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Government Avio Service, Aircraft Maintenance Agreement

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Definitions

For the purpose of this agreement the following terms and abbreviations shall have the meaning as stated below:

Description	Meaning
AD	Airworthiness Directive
Aircraft	The aircraft and its engines and APU as listed in the appropriate annex to this agreement being covered under the provisions of this Agreement
AMC	Acceptable Means of Compliance
AOC	Aircraft Operation Certificate, a document issued by a Competent Authority to a company to approve this company to operate aircraft for commercial air transport
AOG	Means Aircraft On Ground and defines a situation where due to the technical status of the aircraft further operation is prohibited due to the aircraft being unfit for flight
APU	Auxiliary Power Unit
CA	Competent Authority
CAA	Civil Aviation Authority
CAM	Continuing Airworthiness Manager
CAME	Continuing Airworthiness Management Exposition
CAMO	Continuing Airworthiness Management Organization
CH 5	Chapter 5
CMMS	Computerized Maintenance Management System, contracted by the Customer to a suitable service provider at Customer expense and under the sole control and responsibility of Customer regarding accuracy, integrity and completeness of data stored therein
Competent Authority	Competent Authority in the sense of EC regulation N0 2042/2003 has the oversight over the airworthiness of the Aircraft and issue AOC.
CRS	Certificate of Release to Service
CSN	Cycle since new
CSO	Cycle since overhaul
DOA	Design Organization Approval according to EASA Part-21
EASA	European Aviation Safety Agency
EC	European Community
FAA	Federal Aviation Administration (US – CAA)
FOCA	Federal Office for Civil Aviation for Switzerland
HIL	Hold Item List
Location	Service Provider's Organization Location
JAR	Joint Aviation Regulation
LLP	Life Limited Parts
MM	Maintenance Manual
MOE	Maintenance Organization Exposition
MPD	Maintenance Planning Document
MRBR	Maintenance Review Board Report
NAA	National Aviation Authority
OEM	Original Equipment Manufacturer
Operator	A company having an own AOC approval that operates aircraft for commercial air transport, either owned by the company or under a contract with an aircraft owner, according to the rules of EC regulation No. 2042/2003
PCA	Person Responsible for Continuing Airworthiness
RAS	Repair Approval Sheet (EASA Document equivalent to FAA Form 8100-9)
S/N	Serial Number



SB	Service Bulletin
SNAG Sheet	A maintenance record as per (MOE) to record inspection findings or other remarks
TC	Type Certificate
TCA	Transport Canada Authority (Canada CAA)
TLMC	Tome Limits & Maintenance Checks
TSN	Time since new
TSO	Time since overhaul



1. Applicability

1.1. Customer

This Agreement is applicable between:

Republic of Serbia

Government Avio- Service

Bulevar Mihaila Pupina 2

11070 Novi Beograd

(hereinafter referred to as **Customer**)

and

1.2. Service Provider – Approved as an EASA Part-145 Maintenance Organization by the Competent Authority

(hereinafter referred to as **Service Provider**)

1.3. Competent Authority

For the purpose of this Agreement reference to the Competent Authority shall mean the Civil Aviation Authority of Serbia.

2. Objective of the Agreement

For the purpose of definition of Maintenance and Maintenance Management Procedures regarding the operation of aircraft for commercial air transport under approval issued by



Competent Authority, the following agreement is been concluded between the Customer and _____, as a Service Provider.

This Agreement is applicable to the aircraft, including their engines and APU, as referred to as „Aircraft“ in Annex 1 to this Agreement. Annex 1 is the integral part to this Agreement.

Exhibit C to this Agreement «General Terms of Maintenance and Repair» is the integral part of this agreement with the reservation that if any provision of the agreement and Exhibit C are in conflict, the provisions of the Agreement shall prevail.

3. Operators Continuing Airworthiness Tasks

3.1. Maintenance Responsibility

Within the Customer's operation, the maintenance responsibility is delegated to the Continuing Airworthiness Manager (CAM). The responsibilities of CAM are defined in the Customer's Continuing Airworthiness Management Exposition (CAME) or in the other relevant document.

It is important to understand that Customer as an EU OPS-1 operator is responsible for the maintenance performed by the maintenance organization (Service Provider), which is approved and accepted by Competent Authorities, according to EASA Part-145.

Accordingly, when it is stated that Service Provider performs such function, activity or task, it must be understood that Customer remains responsible for being satisfied that such functions, activity or task was carried out as required by Customer.

Furthermore it is understood that this Agreement does not release Service Provider as a EASA Part-145 approved maintenance organization to comply with all EASA Part-145 requirements.

Maintenance due includes both scheduled maintenance tasks ordered by Customer, as well as unscheduled maintenance, including work arising from any maintenance activity.

3.2. Contracted tasks

It is understood between Customer and Service Provider that this agreement defines the tasks contracted by the Customer to Service Provider on a non exclusive basis. It is Service Provider's responsibility to inform the Customer of any circumstances and/or changes within his organization that will affect the ability of Service Provider to perform its obligation under this agreement.

It will be Customer's responsibility to notify the relevant competent authority on such changes.

3.3. Contractors procedure

Service Provider will perform the tasks contracted to them in this agreement based on EASA Part-145 Maintenance Organization Exposition (MOE) and will apply the processes as laid down in the MOE and related procedures.

No other own procedures of the Service Provider will be used.

3.4 . Procedure control

It shall be the Customer's responsibility to ensure that all Service Provider's Maintenance Organization Exposition (MOE) procedures are in compliance with his CAME procedures or with other relevant document.

3.5. Other procedures

If Service Provider develop other procedures that are used in accomplishment of the tasks as agreed in this contract, the MOE and its related procedures, then Service Provider shall provide



such procedures to the Customer for approval prior to using such procedures for work on Customer's aircraft.

Customer will cross-check compliance of such procedures with its' CAME and will advise Service Provider if discrepancies are found.

3.6. Access to Continuing Airworthiness Manager (CAM) related data

The Continuing Airworthiness Manager (CAM) shall have free access at all times to data pertaining to the aircraft of the Customer that are stored at Service Provider's location.

4. Service Provider Obligations

During the whole term of this Agreement the Maintenance Company undertakes to:

Carry out all the tasks as contracted to Service Provider by the Customer in this Agreement.

Maintain the appropriate EASA Part-145 approval for all aircraft types issued by Competent Authorities, covered in this agreement but subject to the different Service Provider Location Capabilities, as listed in the respective MOE.

Guarantee that licenses and authorizations of Service Provider's specialized personnel performing services for the Customer are up to date.

5. Commercial Consideration

5.1 Prices and Terms of Payment

The payment according this agreement is regularly made after the performed services, in the amount of 100%, on the bidder's current account number in CHF, within 15 (fifteen) days from the receipt of the invoice signed by the Contracting authority's authorized representative and the document which is a valid evidence that the service has been performed.

Contracting authority reserves the right to adjust payments to the liquidity of the Republic of Serbia budget.

Services which are the subject of this Public Procurement are free of VAT, according to Article 24, paragraph 1, item 17) of the Law on Value Added Tax ("Official Gazette of the Republic of Serbia", Numbers: 84/04, 86/04 – correction, 61/05, 61/07, 93/12, 108/13, 68/14-other law, 142/14, 83/15, 108/16 and 113/17).

6. Compliance with Law

Customer and Service Provider warrant that they will at all times comply with all applicable laws, including the national export laws of the Service Provider and other countries.

Customer and Service Provider acknowledge their obligations under the national export law of the country in which Service Provider has its head office and will adhere to such law with regard to any good, services, technical data and other information or any order under this Agreement.

Customer recognizes and acknowledges that goods, services, technical data and other information provided by Service Provider may be subject to export laws and restrictions issued by a foreign country in which Service Provider has its head office and Customer agrees to cooperate with Service Provider in obtaining any necessary export licenses or other authorizations from the Government of the country in which Service Provider has its head office, as may be required.



During the application process for required export licencing, Service Provider will, by means of a special form issued by Competent Authority of the country in which Service Provider has its head office, provide information to the Customer, whether such goods, services, technical data and information are subject to export laws and regulations of the country in which Service Provider has its head office.

Customer will provide for or obtain the signature of the „Ultimate Consignee“ defined in a special form and will guarantee that no re-export will be done of such goods, services, technical data and information to other countries than licensed for, unless appropriate new export licensing is obtained from the authorities of the country in which Service Provider has its head office, as specified in a special form.

7. Liability

General rules for liability shall be as lined out in Article 13 of the Exhibit C of this Agreement. Each Service Provider Location shall be individually liable for damage arising out of or related to its orders, transactions or actions. Each Service Provider Location shall not be jointly and severally liable for damages arising out or related to orders, transactions or actions by other Service Provider Locations.

8. General Terms of Maintenance and Repair

The General Terms of Maintenance and Repair as attached to the Agreement in Exhibit C are the integral part of this Agreement and will be applied unless otherwise agreed upon in this Agreement. In case of contradiction between the provisions of the Agreement and Exhibit C, the provisions of the Agreement shall take precedence.

9. Effectiveness of this Agreement

This Agreement shall become effective on the day of its signature by both parties and shall be valid up to ne year, when it will automatically terminate without the need of further notice to the parties.

The Agreement can be terminated by either Party giving written notice of termination to the other party with at least three (3) months notice.

In the case that funds allocated for the purposes of this agreement are spent before the expiry of the agreement, a three (3) months notice shall not be applied. It it shall be deemed that the agreement is terminated and Customer shall notify Service Provider accordingly, immediately before occurrence of such circumstances.

The Agreement will authomatically terminate in case of change of Ownership of the aircraft, change of Operator of the aircraft, change of Registration of the aircraft or withdrawal from use. If other aircraft are included in the Agreement, it shall remain in force for such other aircraft.

In case of termination of this Agreement for any other reason outlined under previous item (change of Ownership of the aircraft, change of Operator of the aircraft, change of Registration of the aircraft or withdrawal from use), Service Provider and Customer shall inform the Competent Authority of such termination.

Service Provider reserves the right to terminate this Agreement with immediate effect and at its sole discretion in the event that the results of a compliance and integrity check on the Customer should at any time be negative.



Notwithstanding the stipulations of the General Terms of Maintenance and Repair article 9.7, it is agreed between the parties to this Agreement, that in case of expiration or termination of the Agreement due to whatever reason, for one or all of the Aircraft covered under this Agreement, the Customer shall remain responsible for all charges and claims of Service Provider to the Customer for all works and services performed by Service Provider pursuant to this Agreement for the Aircraft prior to the date of expiration or termination of the Agreement. It is understood that such charges and claims include, but are not limited to, (i) All open receivables of Service Provider, (ii) unbilled work and services of Service Provider, (iii) any charges for denied warranty or GPMP coverage for work and services, (iv) any additional cost incurred for 3rd party services ordered by Service Provider and (v) any supplemental charges for off-core repairs or overhaul in connection with exchange transactions. Such responsibility shall extend for an unlimited period of time for a given aircraft except in cases when the Customer has formally notified all affected Service Provider's Locations in writing in accordance with the requirements of Annex 2 to this Agreement of a forthcoming or executed change of Ownership of the aircraft, change of Operator for the aircraft, change of Registration of the aircraft or withdrawal from use, in which case the responsibility of the Customer shall be limited to charges raised by Service Provider within 180 calendar days after the date of notification receipt by the respective Service Provider's Location.

10. Insurance

The parties agree that the provisions of the General terms of Maintenance and Repair according to Exhibit C shall be applied. Exhibit C shall be deemed as an integral part of this Agreement. The ground hangar keeper's liability including product liability insurance as per paragraph 13.1 of the General Terms of Maintenance and repair shall not be less than USD 80 million. The flight risks, Aircraft Combined Single Limit/Third Party & Passenger Liability Insurance as per paragraph 13.6 of the General Terms of Maintenance and repair shall not be less than USD 200 million.

11. Miscellaneous

11.1. Assignment

The Agreement, or any of the rights or obligations under the Agreement, shall not be assignable by the Customer party to any third party, except with the prior written consent of the other party.

11.2 Disclaimer

This Agreement shall not be construed as creating an agency, partnership, joint venture or any other form of legal association between the parties.

11.3 Modification

Any modification of the provision of this Agreement shall be in writing to be valid.

11.4 Partial Invalidity

If a provision is prohibited by or invalid under applicable law, the parties agree to replace any such prohibited or invalid provision with a new provision which has the most nearly similar permissible economic effect.



11.5 Waiver

The waiver by either party of a breach or default under this Agreement shall not constitute the waiver of any subsequent breach or default, and shall not act to amend or negate the rights of the parties under this Agreement.

11.6 Titles and Headings

Titles and headings to sections or paragraphs in this Agreement are inserted for convenience of reference only and are not intended to affect the interpretation or construction of this Agreement.

11.7 Notices

All notices and other communication hereunder shall be in writing and in the English language and shall be deemed to have been duly given if sent by registered or certified mail or facsimile as listed in Annex 2 for Service Provider and per Annex 3 for customer or to any other address which from time to time be communicated by a party to the other, or by hand delivery to the other party against receipt. The notice shall be deemed effective and all time periods relating to the giving of such notice shall commence upon receipt of such notice.

11.8 Customer Authorized Representatives

The Continuing Airworthiness Manager (CAM) of the Customer and/or the Captain of the Aircraft shall be considered as duly authorized representatives of the Customer. The Continuing Airworthiness Manager (CAM) of the Customer and the Captain of the Aircraft shall be authorized to order any and all services or/and work according to the terms as set forth in this Agreement in the name of, on behalf of and for the account of the Customer.

If the Customer intends to position one or more representative(s) at the Service Provider's Facility during any portion of an input downtime, upon receipt of a written request signed by duly authorized officer of the Customer, Service Provider can support the accommodation of such representative(s). Cost for such accommodation would then be paid directly to the provider by Service Provider and charged back to the Customer with the maintenance project invoice.

If the Customer intends to position one or more representative(s) at the Service Provider's Facility during any portion of an input downtime, upon receipt of a written request signed by duly authorized officer of the Customer, Service Provider can support transportation of such representative(s) either by taxi or rental car. Cost for such Transportation would then be paid directly to the provider by Service Provider and charged back to the Customer with the maintenance project invoice.

11.9 Geographical Limitations

Service Provider cannot guarantee the support for AOG in a country subject to economic sanctions or trade embargoes imposed by the country in which Service Provider has its head office. Depending on the circumstances, Service Provider may need to seek a license from the country in which Service Provider is located or from the country of its head office or from another Government in order to send or deliver a part to assist an AOG or to dispatch workforce to accomplish any recovery actions. Such process may delay or restrict Service Provider's ability to perform under this Agreement and, in cases where the license is refused or unavailable, Service Provider would not be able to service AOG within the terms of this Agreement.



11.10 Exhibits and Annexes

It is agreed that the Exhibits A), B) and C) and the Annexes 1,2,3 shall be deemed integral part of this Agreement. In case of contradiction of any provisions in the Exhibits A) and B) and Annexes 1, 2 and 3 with provisions of the Agreement, the provisions of the Agreement shall prevail.

11.11 Form and Exchange of Signatures

For this Agreement to enter into force, handwritten signatures of the Parties are required. Signed copies of the Agreement exchanged either as hardcopies or e-mailed PDF files or faxed documents shall be considered original signatures.

11.12 Counterparts

This Agreement may be executed simultaneously in two or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together will constitute one and the same Agreement.

12. Applicable Law / Jurisdiction

The Parties agree that the applicable law and place of jurisdiction provisions (**Laws of the Service Provider's country**) of the General Terms of Maintenance and Repair according to Exhibit "C" shall be applied. Exhibit "C" shall be deemed as an integral part of this Agreement.

Both parties hereby confirm their approval of the terms and conditions as set forth in the present Agreement.

Signed for Customer

Place, date:.....

Name:.....

Title:.....

Signature:.....

Name:.....

Title:.....

Signature:.....

Signed for Service Provider

Place, date:.....

Name:.....

Title:.....

Signature:.....

Name:.....

Title:.....

Signature:.....



Exhibit A - Contracted Maintenance

1. General

This Exhibit A) shall form integral part of the Agreement.

All capitalized expressions used in this Exhibit A) shall bear the same meaning as and all definitions shall be as defined in the Agreement section "Definitions".

2. Scope of Work

Service Provider shall offer to Customer maintenance, technical assistance and worldwide support for the aircraft and engines mentioned under paragraph 2.1 in accordance with the terms as set forth in this Agreement.

2.1 Type of aircraft and engines

This agreement is applicable for the aircraft, including their engines as listed in Annex 1 to this agreement.

2.1.1 Type of maintenance to be performed

Customer shall entrust Service Provider with:

- Line and base maintenance (scheduled and unscheduled) as requested by Customer;
- Maintenance on engines,
- Maintenance on components as requested by Customer
- NDT (D1) as required/requested by Customer
- Defect rectification as requested by Customer;
- Procurement and supply of equipment parts and accessories required for the requested maintenance of the aircraft operated by Customer.

It is understood, that the Customer reserves the right to entrust other certified maintenance organizations for individual maintenance actions on a case-by-case basis provided however that it is understood that Service Provider will neither warrant, represent or covenant any such third party services nor be, directly or indirectly, liable for any damage, loss or discrepancies to the Customer directly or indirectly arising out of or in connection with services requested of and provided by any third parties.

2.2 Location of Maintenance Work

Service Provider will carry out base maintenance in the location of the facilities identified in Annex 2 to the Agreement for the respective aircraft types listed in there.

2.3 Contracting and Subcontracting

2.3.1 General

Contracting means the arrangement of or for maintenance of any aircraft or component at another Part-145 approved organization.

Subcontracting means the arrangement of or for maintenance of any aircraft or component for which Service Provider is approved at another organization that is working under the quality system of Service Provider.



2.3.2 Contracting

Service Provider may contract certain arrangement of or for maintenance of any aircraft or component to EASA PART-145 approved third parties. The Customer must be informed about contracted arrangements before the contracting takes place.

2.3.3 Subcontracting

Service Provider may subcontract tasks to third parties when the procedures of the approved EASA PART-145 MOE are followed and the requirements of EC 2042/2003 Annex II 145.A.75(b) are met in compliance with procedure from Service Provider's MOE.

Upon request by the Customer, Service Provider must provide any information, especially the information regarding quality monitoring, about any subcontracted organizations.

The Customer must be informed about any subcontracted arrangements and provide to Service Provider approval for the subcontracted arrangements before commencement of such arrangements.

2.4 Maintenance Program

2.4.1 Development and Amendment

It is the Customer's responsibility to ensure that, for each aircraft in his fleet, there is in force a maintenance program that has been approved by the Competent Authority.

The Customer will be responsible for the initial development of his Maintenance Program and any changes to this Maintenance Program and for the receipt of the approval from the Competent Authority.

2.4.2 Maintenance Program Effectiveness and Reliability

The compliance with the Maintenance Program will be controlled under CMMS.

Any revisions to the OEM's recommended MM will be received by the Customer and by Service Provider.

Customer will review the Competent Authority approved Maintenance Program against the MM changes received and will establish proposed changes to the Maintenance Program. This proposal will be submitted by the Customer to the Competent Authority for review and approval.

After receipt of Competent Authority approval the respective changes will be entered into the Maintenance Program and changes will be implemented into the CMMS by the Customer.

2.4.3 Service Provider's Responsibility

It is Service Provider's responsibility to conduct all maintenance to the Customer's aircraft, subject to the terms and conditions of this Agreement, fully in accordance with the requirements laid down in the Customer's approved maintenance program.

2.5 Quality Monitoring

Customer will carry out periodic audits on Service Provider as specified in the CAME. Service Provider will allow access by Customer staff to the necessary departments as required to carry out the audit.

Customer will provide Service Provider with timely notification of audit due dates. Results of the regular quality audits by Customer will be forwarded to the Quality Manager of Service Provider. Service Provider rectifies the discrepancies within the agreed time scale.



Service Provider will allow access by Competent Authority staff to the necessary departments for conducting audits as required by the Competent Authority.

Access requirements will be announced via the Customer. Customer will provide Service Provider with timely notification of required access due dates.

2.6 Competent Authority Involvement

It is the Customer's responsibility to inform the Competent Authority in all relevant aspects regarding maintenance, modifications and repairs and to obtain the necessary approvals from the Competent Authority.

Upon Customer's request, Service Provider may assist the Customer with supporting documentation and data.

2.7 Airworthiness Data

2.7.1 Documents provided by Customer

Due the fact that Service Provider and Customer are receiving some data/documents under their own control and subscription, some data / documents are available in both locations simultaneously.

The following airworthiness data and additional documents, including revisions, are held by Customer and will be made available by Service Provider:

- Operator Maintenance Program (Customer Maintenance Program)
- Customer Airworthiness Directive listing (upon request of Service Provider listing will be supplied by Customer)
- Airworthiness Directives issued by Competent National Authority (Upon request)
- Airframe, Engine and APU manufactures maintenance programs (CH 5) (Upon request)
- Airframe, Engine and APU manufactures maintenance manuals (Upon request)
- Airframe, Engine and APU manufactures illustrated parts catalogue (Upon request)
- Airframe, Engine and APU manufactures service bulletins (Upon request)
- Standard Airframe wiring manuals (upon request)
- Standard Airframe maintenance and repair instruction manual (Upon request)
- any supplemental wiring-, maintenance manual and illustrated parts catalogue. (on board the aircraft)
- Customer Minimum Equipment List (MEL), Airplane Flight-, Operating and Loading Manuals. (on board the aircraft)
- Instructions for Continuing Airworthiness (ICA's) for any optional equipment or modifications embodied in the aircraft. (on board the aircraft)
- CMMS on-line access or submitted last revision

2.7.2 Documents available at Service provider

- Airworthiness Directives as issued by the FAA, EASA and of the state of design that issued the Type Certificate of the airframe, engines and APU.
- Airframe, Engine and APU manufacturers maintenance programs (CH 5)
- Airframe, Engine and APU manufacturers maintenance manuals
- Airframe, Engine and APU manufacturers illustrated parts catalogue

- Airframe, Engine and APU manufacturers service bulletins
- Standard airframe wiring manuals
- Standard airframe maintenance and repair instruction manual
- Service Bulletins regarding aircraft, engines, APU and appliances

2.8 Incoming Condition

The Customer will inform the Service Provider Location of any maintenance required in sufficient time so that the necessary planning may be carried out.

The Customer will ensure that the Aircraft is presented for scheduled maintenance or unscheduled maintenance with precise details of the work required and all known defects are recorded on the current sector record page of the Aircraft's technical log book.

The Customer undertakes to provide Service Provider's Location with complete updated documentation relative to the Aircraft and its engines each time the aircraft stops to have scheduled and/or unscheduled inspections performed at Service Provider Location's facility.

The Customer will be responsible to keep the Aircraft and engine log books accurately up-to-date and record in particular all occurrences during the operation of the Aircraft as well as all maintenance or modification works performed, and be responsible for the accuracy of the information recorded.

A pre-input meeting will be carried out between Service Provider's planning department and Customer CAM (or his deputy, see Annex 3) as detailed in section 2.23 below.

Prior to any base maintenance a Work Acceptance Form will be completed by Service Provider's Location and duly signed by authorized representatives of Customer and Service Provider's Location.

Additional findings will be rectified in agreement between Customer and Service Provider.

Any aircraft technical records provided by the Customer for use during maintenance down time, must be stored by Service Provider in a safe way as with regards to fire, flood and theft during their possession. This provision shall not include any general storage obligation of Service Provider.

2.9 Airworthiness Directives, Service Bulletin and Modifications

2.9.1 Airworthiness Directives

2.9.1.1 General

All applicable Airworthiness Directives issued by the Type Certificate Holder's Authority and/or FAA and/or the Competent Authority must be complied with.

Customer will receive and review all AD's issued against the aircraft, engine, APU and appliances in accordance with Customer MME or equivalent documentation procedures. Customer will determine applicability of the AD and the Selected Means of Compliance for the AD.

All airframe, engine, APU and appliances AD's must be received by Service Provider in accordance with Service Provider's Location MOE.

Customer Continuing Airworthiness Manager (CAM) will add the requirements of the applicable AD's to the agreed work package for incorporation.

2.9.1.2. Access to the Airworthiness Directives (AD)

The following AD's are received and filed by Customer and Service Provider:

- All applicable airframe AD's, small and large aircraft
- All applicable engines AD's
- All applicable appliances AD's

If for some reason Customer is not receiving all Airworthiness Directives anymore, Service Provider must be informed immediately concerning this fact and a new procedure must be established.

2.9.1.3 Airworthiness Directive Listing

Customer will maintain a current list of Airworthiness Directives detailing the following information:

- AD Number (AD Number and AD Number of originating Competent authority)
- Description
- Due date
- Complied with date
- Repetitive or one time and
- Means of Compliance (i.e. Service Bulletin Reference etc.)

The report shall be divided into the following four categories:

- Airframe
- Engine
- APU
- Components

The AD listing will be kept by Customer together with the aircraft document and is available for Service Provider for controlling when ever needed.

The AD listing will be maintained in accordance with the procedures defined in the Customer MME or equivalent documentation.

2.9.2 Service Bulletins

2.9.2.1 General

Decision on compliance with Service Bulletins (SB's) is the sole responsibility of the Customer. All Service Bulletins will be received by Customer and reviewed in accordance with Customer MME or equivalent document procedures.

All Service Bulletins will also be received by Service Provider as required in Service Provider's Location MOE.

2.9.2.2 Service Bulletin Control

The SB control process will be the sole responsibility of the Customer.

Upon Customer's request, Service Provider's Location Maintenance Planning will review the SB's and make a recommendation to Customer Continuing Airworthiness Manager (CAM) based on the:

- Safety
- Reliability
- Maintainability
- Aircraft availability
- Costs
- Operational experience
- Reliability programs for airframes, engine, APU and components

Such service will be at additional charges on a time and material consumed basis.

Customer, upon his final decision concerning the implementation of a Service Bulletin, will task and order Service Provider with his required action. Customer will add SB's to the agreed work package for incorporation.

Revision to Service Bulletins will be subject to the same process if they require additional work.

2.9.2.3 Service Bulletin Listing

Chronological Service Bulletin Listing in Maintenance Books

Customer will maintain a current list of Service Bulletins in the original airframe, engine and APU maintenance books detailing the following information:

- Service Bulletin Number and / or Modification Number
- Description of SB
- Compliance date

After incorporation of any Service Bulletins, Service Provider must enter the compliance information into the SB listing of the appropriate airframe/engine or APU maintenance log.

Service Bulletin listing within the CMMS System

Customer will maintain the current list of airframe Service Bulletin within the CMMS-System.

Any Service Bulletin with a specific or repetitive compliance date will be entered into the system and therefore displayed in the aircraft due list as applicable.

2.9.3 Other Modification

Modification as requested by Customer shall be reviewed by Service Provider and the necessary engineering order raised. The engineering order detailing the modifications will be added to the agreed work package for incorporation as agreed in the meetings. (Refer to MOE)

If required, the Customer has to submit the modification to the Competent Authority of the state of register for approval.



2.10 Hours & Cycles Control

Airframe hours and cycles are recorded and controlled by Customer.

Customer will maintain a list/record of all components on the CMMS-System of the aircraft.

The listing is available via CMMS-Link at anytime for Service Provider or the hard copy of the last revision of the document will be submitted to him.

Customer will be responsible for timely scheduling of replacement, overhaul or repair of any time-controlled components. Customer shall order such task and add this to the agreed Work Package.

2.11 Life Limited Parts

Life limited parts control is under the responsibility of Customer.

The removal of the life limited parts within the approved life limit is a mandatory requirement.

The aircraft CMMS-System is the basis for life limited part control. A record of all life limited components will be kept within the CMMS-System.

Customer will be responsible for timely scheduling of replacement or overhaul of any Life Limited components. Customer shall order such task and add this to the agreed Work Package.

2.11.1 Exchange of Information on LLP

Upon change of any LLP component, Service Provider must supply Customer the following information concerning new installed component:

- Time (hours and/or calendar time, as applicable) since new, overhaul or repair
- Landing or cycles since new, overhaul or repair

The above mentioned information could be reported either in the work package, the CMMS work forms or in the aircraft/engine maintenance books.

On the other side Customer will provide Service Provider if requested with the following information concerning the removed LLP component:

- Time (hours and/or calendar time, as applicable) since new, overhaul or repair or installation as applicable
- Landing or cycles since new, overhaul, repair or installation as applicable

Note: Normally the information for a removed component could be found in the CMMS aircraft status and / or aircraft history listing, which is available online. However Customer remains responsible for accuracy of the data.

2.12 Supply of Parts

2.12.1 General

No parts will be fitted to the aircraft without the existence of either proper paperwork.

For rotatable parts, this could be:

- An EASA Form One or
- A JAA Form One (if issued before 28.11.2004)
- A FAA Form 8130-3 new parts or for repaired parts a dual (EASA) release, or
- A TC Form One new parts or for repaired parts a dual (EASA) release.

However, it remains the responsibility of Service Provider to ensure that the part or component in question meets the approved data and standard and to ensure that the aircraft component is in a



satisfactory condition for fitment, as stated in the certification provided by the manufacturer, repair/overhaul facility or other approved maintenance organizations authorized to issue certifications as stated above.

2.12.2 Parts Supplied by Service Provider

Parts required for any requested work will be supplied / obtained by Service Provider's Location from their approved store location.

For the supply and control of parts, Service Provider's Location only uses the procedures laid down in their approved EASA PART-145 MOE.

2.12.3 Parts Supplied by Customer

The following parts might be supplied by Customer to the maintenance organization as required/requested:

- Any part requested by Service Provider from Customer provided the requirements of § 2.12.1 are met.

2.13 Scheduled Maintenance

Maintenance Planning including but not limited to timely scheduling of maintenance visits with appropriately approved organizations is the responsibility of the Customer.

The Customer will provide for the complete Work Package including the list of Tasks to be performed and the respective Work Cards to be used.

After completion of maintenance work, Service Provider will provide the respective data to the Customer for incorporation into the CMMS system. (i.e. signed work cards, work report etc.)

Service Provider, upon request, will assist in review of CMMS data and establishing of the required work package and work cards. Such service will be chargeable on a time and material consumed basis.

2.14 Unscheduled Maintenance

Any unscheduled maintenance action required on the aircraft will be referred to Customer either oral or in writing, whenever possible prior to rectification of the discrepancy.

Any unscheduled maintenance task performed must be authorized in written by a representative of the Customer - i.e signed supplement to of the Work Acceptance Form, Sign-of on the respective (Snag Sheet) or countersigned quotation.

2.15. Major Repairs

Major repairs may only be carried out in accordance with the approved data, either:

- Structural Repair Manual approved by Competent Authority
- Manufacturers repair scheme approved by Competent Authority
- Any approved data supplied by an EASA approved Part-21 Design Organization

2.16 Deferred Tasks

The Customer MEL will be referred to, in all cases of defect deferral. Any defects deferred shall be notified to Customer to obtain his approval for the defferal.



Any defect that can not be rectified shall be deferred only in accordance with the Customer Technical Log/Journey Log procedures which are the integral part of the Customer Continuing Airworthiness Management Exposition (CAME).

A review of any deferred defects will be carried out at the incoming meeting and during onrequest meeting.

The day-to-day control of technical log book deferred items is the responsibility of the Customer.

2.17 Deviation from Maintenance Schedule

Any deviation from the scheduled maintenance within the limits set forth in the approved Maintenance Program may be substantiated by Service Provider and a request submitted to the Customer for his review and acceptance.

Any deviation from the maintenance schedule outside of the allowed periods by the schedule as detailed in the approved Maintenance Program, will have to be approved by the Competent Authority. The Customer is responsible to apply for such approval.

Service Provider will provide supporting data as required in order that Customer will be able to make an application for an extension period to the Competent Authority.

The Customer will keep Service Provider fully informed of all authorised deviations from the approved maintenance schedule and provide all necessary supporting documentation.

Reference is also made to Chapter "Aircraft maintenance programs" with the Customer MME or equivalent document.

2.18 Ferry Flights / Check Flights

The Customer will be responsible for any cost related to and insurance coverage for all necessary Ferry flights and Check flights of the Aircraft.

2.18.1 Ferry Flights

Ferry flights must only be carried out in accordance with the Customer Continuing Airworthiness Management Exposition (CAME) provisions.

2.18.2 Check Flights

Check flights are performed as required by the manufacturer instructions or as requested by Service Provider's Quality Department depending on the work performed and Customer's requirements.

However the final decision about a check flight remains with the Customer. Check flights must only be carried out in accordance with the Customer Continuing Airworthiness Management Exposition (CAME) or equivalent document and Service Provider MOE.

2.19 Release to Service Documentation

Certificates of release to service will be issued by Service Provider in accordance with Service Provider's approved MOE procedures and Competent Authority requirements. All Maintenance work carried out must be certified as per Competent Authority requirements in the Customer aircraft technical log book and if applicable in the airframe, engines and APU maintenance log book. On the completion of the maintenance work, Customer will be supplied with a package containing the following information regarding the completed work:



- Certificate of release to service in the Technical Log and in the airframe, engine and APU books (as applicable)
- List of any Service Bulletins embodied
- List of any AD's complied with
- A detailed work report concerning all work carried out on the particular aircraft
- List of any component change, including TSN/TSO, LSN/LSO information. (CMMS)
- List of all new and still open deferred task stored in their system concerning the particular aircraft (carry forward list).
- Any EASA Form One or FAA-Form 8130-3 or equivalent for installed parts
- A copy of any specific (approved) data used for repairs/modifications carried out.

2.20 Maintenance Recording

All original maintenance records are to be provided to the Customer. Service Provider will only retain copies of such maintenance records.

2.21.1 By Service Provider

Service Provider must retain a copy of all detailed maintenance reports and any associated (approved) data for three years from the date the aircraft or aircraft component to which the work relates was released from the EASA PART-145 approved maintenance organization.

2.21.2 By Customer

The following maintenance records must be held and maintained by Customer :

- The Customer aircraft technical log
- The Customer aircraft journey log
- The total time and flight cycles as appropriate for the aircraft and all life limited aircraft components
- The current aircraft inspection status such that compliance with the approved maintenance program can be established.
- The current status of airworthiness directives.
- Detail of current modifications and repairs to the aircraft, engines and other component.
- The time and flight cycles as appropriate, since last overhaul of the aircraft or aircraft component subject to an overhaul life – until the aircraft or component has been superseded by equivalent work.
- A copy of all work reports concerning the particular aircraft.
- Any EASA Form One or FAA Form 8130-3 for installed parts.
- A copy of any specific (approved) data used for repairs/modifications carried out.

It is understood that Customer has not contracted the service of keeping the maintenance records by Service Provider.



2.22 Exchange of information

2.22.1 General

It is the Customer's responsibility to keep Service Provider informed continuously about relevant information regarding future maintenance requirements. Customer's Continuing Airworthiness Manager (CAM) will contact the Service Provider's planning department and where necessary the quality department on a regular basis or at least before a maintenance activity, but early enough to enable both parties to plan the forthcoming maintenance tasks in advance.

2.22.2 Occurrence Reporting

Any occurrence as defined in **EC 2042/2003 Annex I, Part-M, M.A.202 (Occurrence)** that is detected by the Customer after scheduled or unscheduled maintenance, repair or overhaul performed by Service Provider, which in the opinion of the Customer could have resulted from or be in connection to such scheduled or unscheduled maintenance, repair or overhaul has to be reported by the Customer to Service Provider not later than 72 hours after detection of the Occurrence.

Service Provider will report any Occurrence which is related to scheduled or unscheduled maintenance, repair or overhaul performed on the aircraft within 72 hours to the Customer.

Upon receipt and evaluation of any occurrence report from the Customer, Service Provider will be entitled at Service Provider's sole discretion to inform the Competent Authority and/or the equipment manufacturer of such Occurrence and resulting conditions as appropriate, without the need to obtain Customer's prior consent.

2.22.3 Access to records and documents in the event of an accident or incident

In the event of an accident or serious incident, Service Provider is responsible to hold any Customer related records secure except for Customer's personnel and authorized parties.

2.23 Meetings

2.23.1 Incoming Meeting

A pre-input meeting will be carried out between Service Provider's Planning department and Customer Continuing Airworthiness Manager (CAM) (or his deputy, see Annex 2) as detailed here below.

In conjunction with the Pilots debriefing the detailed work scope shall be discussed at aircraft maintenance input. The agenda shall include the following:

- The type of inspection due
- Known defects / Deferred defects
- Applicable AD's
- Any out of phase maintenance due before the next scheduled base maintenance
- Service Bulletins to be incorporated
- Any special inspections
- Outstanding audit discrepancies and
- The work package

Prior to any base maintenance a Work Acceptance Form will be completed by Service Provider and Customer and duly signed for both parties by the approved representatives.

Additional findings will be rectified in agreement between Customer and Service Provider.



2.23.2 Technical Meeting

As required and agreed upon, an additional meeting may be scheduled on a case by case basis and take place between Location's Planning and / or Quality Assurance departments and the Customer at the Service Provider premises. The agenda for such meetings shall be as follows;

- Any defect recorded since the last meeting or last base maintenance, and any action required (includes cabin items)
- Any deferred defects
- Any AD's, including parts and appliances issued since the last meeting
- Review of aircraft hours/cycles
- Review of maintenance planning
- Review of aircraft due list
- A review report for the aircraft will be issued by the Customer

2.23.3 Contract Review Meeting

The Customer CAM and/or Quality Manager shall meet with Service Provider's Representatives (Quality Assurance and/or planning department representatives) and review technical content of the Agreement in order to ensure compliance with MA 708(c).

This meeting shall initially be performed at the first maintenance event following signing of the Agreement and shall be repeated as part of the quality audits performed by Customer.

2.23.4 Quality Meeting

Quality meeting between the Quality Managers and/or Maintenance Managers of the Customer and Service Provider shall be arranged to examine matters raised during Customer's quality audits, to agree the necessary remedial action and to implement any action required to prevent occurrence.

2.24.1 Customer Representative

Customer may appoint one or more representatives to be present at Service Provider's Location to facilitate prompt and efficient liaison between the Parties with regard to the work to be carried out under this Agreement. Contractor shall provide to Customer's representatives all such access to the facilities where the work will be performed as such representatives may reasonably require. Service Provider will free of charge provide to the Customer's representatives air conditioned office accommodation, with personal computers with internet access and use of an in-house telephone and fax service with local and European calls, equipment rental and installation charges being free of charge to Customer. Free use of a photocopier will be provided to the Customer.



Exhibit C) - General Terms of Maintenance and Repair

1. AREA OF APPLICATION

1.1. The General Terms of Maintenance and Repair set out hereinafter shall apply, unless otherwise agreed in writing, to all work performed upon aircraft or equipment or parts thereof which Service Provider shall carry out itself or delegate/subcontract to third parties. Service Provider will not recognize differing terms and conditions of the Customer unless Service Provider has explicitly consented to their applicability in writing. These General Terms of Maintenance and Repair will also apply if Service Provider unconditionally provides the service to the Customer with knowledge of contrary terms and conditions of the Customer, or terms and conditions that deviate from these.

2. OFFERS AND COST ESTIMATES

2.1. Offers and cost estimates submitted by Service Provider shall be made without commitment. Contracts shall be effective when confirmed in writing by Service Provider or upon initiation of the work involved.

2.2. Cost estimates shall be binding only when submitted in writing and explicitly designated in the text to be binding, and for the time period indicated.

3. SCOPE OF ORDER

3.1. Each order shall be deemed to contain an authorization of Service Provider without specific approval by the Customer to carry out or cause to be carried out all such work as shall be necessary for testing the object to which the order refers, with the exception of test flights.

3.2. In case the order includes the execution of scheduled or unscheduled maintenance, testing or modification work, it shall upon mutual agreement cover all such work and testing as shall be deemed necessary by the responsible inspector of Service Provider to maintain or restore an aircraft's airworthiness.

3.3. Service Provider shall be authorized to delegate/subcontract any work ordered by a Customer to an approved and authorized third party organization without previously notifying the Customer or obtaining specific consent of the same.

4. ANCILLARY SERVICES

4.1. Customer representative(s) staying at a Service Provider facility during any portion of a maintenance input downtime can be supported by Service Provider at the respective Service Provider's facility with ancillary services which are in direct connection to that maintenance input including accommodation and lodging, ground and air transport, telecommunication and other similar support services available in the course of reasonable customer care activities. In case of medical emergency situation also health care support for the Customer representative directly can be arranged for. The Customer hereby represents that his representative(s) is/are entitled to order such ancillary services on the Customer's behalf. Such orders need to be in written form and be signed by the Customer representative. Cost for such ancillary services will then be paid directly to the provider by Service Provider and charged back to the Customer as separate line items in the invoice.



5. PRICES

5.1. Prices established under Agreement shall refer exclusively to such work and supplies as are agreed upon in writing. Additional works not agreed for in the contract are charged separately.

5.2. If no fixed price is agreed upon, Service Provider shall apply the prices it charges at the time of performance for the type of work involved.

5.3. All prices shall be net ex-works unless specifically otherwise agreed. Subcontractor and spare parts price increases, foreign exchange rate fluctuations, customs duties, taxes or other dues augmenting Service Provider's cost price shall be borne by the Customer if they occur subsequently to the dispatch of confirmation of order. Agreed prices are exclusive of VAT and other local taxes that may apply.

5.4. If the Customer purchases components required for maintenance work by Service Provider directly and delivers these parts for installation, Service Provider is entitled to charge for handling plus applicable custom and import charges if applicable. The amount of such charge for handling shall be established as per the then current price list of the Service Provider company concerned. Service Provider shall be entitled and willing to order components required for maintenance work on behalf of the Customer through Customers OEM Spare Parts Program and charges shall be invoiced to OEM or the Customer as per the program rules and in case of doubt to the Customer.

6. PAYMENT TERMS

6.1. Prior to or during the performance of the maintenance and/or repair work Service Provider and the Customer may agree on a payment scheme with agreed payment dates for work performed or to be performed.

6.2. The Customer guarantees that all cost and expenses incurred in connection with the execution of the order shall be paid without any deduction on the dates agreed and in any case within thirty (30) days of issuing of invoice. In the event of Service Provider performing any maintenance and/or repair work at any location other than one of its own facilities, the Customer shall also reimburse Service Provider for all costs and expenses incurred by Service Provider due to such activities. Such costs and expenses shall include but not be limited to the following: travel, car rental, board and lodging expenses as well as fee for travelling time and living allowances, transportation costs, duties, handling fee, charges, taxes, fees and cost of material.

6.3. Service Provider shall be entitled to demand a full payment for the work performed. The Customer shall not be entitled, in particular due to alleged or actual deficiencies, to withhold payment or part payment for work performed by Service Provider, unless such counterclaims have been accepted by Service Provider or have been confirmed by an enforceable judgment.

6.4. Payment shall be due on the dates fixed even in the event of delivery postponement by the Customer.

6.5. If the Customer fails to effect payment(s) at the dates due, Service Provider shall be entitled to charge interest from the day on which payments have been due. Unless otherwise agreed, such interest shall be at the rate of 1.5% each accumulating month of delayed payment up to a maximum rate of 15% per year.

6.6. Without prior written approval by Service Provider, the Customer shall not be entitled either to assign any rights and liabilities arising for him from his contract with Service Provider or to offset possible counterclaims against the claims of Service Provider, unless such counterclaims have been accepted by Service Provider or have been confirmed by an enforceable judgment.



6.7. If the Customer disputes an invoice in good faith it shall provide Service Provider with written details of the disputed element within 10 days of receipt of the invoice and pay the undisputed part in accordance with paragraph 6.2. Failure to comply with this Condition shall result in deemed acceptance by the Customer of the correctness of the invoice in question.

7. WORK DEADLINES

7.1. A binding completion and/or delivery deadline only exists if it has been expressly confirmed in writing as such by Service Provider.

7.2. Observance of such completion and/or delivery deadlines as are acknowledged as binding shall be subject to the Customer having previously met all contractual obligations, in particular the due and timely delivery of the object of order including keys, aircraft papers, etc., any permits, approvals and clarifications, the settlement of technical questions, the remittance of advance payments demanded by Service Provider and the prompt fulfilment of the Customers all other duties under the contract. If this is not the case, appropriate deadline postponements shall be specified. Deadlines shall also be postponed if compliance with defined deadline is not possible because of force majeure or unforeseeable events such as lack of spare parts, dislocation of operations, strikes, lockouts, etc.

7.3. If the subject matter of the contract changes or is expanded by mutual agreement from the original order and if this results in a completion and/or delivery delay, the delivery and production deadline will be extended in a corresponding fashion. Service Provider will notify the Customer of this without delay and cite a new, appropriate deadline.

7.4. The same applies analogously to the case that the aircraft replacement parts and ground support equipment or parts have to be delivered by a third party for the maintenance, repair or modification and the relevant supplier exceeds binding deadlines that formed the basis for the agreement regarding the binding delivery period, and purchase of the parts from a different source is not possible or reasonable for Service Provider within the required period of time.

7.5. In case such extended deadline is not met for reasons which Service Provider is responsible for, the Customer shall have the right to withdraw from the contract by written statement after paying full compensation for the work already performed by Service Provider. The Customer shall have a claim for damages only in cases where the Customer's losses, damages or expenses result directly from the wilful misconduct or gross negligence of Service Provider.

8. EXCHANGE AND LOANED PARTS

8.1. **Exchange basis:** If the Customer is supplied with exchange parts, he shall return the off-core parts to Service Provider within **10 days** of the receipt of such exchange parts. The costs of exchange shall be determined in advance by the manufacturer of the parts or by Service Provider. If the expense of repairing the returned off-core parts exceeds the cost of the exchange, the Customer shall be charged with the difference by supplementary invoice. If for any reason whatsoever the Customer returns a part remitted to him by Service Provider without having used it, such part shall only be accepted if serviceable upon arrival at Service Provider. The Customer shall in addition be charged with a restocking and certification fee of 15% of the part's current list price or such charges that a supplier or OEM applies and invoices to Service Provider, whichever is higher. If a returned part is found to be defective, the Customer shall be charged with the cost of repairing and recertification it by supplementary invoice. If the part is not repairable, the Customer shall be debited with the full sales price.



8.2. Loan basis: The provisions of Service Provider standard loan agreement shall be applicable to loaned parts even in cases in which no such agreement is specifically concluded. Loaned parts shall be returned serviceable in any event. If such is not the case, the repair and recertification costs or, if repairs are not cost-effective, the replacement cost of loaned parts shall be charged to the Customer.

9. DELIVERY, REDELIVERY AND ACCEPTANCE

9.1. The Customer shall deliver at its own expenses the aircraft, part or equipment to be repaired or maintained ("subject of order") to Service Provider facility where such repair or maintenance shall take place.

9.2. The repaired and/or maintained aircraft, part or equipment shall be redelivered by Service Provider ex works (Incoterms 2010).

9.3. Acceptance will be approved in writing as a general principle and will be at the expense of the Customer. Acceptance is not permitted to be refused for flaws that do not interfere with the airworthiness or significantly interfere with the functional capability of the subject of order.

9.4. Shipment of the subject of order to the Customer, including temporary storage of the same en route or at destination, shall be entirely at risk and expense of the Customer.

9.5. Once Service Provider has given the Customer written notice of completion of a repair or maintenance job, the Customer will pick up the subject of order and inspect the services within a period of no more than three (3) working days from the date of notice, after which period the Customer will be in default and liable for the aircraft or parts, and Service Provider will only remain liable thereafter for destruction/damage to the aircraft arising directly from the wilful misconduct of Service Provider.

9.6. The acceptance inspection will be regarded as complete as soon as the Customer utilises the subject of order.

9.7. In case where formal redelivery and/or acceptance has not occurred due to work stoppage by Service Provider due to whatever reason and the aircraft remains parked at Service Provider, or in case that after formal redelivery and/or acceptance the aircraft remains at the Service Provider facility for a prolonged period, then it is the sole responsibility of the Customer to define and formally order to Service Provider any preventive or preservative maintenance measures to be applied to the aircraft during such extended grounding period of the aircraft to ensure continuing airworthiness and fitness for use of the aircraft. Service Provider hereby expressly excludes any liability for dilapidation of the aircraft during any prolonged grounding period of the aircraft.

10. PASSING OF TITLE

10.1. Title to goods supplied (whether on their own or as part of the performance of Services and whether separate and identifiable or incorporated in or mixed with other goods) by Service Provider to the Customer ("Goods") shall remain with Service Provider until payment in full has been received by Service Provider for those Goods, for any other Goods supplied by Service Provider and of any other monies due from the Customer to Service Provider on any account to the extent permissible under the Applicable Law. Until title to the Goods passes to the Customer, the Customer shall keep the Goods separately and readily identifiable as the property of Service Provider and the Customer will notify Service Provider (at Service Provider's request) of their whereabouts at any time.



10.2. In any resale of Goods in which title has not passed by Customer (as between Service Provider and the Customer only), the Customer shall act solely as agent of Service Provider.

10.3. The Customer shall immediately notify Service Provider of the whereabouts of the Goods if Service Provider notifies the Customer that the Customer is in breach of any of the terms of an agreement incorporating these Conditions or if Service Provider considers, for any reasonable cause, that the Goods are in jeopardy.

10.4. Forthwith upon receipt of notice from Service Provider pursuant to Paragraph 10.3, the Customer's authority to possess the Goods shall automatically end (without any requirement for notice or any other act) and all Goods which are the property of Jet Aviation shall be immediately delivered to Service Provider.

10.5. Service Provider's employees and agents shall be entitled to enter any land, buildings, vehicles or aircraft where the Goods or part of them are situated or are reasonably thought to be situated, and may take possession of them at any time, to the extent permissible under the Applicable Law. If the Goods have been fitted to or fixed to an engine or aircraft, the Customer explicitly grants Service Provider the right to take possession of them and Service Provider's title in the Goods shall not be affected by any stipulation or rule of law that the Goods have become part of an engine or aircraft.

11. RIGHT OF LIEN

11.1. In respect of all claims, whether due or not, resulting from contractual relations with its Customers, including claims resulting from prior business relations with the Customer concerned, Service Provider shall have, in addition to its legal right of retention, a contractual right of lien on such objects in its possession, independently of the Customer's proprietary rights. The Customer herewith gives its consent and approval to all measures reasonably taken by Service Provider to secure its right of lien. Service Provider shall be entitled to enforce such right of lien for the purpose of securing any of its claims against the Customer, including claims resulting from (i) prior business relations with the Customer concerned, and/or (ii) a business relationship between the Customer and any affiliate which is under the same ultimate control as Service Provider.

12. WARRANTY

12.1. Service Provider warrants that maintenance and repair works carried out by it shall be free from any defects in workmanship for a period of (i) for avionic systems new installations one (1) year but in no event longer than six hundred (600) flight hours, (ii) complete cabin interior refurbishment one (1) year but in no event longer than six hundred (600) flight hours (not to extend to only partial refurbishment or interior component repair or cosmetrical treatment and to the exclusion of normal wear and tear) (iii) complete exterior repaint one (1) year and (iv) for all other maintenance and/or repair work ninety (90) days but in no event longer than hundred and fifty (150) flight hours after the completion of maintenance and/or repair work on the aircraft.

12.2. The warranty of Service Provider shall expire if (i) the Customer does not inform Service Provider in writing within ten (10) days from the discovery of the defect, (ii) the Customer does not give Service Provider immediate access to the aircraft in order to inspect the defects, (iii) the Customer or a third party appointed by the Customer have tried to repair the defect without the prior inspection and/or authorization by Service Provider, (iv) the Customer has not taken all



precautions to prevent an aggravation of the damage, or (v) the Customer does not comply with operating instructions given by Service Provider or the Aircraft Manufacturer.

12.3. In case that any defect results from faulty workmanship of maintenance and/or repair work performed by Service Provider, the sole remedy available to the Customer shall be the immediate remedy of such defect by Service Provider by repairing and/or replacing, at Service Provider's sole discretion, any defective parts and/or workmanship at no cost for the Customer up to a maximum amount not exceeding the total sum of the relevant work order. The warranty shall not extend to other claims, such as redhibition and reduction in price.

12.4. The Customer shall inform Service Provider immediately in the event that the aircraft is not operable or works unsatisfactorily after maintenance and repair work has been carried out. All claims against Service Provider for any defect will become extinct unless they have been notified to Service Provider without undue delay, immediately but not later than five (5) business days after detectable occurrence of the defect. The claims will also become extinct unless they have been justified by a detailed written report within ten (10) business days after detectable occurrence of the defect.

12.5. As long as the Customer is in default of payment, no warranty claims whatsoever shall be considered.

12.6. No warranty claims will be considered for used parts or makeshift repairs installed or performed at the request of the Customer. If the Customer demands that equipment, spare parts, material, etc. supplied by himself are used, Service Provider bears no responsibility as to the function of the said equipment and/or installation and refuses any warranty for the same.

12.7. In case of work performed by third parties, Service Provider's warranty shall be limited to the extent to which Service Provider is entitled to claims against third parties and can successfully enforce such claims.

12.8. With reference to equipment and spare parts used in the maintenance or repair of the aircraft, the respective third party manufacturer's and/or supplier's warranty shall be applicable and Service Provider does not assume any additional warranty for such equipment and spare parts.

12.9. Service Provider will, so far as it is able, pass on to the Customer the benefit of any warranty given by any third party (whether manufacturer, sub-contractor or otherwise) in respect of equipment and spare parts and/or Services. Subject only to that obligation, all Goods and Services are sold without any warranty whatsoever, save as specified in this Paragraph 12.

13. LIMITATION OF LIABILITY AND INSURANCE

13.1. During the term of this Agreement Service Provider shall maintain a ground hangar keeper's liability including product liability insurance with a combined single limit in accordance with the Maintenance and Assistance Agreement.

13.2. Any liability by Service Provider shall be precluded unless the Customer's losses, damages or expenses result directly from the negligence or wilful misconduct of Service Provider.

13.3. In no event will Service Provider be liable for any incidental damages, consequential damages (except damages which are a direct consequence of physical damage to the Aircraft in Service Provider's care and custody caused by Service Provider's negligence or willful misconduct), special damages, indirect damages, loss of profits, loss of revenue or loss of use, even if informed of the possibility of such damages.



13.4. To the extent permitted under applicable law, these limitations will apply regardless of whether liability arises from breach of contract, warranty, tort (including but not limited to negligence), by operation of law, or otherwise.

13.5. The Customer shall be liable to Service Provider for any damage he, his representative or his vicarious agents may cause to the subject of order and for damage caused by negligence or intention to Service Provider, its representatives or its vicarious agents.

13.6. Service Provider is under no obligation to take insurance coverage for the Aircraft, its components or parts or equipment, which are located on its premises, in its workshops or on its parking areas. The Customer undertakes to take out insurance coverage for property (Hull All Risk Insurance on aircraft and aircraft spare parts, including improvements installed thereon as the work progresses). The Customer furthermore undertakes to take out a respective third-party liability coverage (including flight risks, Aircraft Combined Single Limit/Third Party & Passenger Liability Insurance) with a combined single limit in accordance with the Maintenance and Assistance Agreement for the duration of this Agreement and include Service Provider, their representatives and vicarious agents as joint insured irrespective of the remaining liability provisions. If the Customer has ordered services from Service Provider on behalf of a third party, the Customer guarantees that such third party effects and maintains insurances in the same way. The Customer will upon Service Provider's request produce copies of the respective insurance certificates for the insurances mentioned in this clause.

14. INDEMNITY

14.1 The Customer shall undertake to discharge Service Provider from any third party claims that may be advanced against Service Provider for any legal reason whatsoever in connection with any work carried out by Service Provider to the Customer's order and to assume any and all expenses and costs that may be incurred by Service Provider due to such claims.

15. CONCLUDING PROVISIONS

15.1. In the event that any one or more of the present terms shall, for any reason, be held to be invalid, illegal or unenforceable, the remaining present terms hereof shall be unimpaired and the invalid, illegal or unenforceable term shall be replaced by a mutually acceptable term, which, being valid, legal and enforceable, comes closest to the intention of the parties underlying the invalid, illegal or unenforceable term.

15.2. The present terms shall apply also to any future business relations with the Customer even if they are not explicitly reiterated.

16. COMPLIANCE WITH LAWS

16.1. The parties agree, that in pursuing any agreement, and in performing under their business relations, they will fully comply with all laws, regulations, and policies of their respective countries, including all applicable Export Control Regulations, the US "International Traffic In Arms Regulations" ("ITAR") and applicable anti-bribery laws.



17. APPLICABLE LAW / PLACE OF JURISDICTION

17.1 The parties agree that these General Terms of Maintenance and Repair are part of an international contractual relationship and each party (a) agrees that such relationship (and each part of it including the maintenance and repair order) shall be **exclusively governed by and construed in accordance with National Laws of Service Provider's country**, to the exclusion of the conflict of law rules and further to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods, and (b) **irrevocably submits to the exclusive jurisdiction of the Service Provider's country courts** to settle any dispute which may arise under or in connection with this contractual relationship (or any part thereof). The parties acknowledge that they have agreed this condition on the basis that Service Provider is headquartered and that it handles commercial contract drafting and disputes centrally.



Annex 1 - Aircraft

Aircraft: Lear Jet 31A

Registration mark:	YU-BRZ
S/N	045
Tip motora	TFE731-2-3B
S/N:	P-99191
S/N:	P-99192



Annex 2 – Service Provider’s Details

Service Provider

ADDRESS TO BE USED FOR NOTICES TO THIS AGREEMENT

24 HOURS/7DAYS-A-WEEK CONTACT FOR TECHNICAL MATTERS

24 HOURS/7DAYS-A-WEEK CONTACT FOR LOGISTICS SUPPORT SERVICES

**AIRCRAFT TYPES UNDER THIS AGREEMENT AND LOCATION OF
MAINTENANCE**

Invoice Currency: CHF

BANK ACCOUNT DETAILS:

SERVICE PROVIDER’S CONTACT PERSONS:



Annex 3 – Customer Details

Address to be used for notices in regards to the Agreement

**Republika Srbija
Avio-Služba Vlade
Bulevar Mihaila Pupina 2
11070 Novi Beograd**

Address to be used for day-to-day correspondence on technical matters

**Republika Srbija
Avio-Služba Vlade
Bulevar Mihaila Pupina 2
11070 Novi Beograd**

Invoice Address

a) Address to be used on Invoice header sheet address

b) Address to be used as Invoice mailing

**Republika Srbija
Avio-Služba Vlade
Bulevar Mihaila Pupina 2
11070 Novi Beograd**

Authorized Personnel Customer

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