantially the whole of its business;
 - ii. The other Party stops or suspends making Payments of undisputed amounts or announces an intention to do so for a period of more than thirty (30) days after the due date (whether of principal or of interest);
 - iii. The other Party calls a meeting for the purpose of passing a resolution to wind it up, or such a resolution is passed, or a resolution is passed by the directors of the other Party to seek a winding up or administration order, or the other Party presents, or has presented, a petition for a winding up order, or presents, or has presented, a petition to appoint an administrator, or has an administrative receiver, or a receiver appointed over all or any part of its business, undertaking, property or assets (otherwise than for the purposes of a solvent amalgamation or reconstruction where the resulting entity is at least as creditworthy as the other Party and assumes all of the obligations of the other Party under this Agreement);
 - iv. A secured lender to the other Party takes any steps to obtain possession of the property on which it has a security interest or otherwise to enforce its security interest;
 - v. The other Party commits a material breach of its obligations under this Agreement which is incapable of being remedied; or
 - vi. The other Party commits a material breach of its obligations under this Agreement (including incomplete work and work not performed at agreed and/or applicable standards) which is capable of being remedied and is not remedied within thirty (30) days from the receipt by the other Party of a written notice from the Party not in breach requiring the remedy of such breach. No Party shall, however, be liable for loss of profit or consequential damages arising as a result of such breaches described in this Article 16.1.3, unless otherwise mutually agreed to by the Parties in writing.
- 16.1.4 The premature termination of this Agreement by acts of the Parties, or otherwise, shall not relieve the Parties of any liabilities, obligations, expenses or charges accrued up to the date of such termination and all rights accruing to either Party up to the date of termination shall likewise remain in full force and effect.

16.2 Termination by the Service Provider

- 16.2.1 The Service Provider may terminate this Agreement by giving advanced written notice to the Customer in the event that:
- i. The Customer is at any time during the continuance of this Agreement required to take (or refrain from doing or taking) any action which may be contrary to any applicable law, or any order, regulation, approval or authorization of any government, quasi-government or regulatory body or authority to which it is subject.
- 16.2.2 If the Service Provider becomes entitled under Articles 16.1.3 or 16.2.1 or in accordance with the applicable law to terminate this Agreement, then the Service Provider may at its option:
- i. Suspend provision of any or all of the Services or complete the Services; and/or
 - ii. Take other reasonable steps as the Service Provider considers necessary or desirable to cause as little disruption as possible to the Service Provider's business; provided in each case the Service Provider notifies the Customer in writing of its actions within 24 hours.

16.3 Termination by the Customer

- 16.3.1 The Customer may terminate this Agreement by giving advanced written notice to the Service Provider in the event that:



- i. The Service Provider and its contractors at any time during the continuance of this Agreement ceases to hold all necessary approvals and licenses to provide the Service, including any approval or license required by the relevant NAA.
- ii. The Service Provider shall be in default of this Agreement if: (a) the Service Provider refuses to implement any remedy provided for its failure to meet the TAT or other guarantees herein; (b) any representation made herein by the Service Provider was false in any respect when made or when treated as being made; (c) the Service Provider files a voluntary petition under any chapter of applicable bankruptcy laws or any involuntary petition under any chapter of applicable bankruptcy laws is filed against the Service Provider which is not dismissed within sixty (60) days after the date the petition was filed against the Service Provider; or (d) the Service Provider does not observe, perform, or comply with any other material provision of this Agreement which, if curable, is not cured by the Service Provider within thirty (30) days from the date the Customer notifies the Service Provider of such default.

16.3.2 At any time following the occurrence of a default by the Service Provider, after the expiration of any applicable cure periods, the Service Provider has not cured the default, the Customer may take one or more of the following actions: (a) terminate this Agreement; or (b) have Services not being performed by the Service Provider performed by another maintenance provider. If this Agreement is terminated in accordance with this Section, the Service Provider shall refund to the Customer, within thirty (30) days after the date of such Termination, the full amount of all Payments made for Services not yet received by the Customer. In addition, the Customer may pursue any other remedy it may have at law or in equity.

16.4 Consequences of Termination

- 16.4.1 Upon Termination of this Agreement for whatever reason of its expiry, each of the Parties shall as soon as reasonably practicable return to or make available for collection by the other Party and at the other Party's sole cost:
- i. All confidential information of the other Party in its possession at the date of termination or expiry, together with copies thereof or, if the other Party so requests in writing, destroy and make no further use of such confidential information;
 - ii. All tooling and equipment of the other Party in its possession at the date of termination or expiry and make no further use of such tooling and equipment.
- 16.4.2 The Service Provider shall as soon as reasonably practicable, following termination or expiry, return to the Customer or make available for collection by the Customer the Aircraft and any unused Materials belonging to the Customer which are in the Service Provider's possession.
- 16.4.3 The expiration or Termination of this Agreement, however arising, shall not affect those terms of this Agreement which are expressed to operate or have effect after the Termination of this Agreement without prejudice to any right of action already accrued to either Party in respect of any breach of this Agreement by the other Party.
- 16.4.4 In the event of early Termination of this Agreement for any reason attributable to the Customer, the Customer shall pay the Service Provider for all the Services performed up to the date of such termination and the cost of any commitments undertaken by the Service Provider which cannot be cancelled, recovered or otherwise utilized by the Service Provider.
- 16.4.5 No remedy referred to in this Article 16 or in any other part of this Agreement is intended to be exclusive, but each shall be cumulative and in addition to any other legal remedy referred to above or otherwise available to either Party.
- 16.4.6 Prior to or upon termination, the Service Provider shall return to the Customer all Maintenance Records produced by the Service Provider, or required to be produced, relating to the Services performed on the Aircraft.

17 GOVERNING LAW AND ARBITRATION

17.1 Governing Law

- 17.1.1 This Agreement and any legal matters which may arise out of it or in connection herewith shall be subject to, construed and interpreted exclusively in accordance with the laws indicated in Section 27 of Annex 1 – Airframe Maintenance Agreement.

17.2 Arbitration

- 17.2.1 Any dispute or difference arising between the Parties as to the construction this Agreement, or any other matter or thing arising hereunder or in connection therewith shall in the first instance be settled by the Parties in good faith through friendly negotiations.
- 17.2.2 If the Parties are unable to resolve any claim, disagreement or dispute within sixty (60) days after one Party has given written notice to the other Party of any claim, disagreement or dispute, and in addition to the rights available under Article 10.6, either Party may require the issue to be settled by arbitration in accordance with the rules of the arbitration institute indicated in Section 27 of Annex 1 – Airframe Maintenance Agreement, which rules are deemed to be incorporated by reference into this clause.
- 17.2.3 Prior to starting Arbitration proceedings the work in question may, by mutual agreement, be submitted to a relevant manufacturer for judgment in order to enable the Parties to settle any claim, disagreement or dispute in good faith.
- 17.2.4 The arbitration proceedings shall be held in the location and conducted in the language specified in the Section 27 of Annex 1 – Airframe Maintenance Agreement. The arbitral award shall be final and binding upon both Parties. The total arbitration costs shall be borne by the Parties equally unless the arbitrator determines that the conduct of either Party is such that either one of the Parties should bear all or a greater proportion of the arbitration costs.
- 17.2.5 Pending the final resolution of any dispute, the Service Provider shall proceed with the performance of the undisputed order(s) according to the Customer's instructions and according to this Agreement so long as the Customer continues to pay the amounts not in dispute.

18 FORCE MAJEURE

18.1 Non-liability of the Parties

- 18.1.1 Neither Party shall be liable for failure to perform its obligations (excluding payment of obligations) under this Agreement if such a failure is caused by events including but not limited to the following:
- i. Fires;
 - ii. Typhoons;
 - iii. Floods;
 - iv. Explosions;
 - v. Earthquakes;
 - vi. Epidemics or quarantines;
 - vii. Riots;
 - viii. Insurrections;
 - ix. Acts of public enemy;
 - x. Wars;
 - xi. War-like operations;
 - xii. Any act of Government or any regulation affecting directly or indirectly an Aircraft, either Party hereto or any Materials or facilities;
 - xiii. Terrorism; and
 - xiv. Any other event beyond the reasonable control of either Party.
- 18.1.2 For the avoidance of doubt, any failure by a Subcontractor of the Service Provider to perform shall not be considered beyond the reasonable control of the Service Provider for the purposes of this Article, unless such failure falls under the cases described in Article 18.1.1 above.

18.2 Management of force majeure events

- 18.2.1 Should either Party be prevented from performing in whole or in part its obligations under this Agreement by cases of force majeure, the affected Party shall notify the other Party in writing promptly and provide a detailed description of the events, explaining the reason for its inability to perform or its Delay in performance.
- 18.2.2 In cases of events caused by force majeure, the affected Party shall:
- i. Use commercially reasonable efforts to mitigate or limit damages to the other Party;
 - ii. Use commercially reasonable due diligence to overcome force majeure;
 - iii. except as prevented by the force majeure event, continue to perform its obligations under this Agreement; and
 - iv. Cause any suspension of its performance to be of no greater scope and of no longer duration than the force majeure requires.
- 18.2.3 If performance of the Services is delayed or hindered for a substantial period of time, the Customer may, without being in breach of any obligation:
- i. At its own cost and expense, have the Services performed by another service provider until the Service Provider as per this Agreement restores its capability to perform the Services; or
 - ii. Terminate the Agreement or the applicable part of the Work Package.
- 18.2.4 In cases of Delay affecting the schedule for the performance of Services by the Service Provider, it shall develop a commercially reasonable schedule for performing the delayed Services as soon as practicable without discriminating against the Customer in favour of the Service Provider's other top-tier customers.

19 AGREEMENT CHANGES, ASSIGNMENT AND CONFIDENTIALITY**19.1 Agreement Changes**

- 19.1.1 This Agreement shall not be varied in terms or amended except by an instrument in writing explicitly termed as an amendment and signed by a duly authorized executive of both contracting Parties and dated a date as of or subsequent to the date of this Agreement. Additional letter agreements executed by authorized representatives of both Parties during the period of this Agreement shall become part of this Agreement.
- 19.1.2 Verbal agreements reached during the period of this Agreement shall not be binding upon either Party except to the extent mutually confirmed in writing and duly signed by authorised executives.

19.2 Invalidity / unenforceability of terms

- 19.2.1 If any term or condition of this Agreement shall to any extent be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby and each other term and condition shall be valid and enforceable to the fullest extent permitted by law.

19.3 Assignment

- 19.1.1 Neither Party shall cede, assign, delegate or in any other manner transfer any of its rights and/or obligations under this Agreement without the prior written consent of the other Party whose consent shall not be unreasonably withheld, provided if either Party is merged, consolidated or sold, or if either Party sells or transfers all or substantially all of its assets relating to the use of the Aircraft, either Party shall have the right to transfer its rights and obligations under this Agreement to the surviving or buying entity, provided that this Party shall not be relieved of its obligations hereunder, and the successor must assume the terms and conditions of this Agreement in a manner reasonably acceptable to the Service Provider. Notwithstanding the above, the Service provider may, upon at least thirty (30) days' notice to the Customer, change the bank to which Payments hereunder should be made or assign its right to receive money to any bank or related entity based in the same jurisdiction as Service Provider; in any such case provided that the Customer does not incur any additional fees or charges as a result.
- 19.3.1 The Customer may assign its rights under this Agreement (or any part thereof including the Warranty set forth in Article 9 to any subsequent owner or lessee of any Aircraft or engine in respect of which the Service Provider has performed any work under this Agreement.

19.4 Confidentiality

- 19.4.1 Confidential Information shall mean any information or material proprietary to or treated as confidential by the disclosing party, whether in written, oral or other tangible or intangible form, including, but not limited to, information concerning the business, operations, projects, technologies and affairs of the disclosing party that has been or may be disclosed by the disclosing party (or its directors, officers, employees, agents, advisers or other representatives) to the receiving party (or its directors, officers, employees, agents, advisers or other representatives), including the provisions of this Agreement and any and all documents and information regarding or relating to this Agreement, wholly or partly which is marked as confidential by either party. Confidential Information shall not include information which (i) is or becomes publicly known or within the public domain without the receiving party's breach of this Agreement; (ii) was known to the receiving party prior to its receipt thereof from the disclosing party; (iii) has been or is lawfully obtained by the receiving party from third parties without an obligation of confidence to the disclosing party; (iv) has been or is subsequently independently conceived or discovered by the receiving party; (v) is approved for release by written authorization of the disclosing party; or (vi) is required to be disclosed pursuant to a requirement of law or government agency, in which event the receiving party shall give prompt written notice to the disclosing party of such requirement.
- 19.4.2 Proprietary Information is defined as sensitive information such as technical data and other information (including but not limited to descriptions, drawings, compositions, business and financial information, or computer software) originated by or peculiarly within the knowledge of a company, which is not gen-

erally available to others third party and is declared by such company as proprietary information and which is identified as proprietary by the Company in accordance with the following guidelines:

- i. When in writing, Proprietary Information shall be clearly and conspicuously marked by appropriate stamp or legend by the Company as Proprietary information;
- ii. When orally, Proprietary Information shall be identified as Proprietary Information; within thirty (30) days of disclosure, the Company shall reduce the oral discussion to written form, mark it as proprietary, and deliver it to the receiving third party;
- iii. When in the form of magnetic recording or some other machine-readable form, Proprietary Information shall be identified as Proprietary Information when transmitted; if possible, the container and form of the information shall be clearly and conspicuously marked by the Company as proprietary; within thirty (30) days of disclosure, the Company shall confirm the disclosure and specifically identify the Proprietary Information disclosed; any physical embodiment of such information shall be clearly and conspicuously marked as the proprietary information of the disclosing Party.

19.4.3 Each Party shall maintain in strict confidence, and shall not disclose to any third party without prior written consent of the other Party all information (including Confidential Information), whether technical or commercial, obtained or received by it as a result of entering into or performing its obligations under this Agreement and relating to the negotiations relating to, or the provisions or subject matter of, this Agreement.

19.4.4 The confidentiality provisions of this Article apply to and also protect Confidential Information of third Parties, involved in execution of this Agreement or having any commercial, legal, administrative, and financial or any other business relationship with any of the Parties in reference to this Agreement.

19.4.5 Each Party may disclose Confidential information if but only to the extent, that:

- i. Such disclosure is required by law or by any securities exchange or regulatory or government body having jurisdiction over it, wherever situated, and whether or not the requirement has the force of law;
- ii. The Confidential Information was lawfully in such Party's possession prior to its disclosure by the other Party (as evidenced by written records) and had not been obtained from the other Party.
- iii. The Confidential Information was in the public domain at the time of such disclosure or use;
- iv. The Confidential Information was independently developed by a Party; or
- v. The Confidential Information became known without restrictions to a Party from a source other than the other Party without breach of this Agreement.

19.5 Survival

Articles 5 – 15, 17 – 19, and 21 of this Agreement shall survive the termination or expiration of this Agreement in addition to any provisions that by their nature should, or by their express terms do, survive or extend beyond termination or expiration of this Agreement.

20 ON SITE PERSONNEL

20.1 Customer's Authorized Representative

- 20.1.1 The Customer may have upon the Customer's sole consideration at the Service Provider's Maintenance Base one or more representatives (the Customer's Representative) with the appropriate qualifications and authorized to:
- i. Sign off Defects which shall be rectified by the Customer at a later date (Deferred Maintenance Items);
 - ii. Agree to the performance of unscheduled and Additional Work, if any;
 - iii. Sign off the Acceptance of the Aircraft;
 - iv. Approve the request to subcontract work to a third party, purchase of parts where necessary, with a limit of financial responsibility stated in Section 30 of Annex 1 – Airframe Maintenance Agreement;
 - v. Represent the Customer at Aircraft Delivery and Return;
 - vi. Authorize all Labor (Additional Work and Non-Routine Work above limit), Material related charges (Non-Routine Material above limit, Material loan and standard exchange);
 - vii. Assist the Service Provider in solving any technical query or any outstanding technical and/or commercial issue on the Return Date;
 - viii. Perform Inspections if requested;
 - ix. Explain the Customer's provided documents if requested;
 - x. Other functions stated in Section 30 of Annex 1 – Airframe Maintenance Agreement.
- 20.1.2 The Customer shall inform the Service Provider in writing of the identity of the individuals authorized to execute the rights defined in this Article and may change the individuals assigned from time to time at the Customer's sole discretion by notice to the Service Provider. The Customer shall send other Customer's Representatives relevant data in advance of their arrival.
- 20.1.3 The Customer and its NAA reserves the right to perform a quality audit at any time. The Customer may send quality Inspection personnel to monitor and perform spot checks on the work and other aspects of the Service such as but not limited to the preparation of the job cards.

20.2 Meetings; Communications

- 20.2.1 Prior to this Agreement's effective date, both the Customer's and the Service Provider's responsible managers, including technical managers shall be requested to meet or communicate so that a clear understanding may be obtained by both Parties in relation to the exact content of the Agreement. A Work Scope and planning meeting shall also be held prior to the Aircraft Delivery date and at a location to be mutually agreed. For the purposes of such meetings, teleconference shall be an acceptable communication medium.
- 20.2.2 After the Agreement's effective date and after the work commences, the Customer and the Service Provider (including technical, quality, reliability staff etc.) shall meet or communicate prior to and during heavy maintenance checks on a regular basis to ensure the satisfactory preparation and accomplishment of the work.
- 20.2.3 The Parties shall establish and/or adjust their procedures to ensure that communications are established and meetings are set between relevant technical staff.
- 20.2.4 The Parties shall appoint one person from each side, who shall be a single point of contact for all inquiries concerning the Services.
- 20.2.5 Technical meetings may be organized to review matters such as ADs, SBs, Modifications, Major Defects found during maintenance checks and any other technical issues needing attention. The location of such meetings shall be determined on a case by case basis and teleconference shall be an acceptable communication medium.

- 20.2.6 Quality meetings may be organized in order to examine matters raised by the Customer's QA audit team to agree upon necessary corrective actions. The location of such meetings shall be determined on a case by case basis and teleconference may be an acceptable communication medium.
- 20.2.7 If there are issues that arise during the performance of the Services that might affect the reliability of the Aircraft, the Party discovering the issue may request a reliability meeting and it shall procure all the necessary data. The location of such meetings shall be determined on a case by case basis.

20.3 Daily Status

- 20.3.1 During the performance of the Services, the Service Provider shall provide or make on-line / electronically available a daily update of the work status to the Customer's Representative to provide a clear understanding of all issues that might affect the Return of the Aircraft, including:
- i. All Defects discovered during the last 24 hours;
 - ii. Actual or anticipated shortage of Material, components or Labor required for the performance of the Services;
 - iii. All components rendered unserviceable by the Service Provider during the last 24 hours;
 - iv. Component changes made during the performance of the Services along with the certification documents of all parts. The list of Component changes shall include Part number, description, serial number off Aircraft, serial number on Aircraft and date of Component change;
 - v. Critical path of the Service to be clearly shown on a project plan;
 - vi. Accumulated additional MHs. The list of additional MHs shall show additional MHs due to Defects that have accumulated MHs above the Labor Defect Rectification Cap, additional MHs due to the Customer's specific requests, additional MHs due to incoming items, additional MHs due to ADs/SBs and all other items which might accumulate additional MHs;
 - vii. Any major findings and issues that might affect aircraft reliability;
 - viii. Any discrepancies that might be found with the data provided by the Customer.
- 20.3.2 The Service Provider upon request of the Customer shall supply a Technical Report daily in the form of an Aircraft Daily Status (ADS) sheet, as set forth in Annex 7.

20.4 Language and means of Communication

- 20.4.1 All notice and communications in connection with this Agreement shall be given in the language defined in Annex 6 – Notices and Communications.
- 20.4.2 For the purposes of any such notices and communications the addresses of the Parties shall be those indicated in Annex 6 – Notices and Communications.

20.5 Service Providers' obligations

- 20.5.1 With regard to technical matters the Service Provider shall as soon as possible inform the Customer's Representative whenever a Major Repair or major financial item occur.
- 20.5.2 The Service Provider shall alert the Customer's Representative as soon as possible about any issue arising during the span of the Services which might cause a Delay in the Return of the Aircraft.
- 20.5.3 The Service Provider shall grant access and provide any support necessary to any Customer's personnel or any Customer's authorized supporting vendor – acting on behalf or to the benefit of the Customer and properly notified in advance by the Customer to the Service Provider – in the fulfillment of the Customer's responsibilities arising out of this Agreement.

20.6 Facilities and Services for the Customer's personnel

- 20.6.1 Upon the Customer's request the Service Provider at its own cost shall provide a properly furnished office and automobile parking space (if required) for the Customer's Representative at the Maintenance Base, equipped with phone and internet connections, passes and ID badges as necessary. The Customer shall be responsible for accommodation, travel costs and meals, long distance calls, photocopy and facsimile charges incurred by the Customer's Representative, unless other is agreed in writing.

- 20.6.2 The Service Provider shall provide reasonable assistance to the Customer in obtaining all necessary documents required of the Customer's Representative for the access into the country where the Maintenance Base is located.
- 20.6.3 Any items belonging to the Service Provider, lost or not returned by the Customer shall be charged to the Customer at the time of departure and at the cost of a comparable replacement.
- 20.6.4 The facilities for the Customer's personnel shall be made available for the period of days agreed by the Parties prior to the Aircraft Delivery date and two days after the Aircraft Return. The Service Provider shall inform the Customer seven (7) consecutive days before the Aircraft Delivery date about the location of the facilities provided for the use of the Customer's personnel during the performance of the Services.



21 QUALITY AND SAFETY AUDITS

21.1 Quality System

- 21.1.1 The Service Provider shall abide by this Agreement and perform the Services in accordance with the Service Provider's Quality Assurance system approved by the Service Provider's NAA and / or EASA Part 145 / FAA as required.
- 21.1.2 In order to allocate the Aircraft to the Service Provider for the performance of the Services, the Service Provider shall obtain approval from the Customer's NAA at the Service Provider's own cost and expense if needed. The Customer shall assist the Service Provider in obtaining such approval.
- 21.1.3 If either of the Parties is an air carrier, it is strongly recommended for such Party to currently maintain an IOSA Certificate, or obtain such IOSA Certificate prior the commencement of the Services. The IOSA certificate shall prove an operator's compliance with IOSA safety requirements described in the IOSA Standards Manual.

21.2 Customer's Quality Audits

- 21.2.1 The Customer has the right, with prior written notice to the Service Provider, to audit the processes relevant to the Services, including, but not limited to the Service Provider's personnel safety training status to ensure the Service Provider Quality System is not in conflict with that of the Customer's.
- 21.2.2 The Service Provider shall grant the Customer full access to its maintenance facilities and maintenance documentation related to the agreed Services under the condition that audits do not affect the continuity of the Service Provider's on-going operations.
- 21.2.3 The results from such audits shall be reviewed during the meetings between the Service Provider's and the Customer's Quality personnel.
- 21.2.4 Any non-conformity identified by the Customer shall be notified to the Service Provider by means of the Customer's Quality Assurance audit corrective action report in accordance with the MOE, Repair Station Manual or other applicable manual.
- 21.2.5 The Service Provider shall promptly correct such non-conformities with appropriate corrective actions and notify the Customer in writing in respect thereof.
- 21.2.6 The quality audits performed by the Customer do not exempt the Service Provider from any Warranty or responsibility defined in this Agreement.

21.3 NAA's involvement

- 21.3.1 With respect to its compliance with regulatory requirements, and without affecting the rights and obligations of the Parties under this Agreement, the Service Provider is responsible to its relevant NAA for its obligations under this Agreement.
- 21.3.2 With respect to its compliance with regulatory requirements, and without affecting the rights and obligations of the Parties under this Agreement, the Customer retains responsibility for all maintenance under its Aircraft Operator's Certificate.
- 21.3.3 Should any of the Services under this Agreement require the approval from any other NAAs, such approval shall be obtained by the Customer.

22 TAXES

22.1 Taxes on Invoices

Except to the extent the Customer has provided a valid exemption certificate, direct pay permit or other such appropriate documentation, the Service Provider shall add to each invoice and collect from the Customer any sales, use, excise, value-added, gross receipts, Services, consumption and other similar transaction taxes, however designated, that may be imposed by any taxing authority upon the Services or any other transaction covered by the terms of this Agreement. Service Provider shall make reasonable efforts to provide sufficient detail on any invoices to allow the Parties to minimize legally any applicable sales, use, excise value added gross receipts, services, consumption and other similar transaction tax imposed on any Service or on any other transaction that is covered by the terms of this Agreement, except any taxes imposed on the gross income of the Service Provider. Service Provider shall separately state any charges for services or any labor components of the invoice and shall separately state any charges for any parts, components, consumables, or other tangible personal property provided to Customer for which Customer is separately charged. Customer retains liability for any and all sales, use, excise, value-added, gross receipts, services, consumption and other similar transaction taxes, however designated, imposed by any taxing authority upon the Services or any other transaction covered by the terms of this Agreement. Service Provider will make reasonable efforts to provide Services in a jurisdiction which will minimize the impact of federal, state, local, or provincial taxes such as sales and use tax and value added tax. Customer will not be responsible for additional or higher taxes imposed as the result of the transfer by Service Provider, after the Effective Date, of work to a facility or a subcontractor located in a jurisdiction other than that in which such work was being performed (or scheduled to be performed) as of the Effective Date.

22.2 Personal Property Taxes

Any business personal property tax which is imposed or levied upon any items of tangible personal property owned by the Service Provider shall be the responsibility of the Service Provider and shall be timely paid by the Service Provider, without recourse to the Customer.

22.3 Tax Returns

The Service Provider shall file all applicable federal, state, provincial and local tax returns and reports which the Service Provider is required to file under any and all applicable laws and regulations. All such returns shall be correct and complete in all material respects and any amounts shown due thereon shall be timely paid by the Service Provider. The Service Provider shall not allow any liens for taxes to arise and attach to any of the parts, components, equipment, parts inventory or any other tangible personal property belonging to the Customer or used by the Service Provider in fulfilling its obligations under this Agreement. The Service Provider shall notify the Customer within fifteen (15) days after receipt of notice of any actual or proposed levies or assessments made by any taxing authority against the Service Provider which could give rise to a lien against or levy upon any of the above personal property. The Customer shall be entitled to monitor any contest by the Service Provider of the validity of any such asserted taxes or liens and the Customer may provide assistance as the Customer deems appropriate or, insofar as it relates to the Customer's property, the Customer may assume direct control over any such contest.

22.4 Tax Compliance

The Service Provider shall be responsible for full and complete compliance with any and all customs laws, rules and regulations and the payment of any and all customs duties, import duties, international fees or levies or any and all other costs or expenses which arise or are due or imposed on the transactions which occur under the terms of this Agreement based upon the importation into any jurisdiction of any parts, components, equipment, materials or any other tangible personal property used by the Service Provider in fulfilling its obligations under this Agreement.

22.5 Contest; Refunds

Upon the Customer's request, the Service Provider shall at the Customer's expense contest any such tax for which the Customer is obligated, either by paying the tax with funds contributed by the Customer and



then filing a protest or by contesting the tax, whichever is appropriate (or, if either option is appropriate, as directed by the Customer). To the extent permitted by applicable law, the Customer may conduct the protest or contest through counsel selected by it and reasonably acceptable to the Service Provider. If the Service Provider later receives any refund of any tax for which amounts were paid or contributed by the Customer, the Service Provider shall promptly pay over to the Customer such refund, together with any interest paid thereon.

23 MISCELLANEOUS

23.1. No Third-Party Beneficiaries

This Agreement shall not confer any rights or remedies upon any person other than the Parties hereto and their respective successors and permitted assigns and no third party may seek to enforce any of the terms hereof.

23.2 Time is of the Essence

With regard to all dates and time periods set forth in this Agreement, time is of the essence.



24 ANNEX 1 – AIRFRAME MAINTENANCE AGREEMENT

PART I - AIRFRAME MAINTENANCE AGREEMENT [NUMBER, DATE, IF APPLICABLE]

This Agreement is stipulated between:

[COMPANY NAME] having its legal address at [COMPANY ADDRESS] represented by [NAME], [POSITION]

Respectively referred to as **the Customer** and

[COMPANY NAME] having its legal address at [COMPANY ADDRESS] represented by [NAME], [POSITION],

having valid [INSERT VALID REPAIR STATION CERTIFICATE NUMBER] certificate

Respectively referred to as **the Service Provider**

Entering into force since - Effective date: [date]

This Agreement refers to and incorporates the terms of IATA Document No. 2014-01 MASTER AIRFRAME MAINTENANCE AGREEMENT (Master AMA, 2014)

This Agreement modifies the Master AMA, and, as so modified, constitutes a single contract applicable to the Airframe Maintenance of the Aircraft detailed below.

PART II - REFERENCED PROVISIONS¹:

1. A/C type:	2. A/C registration #:
3. Aircraft serial #:	4. A/C Delivery Date, Time Zone, Time:
5. Work Scope and Package (Annex, version, date):	
6. Agreement Duration Period:	
7. Turn Around Time:	8. Maintenance Base (location):
9. Fixed Price or NTE price: [list, if many. amount and inclusions]	
10. Additional Charges (exclusions from the Fixed Price or NTE price): (works)	
11. Time and Material Charges:	
11. 1 <u>Labor Rates</u> :	
a. Technical Performance: per MH	
b. MH Cap on Defect Rectification: per MH	
c. NDT: per MH	
d. Engineering Support: per MH	

¹ Complete relevant blank spaces or refer to applicable annexes or write "NA" if not-applicable

<p>e. Unskilled Work: per MH</p> <p>f. Calibration of measuring equipment: per MH</p> <p>g. Other [list if any]</p>
<p>11.2 <u>Material Charges:</u></p> <p>a. Material prices:</p> <p>b. Material Handling Charge/mark up:</p> <p>c. Material charge cap:</p> <p>d. BER %:</p> <p>e. One-To-One Exchange Rate, cap:</p> <p>f. Loan Conditions and Charges:</p>
<p>12. Flight Test :</p> <p> [required / not required, price if not included in Fixed Price or NTE Price]</p>
<p>13. Subcontracting Charges:</p>
<p>14. Customized Materials:</p> <p> [p/n, quantity: Modification Kits, parts, etc]</p>
<p>15. Special Tools and Equipment:</p> <p> [p/n, quantity of equipment and tools, etc]</p>
<p>16. Hangar Usage Price (if not included in Fixed Price or NTE Price):</p>
<p>17. Agreed Currency of Payment:</p> <p> [list if many]</p>
<p>18. Payment Scheme (Installments and deadlines) :</p> <p> [For example:</p> <p> Advance Payment (if any): to be paid within -</p> <p> Estimated invoice: issued - , to be paid by -</p> <p> Final invoice: issued - , to be paid -]</p>
<p>19. Price Escalation And Adjustments:</p>
<p>20. Late Payment Charge / Default Interest Rate:</p>
<p>21. Unexcused Delay Penalty: [per Day or fixed amount, Maximum Penalty / Days]:</p>
<p>22. Customer's Legal Address And Bank details:</p>



23. Service Provider’s Legal Address And Bank Details:
24. Warranty: [Calendar Days, FH, list if many]
24a. Notification of the Service Provider of a Defect subject to Warranty: (immediately or no later than XXXX days)
25. Applicable repair station Certificates: (FAA, EASA, CAAC, GCAA or other NAA)
26. Customer and Service Provider Insurance, Combined Liability Limits / Deductibles, Extent of Permissible Self-Insurance Other insurances:
26a. Risk of Loss or damage to the Aircraft remains responsibility of the: (Chose - Supplier or Customer)
27. Governing Law and Arbitration, legal language:
28. Language of technical documentation:
29. De-fuelling, storage and fuel credit
30. Customer Representative’s delegated functions [refer to list 20.1.1 or specify other] Customer Representative’s financial limit of approval:
31. Incoterms conditions for Material shipment

PART III – OTHER MODIFICATIONS TO MASTER AIRFRAME MAINTENANCE AGREEMENT:

[Refer to an Article of Master AMA and describe deviation or Modification]

Each Party represents and warrants to the other that the person executing this Agreement on its behalf has the full authority to so execute on behalf of such Party. This Agreement and any amendments to it may be executed by exchange of counterparts by facsimile or other electronic means, including by exchange of signature pages in PDF form.

IN WITNESS WHEREOF the contracting Parties hereto have caused this Agreement to be executed by their authorized executives in two (2) originals.

For and on behalf of the Customer:

Date: _____

Name: _____

Position: _____

Signature: _____

For and on behalf of the Service Provider:

Date: _____

Name: _____

Position: _____

Signature: _____

25 ANNEX 2 – WORK SCOPE AND PACKAGE

[EXAMPLE] Revision # and date

Routine Tasks

Special Tasks

AD/SB/EO

COMPONENTS

OTHER



26 ANNEX 3 – DELIVERY/RETURN ACCEPTANCE CERTIFICATES

a. Delivery Acceptance Certificate [EXAMPLE]

Customer		Work Package	
Agreement #		A/C Registration	
	Serial #	Flight Hours TSN	Flight Cycles CSN
Airframe (MSN)			
Engines (ESN)	1		
	2		
	3		
	4		
APU (S/N)			
Aircraft configuration non conformity if any			
Date of Acceptance		Time	
Start Date		Scheduled TAT (d)	
Location		Fuel on-board	
Delivered by		Personal ID	
Accepted by		Personal ID	

For and on behalf of the Customer		For and on behalf of the Service Provider	
Signature		Signature	
Name		Name	
Title		Title	
Date		Date	

b. Return Acceptance Certificate [EXAMPLE]

Customer		Work Package	
Agreement #		A/C Registration	
	Serial #	Flight Hours TSN	Flight Cycles CSN
Airframe (MSN)			
Engines (ESN)	1		
	2		
	3		
	4		
APU (S/N)			
Aircraft configuration non conformity if any			
Date of Acceptance		Time	
Start Date		Actual TAT (d)	
Location		Fuel on-board	
Redelivered by		Personal ID	
Accepted by		Personal ID	

For and on behalf of the Customer		For and on behalf of the Service Provider	
Signature		Signature	
Name		Name	
Title		Title	
Date		Date	



27 ANNEX 4 – CERTIFICATE OF RELEASE TO SERVICE

Service Provider			
A/C Operator			
A/C Registration		A/C Type	
A/C Serial # (MSN)			
Accomplish Date		Time	
Flight Hours		Flight Cycles	
Work Performed at station			
Certificate of Release to Service [EXAMPLE]			
<p>The Aircraft identified above was undergoing following maintenance: [Insert Work Package description]</p> <p>Remarks: Approved Maintenance Program Reference: [Insert applicable revision of MP]</p>			
Deferred Items list			

The signature below certifies that the work specified, except as otherwise specified, was performed in accordance with the applicable regulations and that in respect to this work the work is considered ready for release to service.

Organization Approval # ²			
Signature		Name	
Personal ID		Date	

² Refers to applicable regulations' organization approval

28 ANNEX 5 – LIST OF DOCUMENTATION

All Documentation delivered to the Service Provider by the Customer and vice versa shall be of the correct revision status and validity for the Aircraft. The Documentation, where applicable, shall have to be approved by the relevant NAA.

a. Customer’s Documentation

The Customer shall provide the following Aircraft Maintenance Documentation³ to the Service Provider prior to Aircraft Delivery:

Name of the document	Pages	Date requested by:
OEM Documentation		
Access to OEM’s website for DWG		
Aircraft Maintenance Manual (AMM)		
Illustrated Parts Catalogue (IPC)		
Wiring Diagrams (WDMs)		
Systems and Schematic Manual (SSM)		
Exterior Paint Schema		
Exterior Placard Catalogue		
Cabin Documentation		
Component Maintenance Manuals (CMMs)		
Internal Placard Catalogue		
Cabin & Seat Layout		
Trouble Shooting Manual		
Structural Repairs Manual (SRM)		
Minimum Equipment List (MEL)		
Non-Destructive Testing Manual		
Operations Manual		
Flight Test Manual		
Valid Job Cards for Routine Work		
List of components for replacement		
List of Engineering Orders		

³ Tick if applicable or write “NA” if not-applicable



List of Deferred Items		
Maintenance Program (MP)		
Maintenance Planning Document (MPD)		
Airworthiness Directives		
AD Status		
Major Modifications' Data		
Major Modifications' Status		
Major Repairs' Data		
Service Bulletins		
[modify above or list any other required Documentation]		

b. Service Provider’s Documentation

The following Work-specific Documentation⁴ shall be delivered by the Service Provider to the Customer at Aircraft Return:

Name of the document	Pages	Date requested by:
Name of the document		
Certificate of Release to Service		
Work Summary Sheet (Tally Sheet)		
Completed Routine Task Cards		
Non-Routine Task Cards with the description of the findings and corrective action taken		
List of Implemented AD Performance records		
List of Engineering Orders performed		
List of Cabin Renewals		
List of Supplemental Job Cards performed		
List of Structure Defect Reports		
Flight Control Surfaces Rebalance		
List of Subcontracted Work		
Cross Reference List (MS to Job Cards)		
List of Components Changed/Overhauled		

⁴ Tick if applicable or write “NA” if not-applicable

List of Major Repairs and Major Alterations		
List of Parts Manufactured by the Service Provider		
List of Structure Inspection Sampling Record		
A/C Weighing Report		
Engine Run Up Report		
Flight Test Report		
List of Additional Work		
Base Deferred Items' Forms		
Summary of Base Deferred Items		
List of Ground Findings' Sheets Issued		
Completion of Work Protocol		
List of Items requiring the follow-up by the operator of the Aircraft		
All Documentation supplied by the Customer		
List of Job Cards performed		
List of Customer Recording Sheets issued		
Structural Repair Records for found damage		
Return Acceptance Certificate		
[modify above or list any other required Documentation]		

29 ANNEX 6 – NOTICES AND COMMUNICATIONS

a. From the Customer to the Service Provider⁵

MATTER	CONTACT	TITLE	PHONE / FAX	E-MAIL
Single point of contact				
Commercial / Financial				
Logistical				
Quality-related				
Technical				
SERVICE PROVIDER'S ADDRESS				

b. From the Service Provider to the Customer⁶

MATTER	CONTACT	TITLE	PHONE / FAX	E-MAIL
Single point of contact				
Commercial / Financial				
Logistical				
Quality-related				
Technical				
CUSTOMER'S ADDRESS				

c. Language of Communication

Any notice or communication required to be given under this Agreement- or in connection with the matters contemplated by it shall, except where otherwise specifically provided, be in the Language indicated below:

Language of Communication ⁷	
----------------------------------------	--

⁵ Complete relevant blank spaces or write "NA" if not-applicable

⁶ Complete relevant blank spaces or write "NA" if not-applicable

⁷ Specify

30 ANNEX 7 – AIRCRAFT DAILY STATUS (ADS)

[Specify form]