

APPROVED BY  
**Chairman of the Bidding Commission**  
**Rossiya Airlines JSC**  
\_\_\_\_\_ **M.N. Fedosov**

\_\_\_\_\_ 2016

**Documentation**  
**Public Request for Quotations in Non-Electronic Format**  
**For selection of service provider for repairs of CFM56-5A engines for**  
**Airbus A320 family aircraft**

St.Petersburg  
2016

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## **Section 1. Provisions Governing Public Request for Quotations**

### **1. General**

The present documentation has been developed according to the "Provision on Procurement of Goods, Works and Services of Rossiya Airlines JSC".

Procedure for the public request for quotations (hereinafter referred to as Request for Quotations) is neither tender, nor auction for the right to be awarded a contract, and is not governed by Articles 447 – 449, Part One of the Civil Code of the Russian Federation. In addition, this procedure is not a public tender and is not governed by Articles 1057 to 1061, Part Two of the Civil Code of the Russian Federation. Thus, conduction of the Request for Quotation does not imply any appropriate civil obligations for the customer for mandatory contract conclusion with the winner or other bidder.

### **2. Requirements to Procurement Bidders**

The following mandatory requirements for Procurement Bidders (hereafter referred to as Bidder) are established:

- Bidder shall comply with the requirements established according to the Russian legislation for persons delivering goods, performing work and/or rendering services being a subject of procurement;
- Bidder shall not be under liquidation as a legal entity and there shall be no any adjudication order for the Bidder as a legal entity or initiated bankruptcy proceedings;
- Bidder's operations shall not be suspended according to the Russian Administrative Offences Code as of the date of the Request for Quotation bid review;
- Bidder shall have no any arrears of assessed taxes, duties and other obligatory payments to budgets of any level or state non-budgetary funds. The bidder shall be deemed to be compliant with the relative established requirement if he appeals against the above arrears according to the Russian legislation and no decision with respect to such claim has been made as of the date of the Request for Quotation bid review;
- Bidder shall not be listed in the suppliers blacklist as stipulated in Art. 5 of Federal Law No.223-FZ nor in the suppliers blacklist as stipulated in Federal Law No.44-FZ "On Contractual System regarding Central and Local Government Procurement of Goods, Works and Services" dated April 5, 2013;
- Bidder shall have no any overdue accounts receivable and/or outstanding commitments to the Customer.

### **3. Requirements for Preparation of the Request for Quotations Bids**

All documents submitted by the Request for Quotations Bidders shall be signed by the company's chief executive officer or a person authorised by him and shall be sealed with the appropriate company's stamp. All copies of the documents shall be clearly printed.

Documents included into the bid for the Request for Quotations (hereinafter referred to as Bid) shall be clamped such to prevent accidental loss or movement of pages. All documents attached to the Bid for the Request for Quotations shall be stitched in one volume. Last pages of the documents shall be endorsed with signature of the company's chief executive officer (or duly authorized person) and sealed with the company's stamp indicating number of pages in the volume. All pages, without exception, shall have consecutive numbering.

Any amendments in the text of the Bid shall be invalid unless these amendments are certified both by a hand-written inscription "Amendment valid" and the autograph signature of the authorized person next to each amendment.

Bidder for the Request for Quotations may submit only one Bid. If any Bidder submits several Bids all these bids will be rejected not being reviewed on the merits.

#### **4. Requirements to Language of the Bid for Request of Quotations**

All documents included into the Bid shall be issued both in Russian and English language except for those documents, which originals are issued to the Bidder by the third parties in other language. The specified documents may be submitted in original language provided that translation of these documents into Russian or English is attached to them.

#### **5. Requirements to Contents of Documents Included into the Bid for the Request for Quotations**

Bid to be submitted by a Bidder in accordance with the present Documentation shall be compiled according to the list as per the Forms given in Section 3 and shall include the following documents:

5.1 List of Documents (Form 1).

5.2 Bidder's Questionnaire (Form 2)

5.3 Quote (Form 3);

5.4 Document authorizing the person's powers to act on behalf of the Bidder, if required – a power of attorney duly issued and certifying that the person or persons signing the Bid are duly authorized to sign the bid and that this bid is binding upon the Bidder; documents authorizing powers of the person who has signed the bid for the Request for Quotations.

5.5 Statement of affiliation/non-affiliation of the Bidder with Rossiya Airlines JSC's employees and their immediate relatives (spouses, parents, brothers and sisters) verified by the Bidder's chief executive officer;

5.6 Information Letter on granting guarantee according to the Terms of Reference for every part or unit provided or repaired on behalf of the engine repair service provider or its subcontractors.

5.7 Other documents in accordance with the Terms of Reference required for compilation of the quotation.

#### **6. Quote Pricing Procedure**

Prices given in the Bidder's quote shall be indicated in US Dollars (any currency other than US Dollars will be converted at the fixed rate of the Russian Central Bank as of the date of opening of envelopes)

The price shall include all expenses of the Bidder related to the procurement scope services including all applicable taxes and duties.

#### **7. Clarification of Documentation for Request for Quotations Procedure**

7.1. Any potential bidder is entitled to send to the Customer an inquiry for clarification of provisions of documentation for the Request for Quotations in writing or in electronic format at least 2 business days before the deadline of submission of the bids for the Request for Quotations.

Contact details related RFP clarification:

Harevich Irina

e-mail : tender@rossiya-airlines.com

7.2. ANY INFORMATION EXCHANGE RELATED SUBJECT OR TERMS OF CONTRACT, WHICH IS GOING TO BE CONCLUDED BETWEEN A BIDDER AND CUSTOMER, IS ALLOWED FROM THE DATE OF THIS DOCUMENTATION PUBLISHING

UPTO THE DATE OF REVIEW AND SUMMARIZING PROCUREMENT RESULTS ONLY IN ACCORDANCE WITH THIS ARTICLE POINT 7.1 OF THIS DOCUMENTATION SECTION 1.

## **8. Procedure of Submission of Bids for Request for Quotations**

Bidder shall put the Bid into an envelope. Then the envelope shall be sealed. The envelope shall be marked with the following: "Bid for Request for Quotations for selection of service provider for repairs of **CFM56-5A** engines for Airbus A320 family aircraft".

DO NOT OPEN BEFORE 10.00 (Moscow time) January 17, 2017".

Deadline for submission of Bids for Request of Quotations is 10.00 (Moscow time) January 17, 2017 but not prior to the time specified in the notice to invitation to the Request for Quotations (hereinafter referred to as Notice).

ATTENTION THAT in the territory of the Russian Federation HOLIDAYS Since 31.12.2016. - 08.01.2017. EXPLANATIONS of PROVISIONS of DOCUMENTATION AND RECEPTION of ENVELOPES it WILL be CARRIED OUT 22.12.2016 – 30.12.2016 and 09.01.2017 - 17.01.2017.

Prior to the Bids submission deadline the Bids for the Request of Quotations shall be submitted to the following address: Tender Division, 18/4 Pilotov str., Saint-Petersburg, contact phone: (812) 6-333-999 ext. 24-63.

Envelopes with bids received by the Customer after the Bids submission deadline shall not be reviewed and shall be sent back to the procurement bidders submitted such bids within 3 business days from the date of bid receipt with intact integrity of the envelope used for submission of such bid.

## **9. Amendments and Withdrawal of Bids for Request for Quotations**

Bidder is entitled to amend or withdraw submitted Bid for Request for Quotations provided his appropriate written request is received by the Customer prior to the deadline for submission of Bids for Request of Quotations at the address specified in item 8 of the present Section. Bidder's request for bid withdrawal shall be signed by his chief executive officer or a person duly authorized by him (with attached power of attorney). Amendments in the bid shall be introduced by withdrawing the earlier submitted bid and then re-submission of an amended bid. In his request, the Bidder shall indicate that the earlier submitted bid should be withdrawn because of submission of a new amended bid. In this case date and time of bid submission shall be date and time of submission of the initial bid.

## **10. Procedure of Opening of Envelopes with Bids for Request for Quotations**

Customer's Bidding Commission (hereinafter referred to as Commission) shall read, in public, the bids submitted for the Request for Quotations.

The Commission shall keep minutes of the submitted bids with the following records: Name and mailing address of each Bidder, availability of information and documents included into the Bid, conditions of contract execution that are specified in such bid and considered to be bid assessment criteria.

Bidders submitted bids for Request for Quotations or their representatives may attend the submitted bid reading procedure. For this purpose, the Bidder shall send an appropriate letter to the Bidding Commission Secretary three days prior to beginning of bid announcement procedure with attached copies of passport (for admission card issue) and power of attorney for attendance. All attendees shall be recorded in the List of Bidders' Representatives.

## **11. Pre-qualification Stage, Procedure of Review of Bids for Request for Quotations**

Within the pre-qualification stage the Bidding Commission shall check the following:

- Bids - for compliance with the requirements specified in the request for quotations procedure documentation regarding bid preparation and contents. And the bids will be deemed to be compliant with the requirements of the documentation even though they have minor non-conformities with respect to form, or arithmetic and/or grammar mistakes that have been corrected and such correction is approved by the bidder submitted the bid;
- Procurement bidder - for compliance with the Customer's requirements stipulated in item 2 of the present Section of the documentation;
- Proposed goods, work and/or services - for compliance with the requirements of the request for quotations.

A bid shall be deemed to be complying with the formal requirements if this bid meets all provisions and conditions of the Request for Quotations documentation and does not include any significant deviations or exceptions. Significant deviations or exceptions are deviations and exceptions:

- a) that affect, in any essential way, scope or quality of products to be delivered (work to be performed and/or services to be rendered);
- b) that limit, in any essential way, customer's rights or bidder's obligations under the contract as stipulated in the documentation;
- c) correction of which will cause unequal competitive conditions for other bidders submitted bids that are generally comply with the key bid requirements.

In case of any discrepancies between amounts in figures and in words in the bid, the amount in words shall be considered for review.

Based on the results of review of the Request for Quotations bids the Bidding Commission shall decide on the following:

- whether to qualify the Bidder for bidding in the Request for Quotations (to deem a bidder submitted a bid for the Request for Quotations to be a bidder for such Request for Quotations);
- whether not to qualify the Bidder for bidding in the Request for Quotations or to reject his bid application.

Procurement Bidder shall not be qualified for bidding in the Request for Quotations if:

- documents stipulated in item 5 of the present Section are not submitted or include unreliable information about the procurement bidder;
- the procurement bidder does not meet the requirements for procurement bidders stipulated in item 2 of the present Section;
- proposed qualification, mandatory and other parameters of the bidder as well as of the goods, works and/or services do not comply with the requirements given in the documentation regarding Request for Quotations;
- no clarification regarding the bid for the Request for Quotations has been provided upon the Commission's query;
- the counter draft contract submitted by the Bidder has been rejected due to non-compliance with the conditions of the Request for Quotations documentation;
- proposed price exceeds the initial (maximum) price specified by the Customer in the Request for Quotations documentation;
- bid for the Request for Quotations does not comply with the requirements for bids stipulated by the documentation regarding the Request for Quotations procedure including when:

a) the Bid does not comply with the form of the Request for Quotation documentation and/or does not include mandatory information according to the requirements of the Request for Quotations;

b) the documents are not duly signed.

In case of finding of fact of unreliable data indicated in the bid, finding of fact of liquidation or bankruptcy proceedings or adjudication order being taken against the Bidder,

fact of suspended operations of the Bidder according to the procedure established by legislation of the Bidder's country, fact of arrears of assessed taxes, duties and other obligatory payments to budgets of any level or state non-budgetary funds over the past calendar year such Bidder shall be banned from bidding for the request for quotations procedure at any stage.

If during pre-qualification stage it is decided to deny all procurement bidders submitted bids for the request for quotations to be qualified for the request for quotations, or to qualify for the request for quotations only one bidder submitted a bid for the request for quotations then the request for quotations shall be deemed to be failed.

In case a bid of only one procurement bidder is deemed to be complying with the requirements of the documentation for Request for Quotation procedure such bidder shall be deemed to be the only one bidder for the request for quotations. The Customer is entitled to conclude a contract with the only one bidder under the conditions given in the documentation for the Request for Quotations procedure, draft contract and the bid submitted by the bidder. Such bidder is not entitled to withdraw from conclusion a contract with the Customer.

## 12. Procedure of Evaluation and Comparison of Bids for Request for Quotations

12.1. Evaluation and comparison of bids shall be made using the 10-score system according with the criteria given below and considering criteria weight and using methods of evaluation and comparison according to conditions of the present Procedure of Evaluation and Comparison of Bids for Request for Quotations.

12.2. Criteria for evaluation of bids for the request for quotations:

Criterion No.	Maximum value	Criterion Designation
1	60	Total amount of Fixed Prices for repair of 2 engines
2	20	Evaluation of Repair Component Catalogue (Appendix 2)
3	10	Total time periods for repairs of 2 engines, <u>calendar</u> days
4	10	Time and Material Rates(Appendix 3)

### 12.3. Procedure of evaluation and comparison of Bidders' bids:

#### 12.3.1. Theoretical Estimate Base of the Evaluation Method

Evaluation of the bids of the procurement bidders was made using a method ensuring comparability of quotations with different scores obtained for different parameters.

Evaluation of a parameter is a function of its value

$$K = P_{\text{баз}} / P_{\text{оц}} \times M,$$

There is:

K – amount of points, assigned to the proposal of a Bidder related certain Criterion;

$P_{\text{баз}}$  - is a basic and the least (thus, the best) value of the values of this parameter proposed by all potential bidders. Information related evaluate amounts for each criterion is shown in p. 12.3.2.

$P_{\text{оц}}$  - is value of bidder proposal for a criterion;

M – maximum value of a criterion.

For evaluation of a proposal related criterion 4 will be used following approach:

-if proposal satisfies requirements indicated in p. 12.3.2, maximum amount related this criterion will be assigned to the proposal.

-if proposal doesn't satisfy requirements indicated in p. 12.3.2, points related this criterion will not be assigned to the proposal.

### **12.3.2 Scoring of specified criteria**

Criterion 1 – “Total cost of two engine repairs” to be evaluated as a sum of fixed prices for two engine repairs, suggested by a Bidder. P6a3 is assumed to be the least sum of two repairs among of the provided proposals.

Criterion 2 – "Evaluation of Repair Component Catalogue" to be evaluated as a sum of cost of maximum possible scope of work for the list of components in Appendix 2. P6a3 is assumed to be the least sum of all repairs among of the provided proposals.

Criterion 3 – “Time periods for repairs of two engines" to be evaluated as total time for two engine repairs. P6a3 is assumed to be the least total time for two engine repairs among of the provided proposals.

Criterion 4 – “Time and Material rates”. The estimation of compliance suggested rates “Time and Material rates” with Rates indicated in Appendix 3. The Bidder proposal which contains ALL RATES identical rates mentioned in the Appendix 2 or better rates (rates with lower handling fees, mark-ups, caps and values) then such proposal will receive the maximum value of this criterion. .

If a Bidder proposal related “ Time and Material Rates” is higher for ONE or SOME RATES than mentioned in the Appendix 2 then such proposal will receive 0 (zero) points as estimation encourage for this criteria.

### **12.3.3. Bidders’ bid benchmarking:**

Final evaluation of the bidder’s quotation in scores shall be determined as a sum of scores obtained for each criterion. Maximum quotation of a proposal for all criteria may be 100 points. Non-Whole values rounded to the nearest 0.01 using mathematic rules of rounding. Quotation with maximum scores resulted from the final evaluation shall be assigned the first place. Remaining quotations will be assigned the second and further places in descending order of score number obtained.

## **13.Contract Award Conditions**

Contract shall be concluded with a bidder for the request for quotations whose bid meets, to the fullest extent, the Customer’s requirements stipulated in the documentation, includes the best conditions of contract execution and was assigned the first number.

The winner of the request for quotations shall submit to the Customer a contract signed by him, within 15 business days from the date of his notification about the results of the request for quotations.

Procurement bidder may provide a counter draft contract provided all mandatory obligations as explicitly stated in the documentation including the Customer’s draft contract and the Terms of Reference are met.

Contract with a winner or bidder for Request for Quotation to be awarded with such contract shall be concluded only in case Customer’s corporative approval is obtained.

Time period for contract conclusion with the winner based on the procurement results shall not exceed 90 days from the date of results summarizing.

If the winner of the request for quotations avoids concluding the contract, the Customer shall be entitled to decide to award the contract to the bidder whose bid has been assigned the second number, or take any other decision. Such decision shall be issued as an appropriate Minutes of the Commission Meeting. Contract with such bidder shall be concluded under the terms and conditions specified in the draft contract attached to the request for quotations documentation, proposed by such bidder in his bid. Such bidder is not entitled to withdraw from conclusion a contract.



#### **14. Miscellaneous**

The Customer shall be entitled to withdraw the request for quotations without giving any reasons, at any time, or refuse to award a contract while not bearing any liability against the bidders including but not limited to reimbursement of any expenses related to preparation and submission of a bid for the request for quotations.

In case of a decision to withdraw the request for quotations. The Customer shall bear no obligations or liability if the potential bidders or bidders fail to note the notice of withdrawal the request for quotations.

In case the Request for Quotations is deemed to be failed and/or a contract is not concluded with a bidder submitted the only one bid or deemed to be the only one bidder for the request for quotations the Customer is entitled to repeat request for quotations or apply another procurement procedure.

## Section 2. Information Card for the Request for Quotations.

The following information and data for the certain Request for Quotations are supplementary to the provisions of Section 1 Conditions of Request for Quotations Procedure. In case of any conflict provisions of the present Section shall prevail over provisions of Section 1.

	<b>INFORMATION</b>
<b>Customer's name, location, mailing address, contact persons</b>	Rossiya Airlines Joint Stock Company Location: 18/4 Pilotov str., Saint-Petersburg Mailing address: 18/4 Pilotov str., Saint-Petersburg, 196210. Company web-site - <a href="http://www.rossiya-airlines.com">www.rossiya-airlines.com</a>  Contact person for procurement issues: Irina Kharevich Phone: +7 (812) 6-333-999 ext. 24-63 e-mail: <a href="mailto:tender@rossiya-airlines.com">tender@rossiya-airlines.com</a>
<b>Procurement Method</b>	Request for quotations
<b>Subject</b>	Repairs of CFM56-5A engines for Airbus A320 family aircraft.
<b>Characteristics and Scope of goods, works and/or services</b>	<b>Information is given in the Terms of Reference (Section 4 of the present Documentation)</b>
<b>Source of Financing</b>	Equity capital of Rossiya Airlines JSC
<b>Initial (maximum) contractual price (lot price)</b>	<b>USD 6,200,000.00.</b>
<b>Place of goods delivery, work performance and/or service rendering</b>	Information is provided in the Terms of Reference (Section 4 of the present Documentation) and in the draft contract (Section 5 of the present Documentation)
<b>Terms of goods delivery, work performance, service rendering</b>	Information is provided in the Terms of Reference (Section 4 of the present Documentation) and in the draft contract (Section 5 of the present Documentation)
<b>Payment method, time and procedure</b>	Information is provided in the draft contract (Section 5 of the present Documentation)
<b>Determination of price benchmarking basis</b>	Common basis for comparison of quotations shall be quoted prices of all bidders obtained in accordance with provisions of item 6, Section 1 of the present documentation

<b>Currency of the Request for Quotations:</b>	USD Dollars
<b>Bid Language</b>	Russian, English
<b>Outsourcing of co-contractors/sub-contractors</b>	According to the contractual terms and condition
<b>Place, date and time of beginning/deadline of bids submission</b>	Bids for the public Request for Quotations will be received at the following address: Tender Division, 18/4 Pilotov str., Saint-Petersburg, week days, from 09:00 till 13:00 and from 14:00 till 17:00. Date and time of beginning of bids submission <b>the 22<sup>th</sup> of December, 2016, 16:00 (Moscow time).</b> Deadline of bids submission <b>the 17<sup>th</sup> of January, 2017, 10:00 (Moscow time).</b>
<b>Data of beginning and end of time period for submission of clarifications for bidders regarding the documentation provisions</b>	Clarifications regarding the documentation provisions shall be submitted from the 22 <sup>th</sup> of December till the 12 <sup>th</sup> of January, 2017.
<b>Place and date of opening of envelopes with bids</b>	Envelops with bids shall be opened on <b>the 17<sup>th</sup> of January, 2017</b> , at the following address: Office of the Bidding Commission Chairman, 18/4 Pilotov str., Saint-Petersburg.
<b>Place and date of bids review and summarizing procurement results</b>	Office of the Bidding Commission Chairman, 18/4 Pilotov str., Saint-Petersburg, <b>on January 24, 2017.</b>
<b>Validity of a bid for the Request for Quotations</b>	Within 90 days from the deadline for bids submission

### Section 3. Forms and Documents Templates

#### **Form 1 List of Documents** to be submitted for bidding in the Request for Quotations at the company's option

Hereby we, \_\_\_\_\_  
(name of Bidder's company)

confirm that we submit the following documents for bidding in the Request for Quotations:

No Item No.	Designation	Quantity of pages	Numbers of pages
1.			
2.			
3.			
...			

Signature of Chief Executive Officer (Duly Authorised Person)  
of the Bidder

Stamp

/ Name /

## Form 2. Bidder Questionnaire

### Questionnaire of the Request for Price Quotations Bidder (to be filled by residents of the Russian Federation)

1. <b>Full and Abbreviated Company Name and Type of Business Organization:</b> (based on the duly issued Constituent documents, Certificate on State Registration, Certificate of Records in the Unified State Register of Legal Entities)	
2. <b>Registration data:</b>	
2.1. Registration date, place and authority (based on Certificate on State Registration)	
2.2. Shareholders (list names and type of business organization of all shareholders with stake in the equity capital exceeding 10%) and their share (for joint-stock companies – an extract from the register of shareholders in a separate document) (based on the duly issued Constituent documents (Charter, Statement, Certificate of Incorporation))	
2.3. Period of company activities	
2.4. Equity capital amount	
2.5. Number and mailing address of the Federal Tax Service Inspection where the bidder is registered as a tax payer (specify Bidder Taxpayer Identification Number (INN), Taxpayer Record Validity Code (KPP), Principal State Registration Number (OGRN), Russian National Classifier of Businesses and Organizations (OKPO))	
3. <b>Bidder's location</b>	Country
	Address
4. <b>Mailing Address of Order Placement Bidder</b>	Country
	Address
	Phone
	Fax
5. <b>Bank Details:</b>	
5.1. Name of designated bank	
5.2. Bank Account	
5.3. Correspondent account	
5.4. Bank Identification Code (BIC)	
6. <b>Information about Subsidiaries and Affiliates</b> (about persons included into the same group with the bidder (as revised in Art.105,106 of the Russian Civil Code)	
7. Bidder phone numbers (with city dialling code)	
8. Bidder fax number (with country and city dialling codes)	
9. Bidder's Web-site and e-mail address	
10. Name and Position of Bidder's company chief executive officer	
11. Status of small/medium business economic agent, if any (specify status)	

Company Chief Executive Officer \_\_\_\_\_(Name)

Stamp

**Bidder Questionnaire** (to be filled in by non-Russia residents)

1. <b>Full and Abbreviated Company Name and Type of Business Organization:</b>	
2. <b>Registration data:</b>	
2.1. Registration date, place and authority	
2.2. Period of company activities	
3. <b>Bidder's address</b>	Country
	Address
	Phone
	Fax
4. <b>Bank Details</b>	
4.1. Name of designated bank	
4.2. Bank Account	
5. Bidder's Web-site and e-mail address	
6. Name and Position of company chief executive officer	

Signature of Chief Executive Officer (Duly Authorised Person)  
of the Bidder

Stamp

/ Name /

### Form 3 QUOTATION FOR BIDDING IN THE REQUEST FOR QUOTATIONS FOR SERVICE PROVIDER SELECTION

1. \_\_\_\_\_  
(name of Bidder's company)

represented by \_\_\_\_\_  
(name and position of chief executive officer)

informs about their consent for bidding in the request for quotations under the terms and conditions stipulated in the documentation and submits the present quotation.

2. We, the undersigned, propose \_\_\_\_\_ (specify  
subject of the request for quotations) in accordance with the conditions given in the Documentation for the public request for quotations and under the terms and conditions that we specified in the present bid:

#### 2.1. Engine repairs cost and time period quotation

Item No.	Engine Model and Series Number		Quotation Price, US Dollars	Repairs Time Period
1	CFM56-5A5	731880		
2	CFM56-5A5	731895		

#### 2.2. Proposal for engine component repair prices according to the requested list of Appendix 2

#	Engine Component	Reference Part Number**	Bench test	Repair	Overhaul
1	ECU (CONTROL UNIT-ELECTRONIC)	1459M55P32			
2	UNIT - HYDROMECHANICAL	8061-536			
3	VALVE LPTACC	C25149000			
5	TEMP SENSOR T3	8TC19AAR1			
6	FUEL PUMP	714900-3			
7	FUEL FLOW TRANSMITTER	8TJ124GHG1			
9	FUEL NOZZLE ASSEMBLY	6840023M1			
10	FUEL NOZZLE ASSEMBLY	6840023E16			
13	IDG OIL COOLER	45731-1375			
14	VALVE-FUEL MANIFOLD	44E64-8			
15	HEATEXCHANG. OIL - FUEL	45332-8039			
16	HEATER SERVO FUEL	45731-1251-1			
17	FUEL RETURN VALVE	D22AA1023			
18	SENSOR SPEED N1	320-557-502-0			
19	SENSOR SPEED N2	320-549-002-0			
20	LUBRICATION UNIT	336-010-004-0			
21	AIR STARTER	3505582-27			
22	MOTOR – GEAR HYDRAULIC	396800-12			
23	STOP MECHANISM - BLEED	3282970-4			
24	VBV ACTUATOR – MASTER	121666-13			
25	VBV ACTUATOR	121664-8			

26	VBV POSITION SENSOR	VG11-04R			
27	ACTUATOR VARIABLE STATOR	1211313-010			
#	<b>Engine Component</b>	<b>Reference Part Number**</b>	<b>Bench test</b>	<b>Repair</b>	<b>Overhaul</b>
28	SENSOR-TEMP T25	RP152-01			
29	STATOR – ALTERNATOR	9387M17P09			
30	ROTOR – ALTERNATOR	9387M16P02			
31	HIGH PRESSURE TURBINE VALVE	324685-5			
32	SENSOR VIBRATION TURBINE	144-405-000-031			
33	IGNITION LEAD LOWER/UPPER	9043110-16			
34	IGNITION BOX LOWER/UPPER	10-631045-2			
35	OIL TANK	336-470-604-0			
36	IP CHECK VALVE	2290B020000			
37	OIL QUANT. TRANSMITTER	74-110-10			
38	HIGH PRESSURE VALVE	6774E010000			
39	PRESS PRES. REGULATING VALVE	6713D080000			
40	HYDRAULIC PUMP	887673			
41	STARTER VALVE	3290064-20			
42	CAP INDICATOR	335-260-906-0			
44	SENSOR T12	RP195-03			

2.3. Proposal for Handling Rates to materials and Labor Rates in accordance with list shown in Appendix 3

№	Описание и ставка	
1	Scrap replacement with new part at OEM list plus % of OEM list price,	
	Max handling charge per part	
	Max handling charge per line item	
2	Scrap replacement of non-LLP part with OVH part - both parties agreed price plus fee % of agreed price	
	Max handling charge per part	
	Max handling charge per line item	
3	Scrap replacement of LLP part with new part	
	Max handling charge per part	
4	Scrap replacement of LLP part with OVH part -both parties agreed price plus fee % of agreed price	
	Max handling charge per part	
5	Exchange of non-LLP parts with OVH part, fee % of OEM list price plus repair cost	
	Max handling charge per part	
	Max handling charge per line item	
6	Exchange of used non-LLP parts with New part, fee % of OEM list price plus repair cost	
7	Exchange of used LLP parts; difference of pro-rata values plus % of OEM list (Stublife rate is equal to 1,0) (Коэффициент по Stub Life должен быть равен 1,0)	
	Max handling charge per line item	
8	Handling charge for customer supplied parts	
	For parts up to 4000\$ of OEM list price	
	For parts over 4000\$ of OEM list price	
	Cap per item	
9	Cap per line item	
	Subcontracting repairs of parts at vendor cost including transportation plus % of vendor invoice	



	Max handling charge per part	
	Max handling charge per line item	
10	Disassembly/assembly/cleaning/inspection/part	
11	Engine's QEC LRU repair/overhaul/modification/	
12	Engineering support at customer's request	
13	Outgoing test run, incl. Fuel and oil	

3. We have noted materials of the Terms of Reference that influence the service cost.

4. We agree that if we have not included any rates related for the subject of the request for quotations these services shall be rendered in any case in full accordance with the Terms of Reference and subject to price conditions proposed by us.

5. We hereby confirm that

\_\_\_\_\_  
(Bidder's name)

is not under liquidation, bankruptcy proceedings and their operations are not suspended.

6. In case our quotation is deemed to be a winning one we undertake to sign a contract with Rossiya Airlines JSC for

\_\_\_\_\_  
(specify subject of the request for quotations)

according to the requirements given in the documentation and the conditions stipulated in the present quote, within 15 business days from the date of our notification by the Customer.

7. In case our quotation is the second after the quotation of the winner of the request for quotations and the winner is deemed to be avoiding entering into a contract with the Customer we undertake to sign a contract for

\_\_\_\_\_  
(specify subject of the request for quotations)

according to the requirements given in the documentation and conditions of our quotation within 15 business days from the date of our notification by the Customer.

8. If we win the request for quotations we guarantee submission of all information regarding whole chain of owners including beneficiaries (including end ones) and about structure of executive boards supported by appropriate documents on or before the date of the contract conclusion.

9. The present quotation shall be valid within 90 days from the submission deadline.

10. The quote includes the following documents: \_\_\_\_\_

Signature of Chief Executive Officer (Duly Authorised Person)  
of the Bidder

Stamp

/ Name /

## **Section 4**

### **Request for proposal**

#### **for shop visits of engine model CFM56-5A of Rossiya Airlines JSC Airbus A320F fleet**

All requirements specified in points 1...4 of this RFP must be fully accepted by Bidders without any changings, deviation and exclusions. Sending of commercial proposal for participation in the tender a Bidder must be agreed with requirements of this RFP without any deletion and any amendment and also to agree to conclude contract on terms of the Bidder commercial proposal.

TERMS OF COMMERCIAL PROPOSAL (ENGINE REPAIR PRICES, TAT, ENGINE COMPONENT REPAIR PRICES, HANDLING RATES TO MATERIALS AND LABOR RATES) MUST BE INCLUDED STRICTLY IN FORM 3 "QUOTATION FOR BIDDING IN THE REQUEST FOR QUOTATIONS FOR SERVICE PROVIDER SELECTION".

ANY EXCLUSION, CLARIFICATION, COMMENTS, SPECIFICATION OR ANY ADDITION, GIVEN BY A BIDDER OUTSIDE FRAME OF FILLED ABOVE MENTIONED FORM 3 WILL NOT BE REVIEWED AND TAKEN INTO ACCOUNT.

If there is any difference between a Bidder's proposal and terms of contract, specified in this RFP such RFP will be suspended without any consideration.

#### **1. Terms, Conditions and Procedure of Payment**

1.1. Payment shall be arranged via non-cash transaction.

1.2. Invoicing and payment terms: 30% of engine Fixed Price shall be paid during 30 days after engine induction, 70% of engine Fixed Price shall be paid before date of engine redelivery to Customer. Final invoice shall be paid within 60 days from the invoice receiving date or later if mutually agreed by both parties.

#### **2. Request, timeframe and general information**

2.1. Accomplishment of 2 (two) scheduled shop visits of engine model CFM56-5A5 Engine Serial Numbers: 731895, 731880 installed on the A319-114 with main base at the airport Pulkovo, Saint-Petersburg. The estimated completion date of both shop visits is December 15, 2017.

2.2. All proposals shall be estimated per following estimation model: Fixed Price (FP) refer to workscope provided in the request for each engine.

2.3. The date for termination of proposal receiving: January 12, 2017.

2.4. Engine repair program start period: from March 15, 2017.

#### **3. Major requirements for proposal**

3.1. The future proposal provided for 2 (two) scheduled shop visits is to be estimated per Fixed Price (FP) cost estimation model related to workscope in the Appendix 1 (Приложение №1). Each workscope includes fixed expected scrap rates of parts which are to be included in the cost estimation proposal.

The first place winner of the tender is to be designated further as the engine maintenance provider for the requested two shop visits.

The final invoice view shall be represented on purely Time& Material basis per Rossiya request despite of engine shop visit estimation model.

Each Bidder of the tender provides its own parts and units repair catalog. The evaluation shall be estimated based on the price for the maximum permitted component repairs cost refer to listing in the Appendix 2. A bidder must fill with offered prices opposite each position of point 2.2 “QUOTATION FOR BIDDING IN THE REQUEST FOR QUOTATIONS FOR SERVICE PROVIDER SELECTION”

The escalation of the accepted cost estimation model is not to be greater than 3,0% per year.

Each Bidder of the tender provides Proposal for Handling Rates to materials and Labor Rates in accordance with list shown in Appendix 3. A Bidder must fill with handling charges and labor rates all positions of point 2.3 “QUOTATION FOR BIDDING IN THE REQUEST FOR QUOTATIONS FOR SERVICE PROVIDER SELECTION”

The example of frame agreement is attached to this request but other offered versions are also acceptable for review.

3.2. Proposal per Fixed Price must meet following conditions per the defined Workscope:

3.2.1. Suggested Fixed Price must include without any exception and exclusion:

- Labor and engineering support;
- Engine incoming inspection;
- Engine disassembly and assembly;
- Engine part repairs if per Workscope the part is defined at piece part level inspection;
- Cleaning and inspection of all parts and units;
- In-house and subcontractor repairs of Engine parts including labor, materials required and handling fees;
- Repairs and overhaul of airfoils and other Engine parts, including all improved modifications and repairs required due to stoppage of certain repairs by the vendors;
- 5 (five) ea split repairs of HPT Nozzle Guide Vanes of Module 51 per Engine Shop Manual or any OEM modification or repair document;
- Labor for LLP replacement;
- LPT stg 1 Nozzle Guide Vane 75% (18 ea) replacement of DER parts with OEM overhauled/new parts for the engine serial number 731880;

- Scrap replacement of Engine Parts (excluding Engine Part listed in the Scrap rate table and LLP) up to USD \$35000 of OEM Price Catalog and applicable handling fees;
- Exchange of the parts required to be in compliance with target TAT;
- Exchanged Engine Parts applicable fees;
- Consumable and Expendable material;
- Engine test performance including preparation and Engine component check, oil and fuel required for test;
- Engine post test video borescope inspection;
- Engine preparation for shipping;
- Storage of engine up to and including 30 days after CRS issue date;
- Engine round trip transportation
- Lease engine cost with maximum monthly utilization up to and including 400 FH/180 FC for the time frame of the shop visit + time 2 weeks for engine change arrangement, round trip transportation shall be included in the proposal. If monthly utilization is more than above mentioned figures then following rates will be applied for FH and FC utilization above 400 FH/180 FC:
  - Performance restoration fee not more than: \$150 per FH;
  - LLP supplemental rate: \$130 per FC.
- Lease engine return checks, maintenance required at return due to defects from normal wear and tear.

#### 3.2.2. Fixed Price Exclusions:

- Life Limited Parts required for replacement (materials);
- LRU&QEC maintenance;
- All additional works not included in defined Workscope.
- FOD and DOD event. See item 3.8 for processing FOD and DOD event.

3.3.A guaranteed turnaround time (TAT) for each engine should not be more than 55 days related to defined workscope and shorter TAT is preferable.

3.4.A guaranteed EGT margin for each engine workscope type should be at least 60 degrees of Celsius level at test cell after shop visit.

#### 3.5. Warranties:

3.5.1..1. Engine maintenance provider shall guarantee a minimum of 8000 FH or 24 months of engine operation whichever comes first for the workmanship of repair including all downstream damage occurred related to engine failure event.

3.5.1..2. Each part or unit supplied, repaired/overhauled by engine maintenance provider, by its vendors and subcontractors then installed on/in the engine will have warranty after engine release date including all downstream damage occurred related to failure event: for new parts 4000 FH or 12 months, for repaired/overhauled parts 3000 or 12 months whichever comes first.

3.6. Proposal shall be prepared in accordance with OEM spare part catalog effected since November 01, 2016.

3.7. Engine parts provided and installed by maintenance provider:

Maintenance provider shall make an advanced notification prior to installation of replacement part previously not installed in the engine (other part number or serial number, or not original part for this engine) and receive approval for installation of this part.

3.8. FOD and DOD influence on the Fixed Price:

In case of FOD or DOD event Fixed Price shall be reasonably reduced and agreed with customer for the engine modules impacted and then all these modules shall be charged on Time and Material basis. Reduction of the Fixed Price for the engine modules impacted due to FOD or DOD is applicable if they are initially included in the Fixed Price offered.

3.9. Lease engine requirements and conditions.

3.9.1. Lease engine shall met following requirements at delivery:

- CFM56-5A5 rating;
- Sufficient EGT margin for unlimited 1 year operation;
- ECU software 5 AI+;
- All engine MPD tasks for C-check done;
- HMU installed allows engine operation during next 5000 Flight Hours with TS-1 fuel;
- HPTCC Valve has maximum TSO 5000 FH;
- VBV Stop Mechanism has maximum TSO 5000 FH;
- No additional inspection above routine inspection is required for the engine operation during next 5000 FH;
- Engine Certification per EASA;
- Full package of documentation of all historical documents;
- BSI report.

3.9.2. Records keeping during lease term:

- All historical records for components replaced other than LLP part shall contain only EASA Form 1 certificate and Workorder/Joborder for installation of such component;
- Embodied during lease term Airworthiness Directive/Service Bulletin signoff.

### 3.9.3. Lease engine shall met following requirements and condition at redelivery

#### 1.9.3.1 Documentation package at redelivery:

- Non-Incident Statement;
- LLP phase out Status;
- EASA Airworthiness Directives Status;
- No PMA DER statement;
- Rating operation history;
- Certification for replaced components.
- Removal Tag.

#### 1.9.3.2 Condition at redelivery:

- “as is where is with all existing faults”;
- 30 days preservation;

## 4. Specific technical and formal requirements for each shop visit

- 4.1. Engine certification shall be issued with dual release EASA and FAA, if not mutually agreed at engine induction;
- 4.2. After each shop visit a Minipack should be provided during 10 days after shop visit and Dirty Fingers Prints should be provided within 60 days after engine release date. Dirty Fingers Prints shall contain all records for engine and LRU&QEC. Dirty Fingers Prints are acceptable on CD/DVD.
- 4.3. All scrapped parts after each engine shop visit shall remain as property of the Customer and shall be stored free of charge until additional notification but not less than 12 months.
- 4.4. Engine storage after shop visit shall be free of charge up to and including 30 days after engine CRS issue date.

## 5. Technical historical records access

- 5.1. All technical records are available with link (Google Chrome is recommended):

<https://files.rossiya-airlines.com/index.php/s/PmvAEoHHGgdbskv>

Pass for access: 31082016OPENG

# **GENERAL TERMS AGREEMENT**

**for the Performance of  
Engine Shop Visits on  
CFM56-5AX**

**between**

**ROSSIYA Airlines  
St. Petersburg, Russia**

**and**

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This Agreement is made between:

- (1) **ROSSIYA Airlines JSC**, an open joint stock company having its principal offices at 18/4 Pilotov Street 196210 Saint Petersburg, Russia ("the Customer"); and
- (2) **Engine Maintenance Provider**,

each may also be referred to as a "Party", or collectively, the "Parties".

## **BACKGROUND:**

- A. Engine Maintenance Provider has facilities for the maintenance, overhaul and repair of certain engines, modules, engine accessories, engine components and parts at its base \_\_\_\_\_.
- B. The Customer wishes Engine Maintenance Provider to perform certain maintenance and/or overhaul and/or repair work on certain engines, modules, engine accessories, engine components and parts on its CFM56-5AX engines as stated in this Agreement.
- C. This Agreement sets out the terms and conditions that will apply when Engine Maintenance Provider agrees to perform such maintenance and/or overhaul and/or repair work pursuant to a purchase order issued by the Customer and acknowledged by Engine Maintenance Provider.

## **THE PARTIES AGREE AS FOLLOWS:**

### **1. Definitions and Interpretation**

1.1. In this Agreement the following expressions have the following meanings:

Affiliate	means any person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under the common control with the party specified. For the purpose of this definition, "control" shall mean the possession, direct or indirect, of the power to cause the direction of the management and policies of a person, whether through ownership of fifty percent (50%) or more of the voting securities or such person by contract or otherwise. A person shall only be considered an Affiliate as long as such control exists.
Business Day	means a day (other than a Saturday, Sunday, bank or public holiday) on which banks are open for business in Russian Federation and New York. Unless the term "Business Day" is used, the word "day" shall refer to calendar day.
Customer Departure Record (CDR)	means a repair solution for a CFM56-5AX engine approved and issued by the Engine OEM.
Capabilities and Fixed Prices Catalogue (CPC)	means the current Engine Maintenance Provider fixed price catalogue for Engine Parts repair services.
Consumables and Expendables	means parts (i.e. expendable items) that are used only once and can never be used again as defined in the CFM56-5AX manuals.
EGT margin	EGT margin (EGTm) is defined as Hot Day Exhaust Gas Temperature margin according to ESM 72-00-00, testing 003 plus the appropriate work scope adder. New production EGTm shall be calculated to the same EGT limit according ESM 72-00-00, testing 003.
CFM56-5AX	means following OEM approved engine models: CFM56-5A5, CFM56-5A5/F or other models which are technically interchangeable.
Engine	means a CFM56-5AX engine, including its modules, engine

	accessories, engine components and parts.
Engine Component	means an assembly, for which an own component maintenance manual exists with maintenance and repair instructions and which is attached directly to an engine. Engine Components are designated by CFMI also as controls and accessories.
Engine Part	means any one or more Rotable, Repairable, unless stated otherwise Engine Component. For avoidance of doubt, an Engine Part can be a Life Limited Part or a non-Life Limited Part.
Export Control Laws	means law, regulations and orders applicable to the export, re-export, transfer, disclosure or provision of items and/or technology including, without limitation, export controls administered pursuant to (a) the US Export Administration Regulations ("EAR") and the International Traffic in Arms Regulations ("ITAR"), (and (b) EU and EU Member State export controls administered pursuant to Council Regulation (EC) 428/2009 and the various national export control laws, regulations of member states regulating dual-use and military related services.
Fault	means blameworthiness and responsibility for an error, mistake or wrongdoing
Incoterms	means Incoterms 2010, published by International Chamber of Commerce.
Indemnitees	means Engine Maintenance Provider, its parent and any associated company and their respective directors, officers, employees, servants, agents and subcontractors.
Life Limited Part (LLP)	means any Engine Parts which has an approved life permitted by the manufacturer of the engine and/or the authority.
Losses	means any losses, costs, liabilities, damages, action, claims, proceedings, charges and expenses (including legal costs).
Maintenance	means any one or combination of test, inspection, repair, overhaul, modification or defect rectification of an Engine.
Material	means any one or more Engine Parts, engine modules, Expendables and Consumables
Quick Engine Change (QEC)	means any non-Engine hardware that may be mounted on an eligible Engine to interface to a specific airframe; in other words, any hardware that is not in the IPC of the Engine including the following systems: fuel, hydraulic, pneumatic, fire detection, electrical, integrated drive generator system, cooling, engine control, nacelle drain and vent, starter, nacelle and engine instrumentation, inlet anti-icing, engine mounts and engine vibration monitoring
Repairable	means a part or an engine which may be economical to repair to a serviceable condition
Rotable	means a part or an engine which may be economically repaired to a serviceable condition and which in the normal course of operations is repeatedly rehabilitated to a serviceable condition except when it is beyond economical repair (BER).
Shop Visit	means induction of an Engine into the workshops of Engine Maintenance Provider or permitted subcontractor to perform services pursuant to this Agreement.
Engine Maintenance Provider' Capabilities and Prices Catalogue (or "CPC")	means the catalogue for engine services published by Engine Maintenance Provider

Engine Maintenance Provider Facility	means Engine Maintenance Provider maintenance facility at _____
Taxes	means taxes, duties including custom duties, excises, stamp duties, fees, commissions and/or equivalent charges of any kind other than VAT.
Turn Around Time	means the time that starts on the first Business Day after the following conditions are fulfilled: (a) an Engine is inducted at the engine shop; (b) the initial workscope has been accepted by the Customer; (c) the relevant documentation, required pursuant to this Agreement, has been received by Engine Maintenance Provider, as set in Annex C-1.1. It ends on the day the Engine is declared serviceable by Engine Maintenance Provider.
Value Added Tax	means any other similar sales, goods, services, purchase or turnover tax or duty levied by any way by any competent authority

1.2. In this Agreement the following abbreviations have the following meanings:

AD	Airworthiness Directive
AMM	Aircraft Maintenance Manual
ASB	Alert Service Bulletins
BER	Beyond Economical Repair
CCP	Current Catalogue Price of the relevant OEM
CDR	Customer Departure Record
CPC	Engine Maintenance Provider' Capabilities and Prices Catalogue
CPT	Carriage Paid to (Incoterms 2010)
DAP	Delivered at Place (Incoterms 2010)
DER	Designated Engineering Representative
DOA	Design Organization Approval
EASA	European Aviation Safety Agency
EBU	Engine Built-up Unit
EFP	Engine Fixed Price
EGTm	Exhaust Gas Temperature margin
EXW	Ex Works (Incoterms 2010)
FAA	Federal Aviation Administration of the USA
FCA	Free Carrier (Incoterms 2010)
FDR	Five day rate defined by IATA
FOD	Foreign Object Damage
IPC	Illustrated Parts Catalog
IATA	International Air Transport Association
DOD	Domestic Object Damage

LLP	Life Limited Part
MHRS	Man-hours
MOE	Engine Maintenance Provider's Maintenance Organization Exposition
OEM	Original Equipment Manufacturer
PMA	Parts Manufacturer Approval
QEC	Quick Engine Change
SB	Service Bulletin issued by the relevant OEM
TAT	Turn Around Time
USD	United States Dollars
VAT	Value Added Tax
WPG	Workscope Planning Guide

1.3. Clause and other descriptive headings used in this Agreement (other than in the Annexes if the context so requires) are for reference purposes only and shall not constitute a part hereof or affect the meaning or interpretation of this Agreement. Whenever the context so requires, the usage of the singular shall be deemed to include the plural and vice versa.

## **2. Services**

- 2.1. Engine Maintenance Provider shall perform services with respect to the Engines listed in 0 as exhaustively specified in the scope of services in 0 on the terms of this Agreement and on the basis of individual purchase orders described below.
- 2.2. Engine Maintenance Provider shall (a) perform the work in suitable workshops at \_\_\_\_\_ or at other location using appropriate tools and other equipment and (b) shall provide, inspect and calibrate all tooling and equipment required to accomplish the work.
- 2.3. The Customer shall not contract any maintenance, repair or overhaul services with respect to Engines listed in 0 to any third party without written consent from Engine Maintenance Provider
- 2.4. The Customer may increase the number of Engines covered by this agreement at any time under the following conditions:
  - (i) the Customer provides prior written notice to Engine Maintenance Provider not less than three (3) months of its intent to do so, and
  - (ii) the Parties mutually agree in writing on changes and amendments (if any) to the present Agreement resulting from such increase.

## **3. Standard of Services**

3.1. The services shall be performed in accordance with:

- a) Engine Maintenance Provider' EASA Part-145 maintenance organization approval certificate reference: \_\_\_\_\_ issued by a member of the EASA.
- b) Engine Maintenance Provider' Design Organization Approval according to EASA Part-21, subpart J, reference EASA \_\_\_\_\_ (if applicable).
- c) Appropriate manufacturers' current manual and other relevant technical publications and data published by the appropriate manufacturer or Operators
- d) The current version of Engine Maintenance Provider Maintenance Organization Exposition and applicable supplements
- e) The current rules and regulations of EASA and FAA as applicable
- f) Engine Maintenance Provider's capability list
- g) The current rules and regulations as an FAA 145 repair station, with approval reference air agency certificate number \_\_\_\_\_ in effect at the date of executing the Agreement.

#### **4. Production Planning**

- 4.1. Parties shall agree at least every three (3) months on the dates of Shop Visits and the respective Turn Around Time (if different from the one stipulated in Annex A-3).
- 4.2. In the absence of extraordinary circumstances as listed in Annex A-3 the agreed Turn Around Time is binding upon Engine Maintenance Provider.

#### **5. Purchase Order**

- 5.1. Legally binding obligations to perform services under this Agreement shall only be created if Customer issues a purchase order which is accepted by Engine Maintenance Provider as follows:

For all services to be rendered by Engine Maintenance Provider hereunder, the Customer shall issue a purchase order based upon the terms and conditions as stated in this Agreement. The purchase order shall include the following details:

- a) Identification of the Engine or parts thereof
- b) Primary cause for removal and date the removal occurred of Engine removed
- c) Secondary conditions observed by the Customer during engine trend analysis and/or as may be recorded on line maintenance discrepancy reports
- d) Pilot complaints, maintenance complaints and/or other relevant data concerning the reason that led to the removal
- e) Total hours and cycles accrued to date and time since last overhaul and/or last Shop Visit
- f) List with Accessories attached to the delivered Engine
- g) Engine workscope and Engine on-wing maintenance requirement items (MPD items) and Engine testing requirement

#### **6. Representatives**

##### **6.1. Customers' Representative**

- 6.1.1. The Customer may station up to three (3) representatives for an agreed period of time in Engine Maintenance Provider' maintenance base during the performance of the services. The Customer's representatives shall be qualified and authorized to agree to the performance of any additional work. Engine Maintenance Provider shall provide the Customer's representative with (a) appropriate office space and (b) access to communication facilities, at no cost to the Customer. The Customer shall bear all costs of such representative, including travel and accommodation.

##### **6.2. Access for Civil Aviation Authority Inspectors**

Engine Maintenance Provider shall allow inspectors of the Customer's Civil Aviation Authority reasonable access to its facilities to perform audits or to inspect the work on Engines. If such inspectors require Engine Maintenance Provider to do any additional work or to alter or vary the scope of services, these services will only be provided with the prior written approval from the Customer in accordance with the terms of this Agreement.

##### **6.3. Quality Monitoring by the Customer**

The Customer may perform quality surveillance (including audits) upon Engine Maintenance Provider. The results of such surveillance shall be taken into account by Engine Maintenance Provider' quality responsible as provided for in the MOE (EASA) or the Repair Station Manual (FAA).

#### **7. Subcontracting of Work**

- 7.1. Engine Maintenance Provider may subcontract the performance of services partially to a third party, provided such subcontractors have all requisite approvals and acceptances as an EASA or FAA Part 145 maintenance organization for the relevant services and complies with EASA or FAA 145.A.75.

In case of subcontracting, Engine Maintenance Provider is fully responsible and liable towards the Customer that the subcontractor renders the services pursuant to the terms and conditions of the Agreement as well as at Engine Maintenance Provider quality standards.

Engine Maintenance Provider may subcontract any work other than for a whole Engine workscope requested under this Agreement to any of its Affiliates.

## **8. Documentation**

### **8.1. Documentation to be Provided**

The Customer shall deliver to Engine Maintenance Provider the documents and data stated in Annex C-1. Engine Maintenance Provider shall deliver to the Customer the documents stated in Annex C-2. Engine Maintenance Provider may provide hardcopies of any original document derived from electronic format in lieu of the original document.

The Customer shall ensure and warrants the conformity of all documents and data to the actual status of the Engine on the date of delivery to Engine Maintenance Provider.

### **8.2. Availability of Documents**

All technical documents and records relating to the services provided by Engine Maintenance Provider under this Agreement which the Customer must have access to in order to satisfy the requirements of its competent Civil Aviation Authority in respect of any quality assurance matter or reliability programs shall be made available for the Customer to examine and inspect during normal business hours as the Customer may reasonably require.

## **9. Rates and Charges**

9.1. All rates and charges for services and work rendered by Engine Maintenance Provider hereunder are listed in Annex B. Engine Maintenance Provider may adjust the rates and charges pursuant to the terms and conditions as agreed in Annex 0.

9.2. The rates and charges stated in this Agreement do not include VAT and Taxes. Where applicable, VAT shall be added to any and all sums due under this Agreement and the Customer shall pay such VAT and Taxes.

## **10. Invoicing and Payment**

10.1. For work and/or services rendered under this Agreement, Engine Maintenance Provider shall invoice the Customer on the basis of working hours and cost for Material plus other expenses actually incurred or, if applicable, pursuant to the agreed fixed price(s). Labor will be invoiced and payable in USD, Material consumed will be invoiced and payable in USD.

10.2. Engine Maintenance Provider shall issue the following invoices:

### **10.2.1. Preliminary Invoice**

Invoicing and payment terms: 30% of engine Fixed Price shall be paid during 30 days after engine induction, 70% of engine Fixed Price shall be paid before date of engine redelivery to Customer.

### **10.2.2. Final Invoice**

Final invoice shall be paid within 60 days from the invoice receiving date or later if mutually agreed by both parties.

10.3. For work carried out on accessories or components of the Engine sent to Engine Maintenance Provider separately i.e. not installed in the Engine, Engine Maintenance Provider shall issue a final invoice to the Customer after documentation and/or subcontractor invoice is available.

10.4. The Customer shall settle the preliminary invoice within thirty (30) days and all other invoices issued by Engine Maintenance Provider within thirty (60) days, if not specified otherwise, after date of invoice in the invoiced currency by payment via wire transfer to:

“BANK details”

10.5. Engine Maintenance Provider is entitled to request that the Customer makes an advance payment or provides a bank guarantee of a first class bank acceptable to Engine Maintenance Provider prior to Engine induction, based on its reasonable opinion and in accordance with its in-house credit risk policy

10.6. If payment due date is not a Business Day, the preceding Business Day shall apply.

10.7. The Customer may report any discrepancies or disputes in writing to Engine Maintenance Provider within thirty (30) days from the date of the relevant invoice. In case an invoice is only disputed in part, the Customer shall pay the undisputed part to the respective invoice within the period. Any invoice (in part or full) thereof not disputed within thirty (30) days shall be deemed as accepted by the Customer and payment shall be made as specified in this Agreement. Disputes reported thereafter shall be of no legal effect.

The Parties shall negotiate in good faith to resolve invoice disputes within thirty (30) days. If such dispute is resolved in favor of Engine Maintenance Provider, the Customer shall pay the amount agreed.

10.8. Engine Maintenance Provider shall send all original invoices to the Customer's address stated in clause 0.

10.9. The Customer is not entitled to off-set any payment or invoice due or issued under this Agreement with any alleged or actual counter-claim against Engine Maintenance Provider.

## **11. Taxes and Duties**

11.1. The Customer shall bear all Taxes levied on all payments due to Engine Maintenance Provider hereunder other than taxes on income, gains or profits levied against Engine Maintenance Provider by any competent taxing authority as result of this Agreement.

11.2. All payments referred to in this Agreement are exclusive of any applicable VAT. The VAT treatment shall be determined pursuant to the VAT law of the jurisdiction where a taxable transaction for VAT purposes is deemed to take place. If VAT is chargeable, the Customer shall pay to Engine Maintenance Provider an additional amount equal to the VAT, upon receipt of a valid VAT invoice, provided the Customer is not obliged to self-assess VAT under the reverse-charge rule.

11.3. All payments by the Customer hereunder shall be made in full, free and clear of and without any deduction or withholding for or on account of any Taxes, except to the extent that any such deduction or withholding is required by law in effect at the time of payment. Any tax required to be withheld on amounts payable under this Agreement shall promptly be paid by the Customer on behalf of Engine Maintenance Provider to the appropriate governmental authority, and the Customer shall furnish Engine Maintenance Provider with proof of such payment of Taxes. Any VAT to be deducted by Customer by acting as a tax agent is to be borne by Customer, i.e. Customer shall increase the amount of the payment to be made to Engine Maintenance Provider by such amount (deducted VAT), which leaves Engine Maintenance Provider on an after tax basis, in neither a worse nor a better position than if no such deduction of VAT had been required.

11.4. The Parties shall do all such lawful acts and things and sign all such lawful deeds and documents as either Party may reasonably request from the other Party to enable Engine Maintenance Provider and the Customer to benefit from any applicable legal provision or any double taxation treaties with the object of Engine Maintenance Provider' enjoyment of full tax credit for amounts deducted or withheld by the Customer pursuant to paragraph 11.3. In the event that Engine Maintenance Provider is not able to fully enjoy the tax credit in its jurisdiction for amounts so deducted or withheld even after Engine Maintenance Provider completed the necessary procedures under any applicable legal provision or any double taxation treaties, the Customer shall pay the differences between (i) amounts of deduction or withholding made and (ii) the actual amounts of tax credit which Engine Maintenance Provider obtained in its jurisdiction, grossed-up by such amount which represents withholding tax not recoverable by Engine Maintenance Provider in form of a tax credit.

## **12. Representations and Warranties**

### **12.1. Representations and Warranties by both Parties**

12.1.1. *Corporate Power.* Each Party hereby represents and warrants that such Party is duly organized and validly existing under the laws of the state (or country or other jurisdiction, as the context requires) of its incorporation and has full corporate power and authority to enter into this Agreement and to carry out the provisions hereof.

12.1.2. *Due Authorization.* Each Party hereby represents and warrants that such Party is duly authorized to execute and deliver this Agreement and to perform its obligations hereunder and the person executing the Agreement on its behalf has been duly authorized to do so by all requisite corporate actions

12.1.3. *Binding Agreement.* Each Party hereby represents and warrants that this Agreement is a legal and valid obligation binding upon such Party and is enforceable in accordance with its terms, except as

enforceability may be limited by bankruptcy, fraudulent conveyance, insolvency, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and by general equitable principles and public policy.

12.1.4. *No Conflicts*. Each Party represents and warrants that the execution, delivery and performance of this Agreement by such Party does not conflict with any agreement, instrument or understanding, oral or written, to which such Party is or by which it may be bound, nor violate any law or regulation of any court, governmental body or administrative or other agency having authority over it.

12.1.5. *Provision of Services*. Each Party represents and warrants that its respective obligations pursuant to this Agreement will be carried out faithfully and carefully within the agreed specifications and timelines and in accordance with all applicable laws and regulations

#### 12.2. Additional Representations and Warranties by Engine Maintenance Provider

12.2.1. Engine Maintenance Provider warrants that the work carried out by Engine Maintenance Provider or its subcontractors under this Agreement will be free from defects in workmanship. This warranty does not apply to defects caused by normal wear and tear or if the Engine is not operated, handled or stored by the Customer or its authorized third party in accordance with manufacturer's recommendations or the flight manual or the Customer's Civil Aviation Authority's requirements. As Engine Maintenance Provider accepts responsibility (subject to the terms of this Agreement) for the work performed by any of its subcontractors, the Customer shall not make any direct claim against any of Engine Maintenance Provider's subcontractor for or in respect of any work subcontracted to them.

12.2.2. Without limiting the terms of clause 12.2.1, Engine Maintenance Provider assumes no liability of whatever nature relating to Material or parts which (a) have only been tested and/or have been installed by Engine Maintenance Provider or (b) were declared satisfactory but have not been restored, manufactured or repaired by Engine Maintenance Provider. However, Engine Maintenance Provider shall assign to the Customer (to the extent possible and at the Customer's cost) any warranties it receives from manufacturers or suppliers of parts and Material.

12.2.3. The above warranty is in lieu of and the Customer waives all other warranties, obligations and liabilities (express or implied) of Engine Maintenance Provider arising by law or otherwise with respect to or relating to (a) Material supplied by Engine Maintenance Provider's suppliers and subcontractors (b) any implied warranty of merchantability or fitness, (c) any implied warranty arising from any course of performance or course of dealing or usage of trade, (d) any warranty against patent infringement (unless such infringement was caused by Engine Maintenance Provider) (e) any obligation, liability, right, claim or remedy in delict (tort) whether or not arising from the negligence of Engine Maintenance Provider and (f) any obligation, liability, right, claim or remedy for Losses in respect of the aircraft or to any of its Engines, parts or components or for the loss of the use, revenue or profit with respect to the aircraft or any of its Engine, part or component or for any other direct, incidental or consequential Losses.

12.2.4. If Engine Maintenance Provider cannot perform the rectification of warranty work in a reasonable time, or if the return of the Engine to Engine Maintenance Provider's facility is not reasonably practicable, the Customer may (a) do the work itself or (b) get a third party to do the rectification at Engine Maintenance Provider's expense with the prior written approval of Engine Maintenance Provider (such approval shall not be unreasonably withheld or delayed). The cost of any work done by the Customer or by any third party at Engine Maintenance Provider's expense shall be preapproved by Engine Maintenance Provider.

12.2.5. In addition to the above terms of this clause 12, the warranty shall not be applicable:

- a) if the defective item has in the meantime been altered, repaired or overhauled by a firm other than Engine Maintenance Provider or its subcontractors, unless this repair has to be performed because of necessary operational reasons;
- b) if following a written request from the Customer, Engine Maintenance Provider was obliged to carry out a provisional repair contrary to their better judgment;
- c) if the defective item has been subjected to misuse, neglect or accident due to non-observance of the manufacturer's instructions, or if this item has been stored for more than six (6) months after overhaul or repair or if this item has suffered deterioration due to external causes, e.g. foreign object damage, degradation on the ground, damage due to non-observance of instructions, etc.



- 12.2.6. Standard warranty claims against the manufacturers of the Customer's Engine to be refurbished by Engine Maintenance Provider may be handled by Engine Maintenance Provider after advanced approval from the Customer. In this case for the Customer's Engine, Engine Maintenance Provider will submit to the engine manufacturer on behalf of the Customer request for services allowance forms. The benefit of all warranty credits, if any, shall be given to the Customer in currency received from the manufacturer.

### **13. Liability**

The extent of Engine Maintenance Provider' liability to the Customer under this Agreement for breach of warranties (clause 12) and statutory liability is subject to the following limitations:

#### **13.1. Defect Rectification**

Engine Maintenance Provider shall rectify free of charge defects, failures and all downstream consequence damage of Engine caused by faulty workmanship as a main reason in rendering services under this Agreement ("Defect Parts"). Engine Maintenance Provider shall not be liable for Defects Parts unless the Customer proves that such defects or failures have been caused due to faulty workmanship.

#### **13.2. Time Limitation**

Engine Maintenance Provider is only liable to rectify defects as per clause 13.1 if such defects or failures occur within twenty four (24) months or eight (8,000) operation hours after the date of the release note, whichever occurs first, and which are reported in writing by the Customer to Engine Maintenance Provider as soon as practical and in any event within twenty (20) Business Days after the Customer becomes aware of it.

#### **13.3. No Consequential Damages**

None of the Indemnitees shall be liable for the loss of the use, revenue or profit with respect of the aircraft or any of its Engine, part or component or for any other incidental other than Defect Defects mentioned in clause 13.1.

#### **13.4. Indemnity for Third Party Claims**

None of the Indemnitees shall be liable and the Customer agrees to indemnify and hold harmless the Indemnitees against any and all Losses which any of the Indemnitees may sustain or incur or pay arising out of or relating to any claim made by third parties no matter how and by whom such Losses were caused and on whatever legal basis such claim and/or liability might be based unless the Customer proves that such claim and/or Losses are directly due to the gross negligence or willful misconduct of the Indemnitees. In any case, Indemnitees shall not be liable and the Customer renounces compensation for or indemnifies the Indemnitees against any loss of the use, revenue or profit with respect to the aircraft or any of its Engines, parts or components or for any other incidental or consequential Losses.

#### **13.5. Engine in custody of Engine Maintenance Provider**

The Indemnitees shall not be liable for damage caused to the Engine or part belonging to the Customer while being in the custody of Engine Maintenance Provider or any subcontractor unless the Customer proves that any such damages are directly caused by the gross negligence or willful misconduct of Engine Maintenance Provider or the respective subcontractor. Without limiting the foregoing, the Indemnitees shall not be liable and the Customer renounces compensation for any loss of the use, revenue or profit with respect to the aircraft or any of its Engines, parts or components or for any other incidental or consequential Losses.

### **14. Insurance**

14.1. The Customer shall insure the Engines whilst held as a spare and/or in transit for its full value for all risks. In addition both Parties shall arrange insurances to support their respective obligations under clause 13, with a liability limit of not less than USD 750,000,000 and in accordance with standard industry practice. For the avoidance of doubt, the Customer shall arrange hull and spares all risk cover (the latter including transit as applicable) in addition to the liability insurance.

14.2. If required by either Party, the other Party shall provide evidence of compliance with clause 14.1 a form acceptable to the requiring Party. Such certification may be required by either Party as a condition of and/or prior to the commencement of work.

### **15. Duration / Termination**

15.1. This Agreement shall become binding from the date both Parties have signed it and, shall remain in full force and effect for a period of five (5) years. In the event an Engine is inducted into Engine Maintenance Provider' shop within the term of the Agreement and completion of services occurs after expiry of the Agreement, the Agreement shall remain in force until completion of such services.

15.2. Any changes or alterations including changes of address, company name, organization approval, rating etc. must be immediately notified to Engine Maintenance Provider.

If any of the following events occur, either Party may terminate this Agreement with immediate effect by giving the other Party written notice:

- (a) The other Party is in default in performing any of the terms and conditions of this Agreement and such default is not remedied within fourteen (14) days after written notice of such default is given to the other Party; or
- (b) The other Party does not pay any amount due under this Agreement on the due date within three (3) days after written notice of such default has been given to the other Party, or
- (c) The other Party becomes insolvent, makes a general arrangement or assignment for the benefit of its creditors or commits an act of insolvency or if a petition for its reorganization or the readjustment of its indebtedness is filed by or against it and such petition is not withdrawn, lifted or dismissed within thirty (30) days, or if a receiver, trustee or liquidator of all or most of its property is appointed.

15.3. If the applicable law or its interpretation including rules and regulations of any competent civil aviation authority changes and such change has an impact on the scope of services, cost, rates and charges or Engine Maintenance Provider' ability to render the services, the Parties shall mutually agree on necessary contract adjustments. In case no agreement is reached within ninety (90) days after a Party has become aware of such change of requirements and notified the other Party thereof, either Party may terminate this Agreement by giving the other Party three (3) months written notice.

15.4. After the fourth anniversary of this Agreement, either Party may terminate this Agreement at its sole discretion by giving six (6) months prior written notice to the other Party.

15.5. In the event of any termination of the Agreement pursuant to this clause 15, Annex B-7 shall apply.

## **16. Force Majeure**

16.1. Save for any payment default by the Customer, no delay or failure to perform by either Party shall be a default under this Agreement or give rise to any claim for any Losses including anticipated profits if caused by Force Majeure.

16.2. "Force Majeure" means any of the following:

- (a) an occurrence beyond the control and without fault or negligence of the affected Party and which the affected Party cannot prevent or provide against by the exercise of reasonable diligence. The term includes act of God or public enemy, expropriation or confiscation of facilities, any form of Government intervention including embargoes and sanctions, war, hostilities, rebellion, terrorist activity, local, national or regional emergency, sabotage, riots, floods, unusually severe weather conditions which could not reasonably be anticipated, fires, explosions or other catastrophes;
- (b) strikes or any other concerted act of workmen or other similar occurrences other than strikes or concerted acts of the affected Party's workforce;
- (c) any other matter beyond the affected Party's control.

16.3. Without affecting any other term of this Agreement, if either Party cannot perform any part of this Agreement because of Force Majeure, it shall be excused from liability for such failure and the time for completing any work shall be extended accordingly. The Party claiming Force Majeure shall tell the other Party if any Force Majeure event happens or is likely to happen and must use reasonable efforts to minimize the effects of any delay caused and continue with the work as soon as possible.

16.4. If any delay or failure in performance stated in clause 0 continues for seven (7) days or more, either Party may terminate this Agreement by giving the other Party seven (7) days written notice and, for the avoidance of doubt, the terms of clause 0 shall apply.

## **17. Intellectual Property**

17.1. Title to and all intellectual property rights (including copyrights, trademarks, patents, registered design rights or design rights) in all documents or data (including plans, drawings, patterns or designs) supplied by the Customer to Engine Maintenance Provider for or under this Agreement, shall remain with the Customer or any third party which is entitled to such intellectual property right. The Customer agrees to indemnify Engine Maintenance Provider against any Losses suffered by Engine Maintenance Provider arising from any infringement of any such intellectual property rights caused by the performance of any services provided or work done under this Agreement.

17.2. Title to and all intellectual property rights (including copyrights, trademarks, patents, registered design rights or design rights) in all documents or data (including plans, drawings, patterns or designs) supplied

by Engine Maintenance Provider to the Customer for or under this Agreement, shall remain with Engine Maintenance Provider or any third party which is entitled to such intellectual property right. Engine Maintenance Provider indemnifies the Customer against any Losses suffered by the Customer arising from any infringement of any such intellectual property rights caused by the performance of any services provided or work done under this Agreement.

## **18. Confidentiality**

- 18.1. Unless required by law, none of the Parties shall disclose the existence of this Agreement or any of its terms to any third party (other than its professional advisers), unless necessary for the proper performance of this Agreement. If either party wishes to publicize the services provided under this Agreement, it shall obtain authorization from the other Party to do so (such authority shall not unreasonably be withheld).
- 18.2. For the purpose of clause 0, Engine Maintenance Provider includes Engine Maintenance Provider' Group Companies.
- 18.3. The obligations under this clause 0 shall remain in force after the termination of this Agreement.

## **19. Lien and Title to Parts**

- 19.1. Without prejudice to any to the terms of this Agreement, Engine Maintenance Provider shall have a general and particular lien over the Engine and its parts and components and over all other property or goods owned or operated by the Customer or previously in the possession of the Customer which come into the possession or control of the Indemnitees for all amounts and liabilities of whatever kind due or becoming due to Engine Maintenance Provider from the Customer under this Agreement or any other agreement between Engine Maintenance Provider and the Customer for maintenance, repair or otherwise.
- 19.2. If payment of any amounts due to Engine Maintenance Provider referred to in this Agreement are not paid to Engine Maintenance Provider within ninety (90) days after the due date(s), Engine Maintenance Provider may at its own discretion enforce the lien referred to in clause 0 by selling or otherwise disposing of the Engine or any of its parts, components or any other property or goods owned or operated by the Customer, and Engine Maintenance Provider shall credit to the Customer (or other persons entitled) any balance remaining out of the proceeds of such sale or other disposal after deducting all sums at the time due and owing to Engine Maintenance Provider by the Customer and the expenses of such sale or other disposal. Engine Maintenance Provider shall not be liable for any Losses suffered by the Customer arising from any such sale or disposal.
- 19.3. Without affecting Engine Maintenance Provider' rights under this clause 0, title to all parts and components supplied by Engine Maintenance Provider or any of its subcontractors in respect of the Engine shall only pass to the Customer when the Customer has paid all amounts owed or that may become owing to Engine Maintenance Provider under this Agreement. If the parts and/or components have been installed but not paid for, Engine Maintenance Provider may remove any of them and the cost of doing so will be added to the amount due to Engine Maintenance Provider from the Customer.

## **20. Miscellaneous**

### **20.1. Entire Agreement**

This Agreement (including the Annexes attached hereto, which are incorporated herein by reference) sets forth all of the covenants, promises, agreements, warranties, representations, conditions and understandings between the Parties hereto with respect to the subject matter hereof; constitutes and contains the complete, final, and exclusive understanding and agreement of the Parties with respect to the subject matter hereof; and cancels, supersedes and terminates all prior agreements and understanding between the Parties with respect to the subject matter hereof. There are no covenants, promises, agreements, warranties, representations conditions or understandings, whether oral or written, between the Parties other than as set forth herein. No subsequent alteration, amendment, change or addition to this Agreement shall be binding upon the Parties hereto unless reduced to writing and signed by the respective authorized officers of the Parties.

### **20.2. Unenforceability/Severability**

If any term, covenant or condition of this Agreement or the application thereof to any Party or circumstance shall, to any extent, be held to be invalid or unenforceable, then the remainder of this Agreement, or the application of such term, covenant or condition to parties or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term,

covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

### 20.3. Transferring Rights

Neither Party may transfer any of its rights or obligations under this Agreement to any third party without the other Party's prior written consent. However, Engine Maintenance Provider may transfer any of its rights and obligations under this Agreement to any Engine Maintenance Provider' Group Company.

### 20.4. Export Regulations

For the purpose of this clause 20.4, the word Part shall, in addition to the definition of the terms Engine, Engine Part or Engine Component, include any other kind of material, technical documentation, technology and know-how.

The Parties agree that any export of Parts pursuant to this Contract may be subject to Export Control Laws and agree to comply with any such Export Control Laws. In respect of any Part supplied under this Contract, the Party receiving the Part agrees (a) not to lease, exchange or otherwise dispose of any Part to any country, company or individual without the necessary license or authorization required by Export Control Laws and (b) not to send the Part to a person or country that is prohibited to receive such Part according to Export Control Laws without the necessary license or authorization. Engine Maintenance Provider reserves the right to withhold or suspend the supply of any Parts and/or maintenance services, in case it becomes subject to special controls under Export Control Laws.

The activities contemplated in this Contract may be subject to export control licensing requirements that may change from time to time. Each Party shall, upon request, provide reasonable assistance to the other Party in such Party's efforts to obtain any applicable export license required for its exports. Such assistance includes the execution by the Operator of Export License Undertakings and Export Compliance Statements in a form acceptable to the relevant authorities. Engine Maintenance Provider does not guarantee the issuance of such licenses or approvals, or their continuation in effect once issued, and shall have no liability if for any reason a government authority fails to issue, renew, or cancels, any license or approval or delays in issuing or renewing any license or approval.

## **21. Notices**

21.1. All notices, correspondence and documents to be given under this Agreement must be in English. If they are not in English, they must be given with a signed English translation. If there is any difference between the English version and any version in any other language, the English version shall apply.

21.2. All notices, correspondence and documents given under this Agreement shall be given by hand or by pre-paid mail, courier or fax from the Customer addressed to Engine Maintenance Provider at:

"Engine Maintenance Provider Contacts"

All contractual notices given under this Agreement shall be given additionally as copy to:

"Engine Maintenance Provider Contacts"

and from Engine Maintenance Provider to the Customer either by notice to the Customer's representative (see clause 6) or to:

JSC "Rossiya Airlines"

Department: Airworthiness maintenance department

City: Saint-Petersburg

Country: Russian Federation

Phone: +7 (812) TBD

Fax: none

E-Mail: TBD

### 21.3. Invoicing Address

„TBD“

Payment to the Customer

All credit memos or payments from Engine Maintenance Provider to the Customer which are not set of against an invoice shall be settled by payment to:

„TBD“

**22. Governing Law and Jurisdiction**

THIS AGREEMENT IS GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF “TBD”. ALL DISPUTES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT SHALL BE BROUGHT BEFORE THE COMPETENT COURT IN THE “TBD”.

**Signatures**

Made and executed this \_\_\_\_\_ [MM/DD/YYYY]

**ROSSIYA Russian Airlines**

**Engine Maintenance Provider .**

\_\_\_\_\_  
**Name :**  
Title:

\_\_\_\_\_  
**Name**  
Title:

\_\_\_\_\_  
**Name :**  
Title:

\_\_\_\_\_  
**Name**  
Title:

## **Annex A. Scope of Services and Specific Terms & Conditions**

Engine Maintenance Provider shall perform Maintenance on the Customer's CFM56-5AX Engines pursuant to specifications in the respective purchase order.

The following Engines are covered by this Agreement:

**Table 1**

#	Engine Rating	ESN	Lessor
1	CFM56-5A5	731880	VTB
2	CFM56-5A5	731895	VTB

Engine Maintenance Provider may offer to expand the condition of this Agreement to any additional Engines operated by the Customer which are not covered by this Agreement, subject to mutual agreement between the Parties.

### **A-1 Engine engineering services**

Engine Maintenance Provider shall perform engine engineering services as follows:

- a) Review of the OEM's Engine WPG and other OEM recommendations
- b) Elaboration of appropriate workscope based on WPG
- c) Recommendation for the accomplishment of SBs, ASBs and ADs for the relevant engine
- d) Provision of documentation of the Engine as set out in Annex d)C-2.

Rates and charges: The engine engineering services are included in the fixed prices as stated in Annex 0. All non-routine investigative work and reports shall be charged in accordance with Annex A-1.a)B-1.

### **A-2 Engine Maintenance, modification and repair**

Engine Maintenance Provider shall perform the following Engine Maintenance workscope:

- a) Incoming inspection, borescope inspection and report of findings
- b) Performance of as-received test of the Engine, if requested by Customer
- c) QEC removal, repair as necessary and reinstallation
- d) Engine and module disassembly, module and Engine reassembly
- e) Repair, replacement or exchange of Engine Parts
- f) Incorporation of modifications/performance of inspections to fulfill AD's
- g) Incorporation of OEM and Vendor SB's at Shop Visit, if requested by the Customer
- h) Engine Component bench test, repair, overhaul and incorporation of requested modifications during Shop Visit
- i) Testing of the Engine
- j) Preservation of the Engine (for 12 months)
- k) Preparation for shipment including borescope inspection

Rates and charges: The services shall be charged in accordance with the fixed prices in Annex 0. All services not covered by fixed prices shall be charged in accordance with Annex A-1.a)B-1.

### **A-3 Account Management**

Engine Maintenance Provider shall appoint an Account Manager to the Customer, who will act as the dedicated point of contact for the Customer on all matters relating to the services covered in this Agreement. Customer may ask Engine Maintenance Provider to change Account Manager without notification of reason.

### **A-4 Turn Around Time and shop induction**

#### **A-4.1 Guaranteed Turn Around Time**



Under the provision of Annex 0, the following TAT shall apply:

Table 2

Workscope [or: Service]	Guaranteed TAT
Core performance restoration	XX days
Core performance restoration and LPT overhaul	XX days

#### A-4.2 Excusable delays

In the following events the agreed TAT shall not be binding and may be extended:

- Engine shows abrasion and defects not addressed or described in the OEM engine shop manual and requiring a CDR or other OEM directive
- Unusual major defects due to FOD, DOD, incidents, accidents and/or out of scope repairs and/or additional work which were not part of the initial agreed workscope and affecting the length of the Shop Visit
- Idle time due to waiting for Customer's instructions which exceeds more than two (2) Business Day
- Material, documents and/or services ordered through and/or to be provided by the Customer (from supplier or from Customer's stock) being delivered late or not at all
- Engine Components with an initially agreed minimum workscope (visual or operational test during test run) causes interruption of the engine test procedure due to malfunction of such Engine Component
- If invoices are due for payment prior to completion of service and the Customer has not paid such invoices
- In case of force majeure as set out in clause 0.

#### A-4.3 TAT performance penalty

In the event that Engine Maintenance Provider does not meet the agreed TAT as set out in Annex A-4.1 and such delay causes an AOG situation, at Customer's request, Engine Maintenance Provider shall provide a suitable spare Engine in lieu of the TAT performance penalty as stated in Annex A-4.3 on a loan basis. In such case Engine Maintenance Provider shall bear the daily lease fee for such Engine and the Customer shall bear all other costs during the length of the loan agreement.

#### A-4.4 Slot availability and shop induction

For scheduled Shop Visits; the Engines shall be inducted in accordance with the mutually agreed removal plan, as set out in Annex A-2, provided that the Engine arrived at Engine Maintenance Provider Facility two (2) days prior to the agreed shop induction date and Annex d)C-1.1 is fulfilled.

For unscheduled Shop Visits; Engine Maintenance Provider guarantees induction of Engine for major refurbishment Shop Visits not later than ten (10) Business Days after notification, provided the Engine arrives at Engine Maintenance Provider Facility in time for the agreed shop induction date and Annex d)C-1.1 is fulfilled.

### A-5 OEM warranty handling

#### A-5.1 Standard warranty handling

On behalf of Customer and based on the receipt of a warranty delegation letter, Engine Maintenance Provider shall handle the standard OEM warranty programs and AD/SB related warranty. All directly received warranty payments shall be credited to Customer.

### A-6 EGT margin guarantee

#### A-6.1 EGTm guarantee

Engine Maintenance Provider guarantees that the EGTm measured at a test run after core performance restoration or higher workscope is at least as follows:

Table 3

Engine type: CFM56-5A5, CFM56-5A5/F thrust rating	Guaranteed EGTm
All Workscope types	Not less than 60°C

In the event that the final measured EGT<sub>m</sub> is below the guaranteed EGT<sub>m</sub> set out in table 3, Engine Maintenance Provider shall refurbish the engine at its own cost to achieve these values or credit the Customer at 5,000 USD per each not gained degree of Celsius limited at 50,000 USD maximum.

Note: In case Customer requires Engine Maintenance Provider to test several ratings during test run only the highest tested rating will be taken into consideration for the calculation of the penalty.

## **A-7 Material management**

Engine Maintenance Provider shall supply all Materials for the service undertaken unless advised otherwise by the Customer.

### **A-7.1 Handling of Engine Parts ready for direct installation**

Engine Parts removed from the Engine which are inspected and in serviceable condition shall be reinstalled in the Engine. All Engine Parts removed from the Engine which can be repaired on time shall be reinstalled in the Engine.

### **A-7.2 Handling of Engine Parts which are Repairable but not ready for direct installation**

In case Engine Parts removed from the Engine are Repairable, but cannot be repaired on time for assembly of the Engine, such Engine Parts may be exchanged in accordance with A-7.5.3 or replaced with serviceable Engine Parts of the same or higher modification standard. All exchanges shall be done with advanced approval from Customer or other mutually agreed manner.

In case the Customer does not accept an exchange, Engine Maintenance Provider shall supply replacement part with accurate documentation.

### **A-7.3 Handling of Engine Parts which are not anymore Repairable and rejected for installation**

Engine Parts which are not anymore Repairable according to the appropriate manufacturers' current manual or due to economic reasons shall be replaced with serviceable repaired or new Engine Parts for assembly of the Engine. In accordance with this clause, subject to availability, Engine Maintenance Provider shall sell a replacement serviceable Engine Part.

Rates and charges: see Annex B-1.2

### **A-7.4 Handling of Engine Components which cannot be repaired on time or not at all**

In case an Engine Component is Repairable but cannot be repaired on time for direct reinstallation or is not any more Repairable. Engine Maintenance Provider shall inform the Customer accordingly and the Customer shall either (a) supply a Customer owned Engine Component or (b) upon Customer request and subject to availability Engine Maintenance Provider shall supply an Engine Component or source an Engine Component from a third party for loan and/or exchange. Engine Maintenance Provider shall quote such service on a case-by-case basis.

## **A-7.5 Conditions**

In accordance with Annex A-7, the relevant procedure of this clause shall be applied.

### **A-7.5.1. Conditions for Engine Parts supplied by Customer**

If the Customer wishes to supply Engine Parts (listed in Annex B-1.2) for the services, then the Customer shall provide the Engine Parts including an airworthiness tag (EASA Form 1 and/or FAA Form 8103-3) and a full documentation and, if requested traceability. Engine Maintenance Provider shall perform an inspection and may reject supplied Engine Parts, if such are received damaged or with incomplete documentation. In case Customer supplied Material are not delivered on time and caused delay in working progress then delay may be considered as excusable.

### **A-7.5.2. Replacement Engine Parts conditions**

In case of replacements of Engine Parts, the Parties shall agree on each removed unserviceable Engine Part whether it shall be repaired and/or returned to the Customer. Any costs related to repair and/or redelivery shall be borne by the Customer.

Maintenance provider shall make an advanced notification prior to installation of replacement part previously not installed in the engine (other part number or serial number, or not original part for this

engine) and receive approval for installation of this part. All proposed repaired and overhauled parts (other than new) for installation shall be certified by the CFM56-5A Engine Shop Manual, have Non Incident Statement from last operator of donor engine, proper back to birth package if required. In case of deviation Customer has full rights to reject offered part and request a part which satisfy this requirement or approve its installation. Engine Maintenance Provider has no rights to ignore it or make a decision at its own if earlier Engine Maintenance Provider has not been instructed by Customer.

#### **A-7.5.3. Exchange Engine Parts conditions**

Any exchange serviceable Engine Part shall be of equivalent or higher modification standard. Should the modification standard of the Engine Part supplied by Engine Maintenance Provider be higher than the removed unserviceable Engine Part ex Customer. All parts proposed (other than new) for installation shall follow a minimum requirements for the paperwork package which shall contain: Certificate Release to Service with indication of certification per CFM56-5A manual, Non Incident Statement from the last operator for donor engine, LLP status for donor engine, LLP BTB trace if required. Other ways shall be mutually agreed by both parties. In case removed unserviceable Engine Parts ex Customer are damaged beyond economical repair or not any more Repairable according to the manufacturer's manual, such Engine Parts may, at the sole option of Engine Maintenance Provider, be converted to a replacement Engine Parts and the Customer shall be invoiced in accordance with Annex B-1.2 for either new Engine Parts or repaired Engine Parts.

#### **A-7.5.4. Engine Parts in custody and further handling conditions**

Engine Parts which are in a condition:

- a) beyond economical repair or
- b) are irreparable according to the appropriate manufacturers' current manual ("scrap-hold") or have a
- c) low stub life (LLP)

shall be kept in custody for a period of twelve (12) months ("Review Period") after the Engine has been declared serviceable, for review by the Customer at Engine Maintenance Provider Facility. Engine Maintenance Provider shall send 2 week advanced notification before the end of Review Period.

If the Customer wishes to extend the Review Period, Engine Maintenance Provider may invoice storage cost accordingly. If the Customer requests repair and/or return, Engine Maintenance Provider may invoice the costs for cleaning, inspection, testing, redelivery or repair, if applicable.

#### **A-7.5.5. Design organization approval "DOA" / designated engineering representative "DER"**

If not otherwise requested by the Customer in writing prior to Shop Visit and mutually agreed by the Parties, Engine Maintenance Provider shall not repair and/or use parts repaired according to DOA or DER approved procedures.

#### **A-7.5.6. PMA Parts**

If not otherwise requested by the Customer in writing prior to Shop Visit and mutually agreed by the Parties, Engine Maintenance Provider shall not use PMA parts.

### **A-7.6 Transfer of title**

#### **A-7.6.1. General**

Title to any Engine Part that is transferred pursuant to this Agreement shall be free and clear of any lien, charges, mortgages and encumbrances.

#### **A-7.6.2. Title to Engine Parts which are exchanged**

The title of the exchanged serviceable Engine Parts, supplied by Engine Maintenance Provider, its subcontractors or suppliers, shall be transferred to the Customer when the exchanged serviceable Engine Part has been installed in the Engine and simultaneously the title of the removed unserviceable Engine Part shall be transferred to Engine Maintenance Provider.

#### **A-7.6.3. Title of Engine Parts which are replaced**

The title of replacement serviceable Engine Parts, supplied by Engine Maintenance Provider, its subcontractors or suppliers, shall only be passed on to the Customer when the replaced serviceable Engine Parts have been installed in the Engine and the Customer has paid all amounts due to Engine Maintenance Provider. The removed unserviceable Engine Parts shall remain as Customer's property.

## **A-8 Supplementary services**

### **A-8.1 Maintenance Control Center (MCC) and AOG desk support**

Engine Maintenance Provider shall offer technical support by its MCC in AOG situations and on trouble shooting of Customer's Engines.

AOG desk support: Upon Customer's request with the receipt of a purchase order and subject to availability, the Engine Maintenance Provider AOG desk (24/7) shall support the Customer in case of shortage of Material (e.g. Engine Component). Terms and conditions in regard to the supply of such Material shall be quoted separately on a case-by-case basis if required.

### **A-8.2 Engine Storage**

Engine Maintenance Provider shall provide storage space for Customer's Engine at Engine Maintenance Provider Facility at free of charge basis.

### **A-8.3 Spare Engine assistance**

Upon Customer's request and subject to availability Engine Maintenance Provider may arrange spare Engine(s) for the Customer under a separate lease agreement.

## **A-9 Delivery and Redelivery**

All transportation shall be performed in accordance with Incoterms. For avoidance of doubt on all shipments to and from the Customer, the Customer shall be the importer and exporter of record of any destination other than Engine Maintenance Provider Facility.

## **A-10 Logistics**

### **A-10.1 Preparation, packaging and transportation requirements**

Customer shall ensure that Engines are properly prepared in accordance with the manufacturer's specification and requirements relating to such transportation as stipulated by IATA for safe and secure shipment of Engines and the OEM current manual specifications and requirements related to transportation of such by air, land or water.

The Customer shall ensure that Engine Parts and/or Engine Components supplied by the Customer are properly packed and secured in accordance with ATA 300 category 1 or 2. In case the shipping containers cannot be used by Engine Maintenance Provider for the redelivery, Customer may be charged for the costs for new shipping containers, or Customer may supply shipping containers from the third party.

### **A-10.2 Shipping address**

Each shipment of Engine Parts or Components to Engine Maintenance Provider shall be addressed to:

„Engine Maintenance Provider Address“

### **A-10.3 Notification of dispatch**

The Customer shall notify dispatch of any shipments to Engine Maintenance Provider including Air Way Bill (AWB) number/Domestic tracking number, identification of the Engine and purchase order number, as applicable.

## Annex B

## Rates and Charges

### B-1 Time and Material

#### B-1.1 Labor rates

Engine Maintenance Provider provides additional services which are not covered by the fixed prices at the following rates.

Table 4

Service	Rate	Unit
Production labor rate	USD XX.	per man hour
Engineering labor rate	USD XX.	per man hour

#### B-1.2 Material replacement handling charges

Following handling charges for replaced Engine Parts which are not covered by the fixed prices shall be charged:

Table 5

No	Rate and Condition	
1	Scrap replacement with new part at OEM list plus % of OEM list price	X,X %
	Max handling charge per part	\$X
	Max handling charge per line item	\$X
2	Scrap replacement of non-LLP part with OVH part both parties agreed price plus fee % of agreed price	X,X%
	Max handling charge per part	\$X
	Max handling charge per line item	\$X
3	Scrap replacement of LLP part with new part	X,X%
	Max handling charge per part	\$X
4	Scrap replacement of LLP part with OVH part both parties agreed price plus fee % of agreed price	X,X%
	Max handling charge per part	\$X

Engine Maintenance Provider shall not charge any material handling fee in case the Customer sends Engine Components in order to perform an Engine test run (Engine Components which are not sent with the Engine to Engine Maintenance Provider and are required for the Engine test run). Such Engine Components including documentation (serviceable tags, EASA form 1 / FAA form 8130-3) shall be delivered to Engine Maintenance Provider Facility for the Engine test run.

#### B-1.3 Exchange handling charges

Following handling charges for exchanged Engine Parts which are not covered by the fixed prices shall be charged:

Table 6

No	Rate and Condition	
1	Exchange of used non-LLP parts with OVH part, fee % of OEM list price plus repair cost	X,X%
	Max handling charge per part	\$X
	Max handling charge per line item	\$X
2	Exchange of used non-LLP parts with New part, fee % of OEM list price plus repair cost	XX%
3	Exchange of LLP parts; difference of pro-rata values plus % of OEM list	X,X%
	Max handling charge per part	\$X

### B-1.4 Subcontracting

Following handling charge for subcontracted services shall apply:

Table 7

Service	Rate and condition
Subcontracted services	Subcontractors invoice plus X% handling charge capped at USD X per part / USD X per line item per invoice

### B-1.5 Customer Supplied Materials

Following handling charges shall be applied for the Customer supplied materials:

Table 8

No	Rate and Condition	
1	Handling charge for customer supplied parts	
	For parts up to 4000\$ of OEM list price	X %
	For parts over 4000\$ of OEM list price	X%
	Cap per item	\$X
	Cap per line item	\$X

## B-2 Fixed Prices

### B-2.1 Routine labor fixed prices for disassembly and reassembly of an Engine

The following fixed prices cover labor associated with removal, disassembly, assembly and installation, as well as cleaning and inspection of the respective modules, subassemblies or piece parts as required by the agreed workscope performed in accordance with the WPG. Any work performed as necessary beyond the defined workscope shall be charged separately to the Customer.

Note: All services related to Engine Parts repair within the Shop Visit shall be charged separately in accordance with the CPC as set out in Annex **Ошибка! Источник ссылки не найден.**, where Engine Maintenance Provider has in-house capabilities, or in accordance with Annex B-1.4 if Engine Parts repair is subcontracted.

Table 4

Engine level	Fixed price in USD
Incoming Inspection	
Removal & Reinstallation of Accessories	
Removal/installation of fan QEC/EBU	
Removal/installation of core QEC/EBU	
Removal/installation of LPT QEC/EBU	
Split/reassemble fan and core major modules	
Split/reassemble core and LPT major modules	
Removal/reinstallation of TGB	

Removal/reinstallation of AGB	
Outgoing Inspection and Preparation for Shipment	
<b>Fan major module level</b>	<b>Fixed price in USD</b>
Removal/installation of fan and booster	
Removal/installation of no1&2 bearing support	
Removal/installation of IGB and no3 bearing	
<b>Core major module level</b>	<b>Fixed price in USD</b>
Removal/installation of HPT shroud and LPT1 nozzle	
Removal/installation of HPT rotor	
Removal/installation of HPT nozzle	
Removal/installation of combustion chamber	
Removal/installation of combustion case	
Removal/installation of HPC rear stator	
Removal/installation of HPC front stator	
<b>LPT major module level</b>	<b>Fixed price in USD</b>
Removal/installation of LPT rear frame	
Removal/installation of LPT shaft	

The following fixed prices shall be valid for the specified module level workscope:

**Table 5**

ATA	Module level	Minimum workscope	Repair workscope	Performance workscope	Full workscope
72-21	Fan and booster				
72-22	Number 1 & 2 bearing suppt.				
72-23	Fan frame				
72-31	HPC rotor				
72-32	HPC front stator				
72-33	HPC rear stator				
72-41	Combustion case				
72-42	Combustion chamber				
72-51	HPT nozzle				
72-52	HPT rotor				
72-53	HPT shroud/LPT nozzle				
72-54	LPT rotor and stator				
72-55	LPT shaft				
72-56	LPT rear frame				
72-61	Inlet gear box				
72-62	Transfer gear box				
72-63	Accessory gear box				
72-75	QEC mechanical piece parts				
72-76	QEC electrical piece parts				

## **B-2.2 Special processes fixed price**

For the special processes workscope the following fixed prices shall apply:

**Table 6**

Task description	Fixed price in USD
Video borescope inspection together with incoming / outgoing inspection (per inspection)	\$0
MPD tasks (C-Check item clearance)	\$0

## **B-2.3 Engine test run**

Following test run fee shall apply to the engine test run after reassembly of the Engine:

Table 7

Service	Rate and condition
Engine test run:	USD X per test run The engine test run fee includes all labor to perform the test, the test cell usage and the preparation of Engine for testing as well as fuel and oil consumed for the test run and preservation.

If an Engine fails to pass the applicable and agreed test due to proven poor workmanship of Engine Maintenance Provider, Engine Maintenance Provider shall remedy the faulty workmanship and retest the Engine at its own cost. Where it is not proven that Engine Maintenance Provider or any of its subcontractors is responsible for any defects, the Customer shall be charged for the costs of rectification and retest.

## B-2.4 Engine Component Maintenance services

Table 8 shows the fixed prices (labor and material) of Engine Maintenance Provider for Engine Components Maintenance capabilities based on the typical part number level. Engine Maintenance Provider offers Engine Component Maintenance services for the following fixed prices in USD.

Table 8

#	Engine Component	Reference Part Number**	Bench test	Repair	Overhaul
1	ECU (CONTROL UNIT-ELECTRONIC)	1459M55P32			
2	UNIT - HYDROMECHANICAL	8061-536			
3	VALVE LPTACC	C25149000			
5	TEMP SENSOR T3	8TC19AAR1			
6	FUEL PUMP	714900-3			
7	FUEL FLOW TRANSMITTER	8TJ124GHG1			
9	FUEL NOZZLE ASSEMBLY	6840023M1			
10	FUEL NOZZLE ASSEMBLY	6840023E16			
13	IDG OIL COOLER	45731-1375			
14	VALVE-FUEL MANIFOLD	44E64-8			
15	HEATEXCHANG. OIL - FUEL	45332-8039			
16	HEATER SERVO FUEL	45731-1251-1			
17	FUEL RETURN VALVE	D22AA1023			
18	SENSOR SPEED N1	320-557-502-0			
19	SENSOR SPEED N2	320-549-002-0			
20	LUBRICATION UNIT	336-010-004-0			
21	AIR STARTER	3505582-27			
22	MOTOR – GEAR HYDRAULIC	396800-12			
23	STOP MECHANISM - BLEED	3282970-4			
24	VBV ACTUATOR – MASTER	121666-13			
25	VBV ACTUATOR	121664-8			
26	VBV POSITION SENSOR	VG11-04R			
27	ACTUATOR VARIABLE STATOR	1211313-010			
28	SENSOR-TEMP T25	RP152-01			
29	STATOR – ALTERNATOR	9387M17P09			
30	ROTOR – ALTERNATOR	9387M16P02			
31	HIGH PRESSURE TURBINE VALVE	324685-5			
32	SENSOR VIBRATION TURBINE	144-405-000-031			
33	IGNITION LEAD LOWER/UPPER	9043110-16			
34	IGNITION BOX LOWER/UPPER	10-631045-2			
35	OIL TANK	336-470-604-0			



36	IP CHECK VALVE	2290B020000			
37	OIL QUANT. TRANSMITTER	74-110-10			
38	HIGH PRESSURE VALVE	6774E010000			
39	PRESS PRES. REGULATING VALVE	6713D080000			
40	HYDRAULIC PUMP	887673			
41	STARTER VALVE	3290064-20			
42	CAP INDICATOR	335-260-906-0			
44	SENSOR T12	RP195-03			

### **B-3 Supplementary services**

#### **B-3.1 Maintenance Control Center (MCC) and AOG desk support**

Services as set out in Annex A-8.1 Engine Maintenance Provider shall no charge Customer by per event for the engineering/logistics support from the MCC and/or AOG desk support covered by this Agreement. For the labor required for the Enginr, Engine Maintenance Provider shall charge USD X.00 per event (an event is considered as three (3) hours, physical labor only).

If further support is necessary, the Customer shall issue a purchase order for the continuance of the service. Such continuance of service (labor only) shall be quoted by Engine Maintenance Provider on a case-by-case basis.

#### **B-3.2 Engine storage**

For services as set in Annex A-8.22, Engine Maintenance Provider shall no charge Customer for any Engine storage.

### **B-4 Incentives**

#### **B-4.1 Incentive on CPC**

Engine Maintenance Provider agrees to grant a discount of X% on prices published in the CPC to the Customer, exclusively for the services performed under this Agreement.

#### **B-4.2 Incentive on Engine delivery**

For each Shop Visit of an Engine with a workscope including at least major Engine disassembly and core full (modules 31, 32, 33, 41, 42, 51, 52, 53, remaining modules visual check) or partial (modules 31, 32, 33, 52, 53, remaining modules visual check) performance restoration, Engine Maintenance Provider is offering the engine transport free of charge to the Customer.

### **B-5 Engine Fixed Price (EFP)**

The following Engine Fixed Price (EFP) are based on the workscope defined in Annex 0, provided the Engine is in normal wear and tear condition, the Engine has not suffered an FOD or DOD, blade failure, was not operated in sand storm or flown through volcanic ash and has not been operated outside of manual limits and inclusions and exclusions applied.

#### **B-5.1 Basic workscope pricing**

The figures below refer to the workscope as defined in Annex 0 and covered by this Agreement.

Table 14

#	Workscope ESN applicability	EFP in US Dollar
1	731880	
2	731895	

#### **B-5.2 Coverage of the EFP**

### B-5.2.1. Included services

The EFP as stated in Annex B-5.1 includes the following services:

- Labor and engineering support;
- Engine incoming inspection;
- Engine disassembly and assembly;
- Engine part repairs if per Workscope the part is defined at piece part level inspection;
- Cleaning and inspection of all parts and units;
- In-house and subcontractor repairs of Engine parts including labor, materials required and handling fees;
- Repairs and overhaul of airfoils and other Engine parts, including all improved modifications and repairs required due to stoppage of certain repairs by the vendors;
- 5 (five) ea split repairs of HPT Nozzle Guide Vanes of Module 51 per Engine Shop Manual or any OEM modification or repair document;
- Labor for LLP replacement;
- LPT stg 1 Nozzle Guide Vane 75% (18 ea) replacement of DER parts with OEM overhauled/new parts for the engine serial number 731880;
- Scrap replacement of Engine Parts (excluding Engine Part listed in the Scrap rate table and LLP) up to USD \$35000 of OEM Price Catalog and applicable handling fees;
- Exchange of the parts required to be in comply with target TAT;
- Exchanged Engine Parts applicable fees;
- Consumable and Expendable;
- Engine test performance including preparation and Engine component check, oil and fuel required;
- Engine post test video borescope inspection;
- Engine preparation for shipping;
- Storage of engine;
- Engine round trip transportation

The following scrap rates shall be applied:

Table 95; Scrap rate table

Mod	Description	ESN731880 Scrap %	ESN731895 Scrap %
21	FAN BLADES	0%	0%
21	BOOSTER BLADES	0%	0%
21	BOOSTER VANES	0%	0%
23	FAN OGV	15%	15%
31	HPC BLADES*	50%	50%

32	HPC VANES*	30%	30%
32-33	HPC VANE SEGMENTS*	10%	10%
51	HPT NGV	5%	5%
52	HPT BLADES	10%	10%
53	HPT SHROUDS	20%	20%
54	LPT STG 1 NGV	75%	9%
54	LPT STG 1-4 BLADES*	5%	5%
54	LPT STG 2-4 NGVs*	5%	5%

\*From the total quantity in a whole set of HPC blades, HPC vanes, HPC segments, LPT blades, LPT Nozzle Guide Vanes installed in modules HPC and LPT.

#### **B-5.2.2. Excluded services**

- a) Life Limited Parts required for replacement (materials);
- b) LRU&QEC maintenance;
- c) All additional work not included by defined Workscope.
- d) FOD and DOD event.

### **B-6 Definition of workscope**

Engine Maintenance Provider shall perform following workscope in accordance with the WPG and the EFP as per Annex B-5.1.

#### **B-6.1 EFP ESN731880**

Table 10.

#### **B-6.2 EFP ESN731895**

Table 17.

## **B-7 Adjustment of rates and charges**

All rates and charges specified in Annex B are valid from effective date of this Agreement until the 31<sup>st</sup> of October 2017. With effect from this date the rates and charges of this Agreement shall be adjusted each year as per the 1<sup>st</sup> of November of each subsequence year.

### **B-7.1 Labor rates**

All labor rates as specified in Annex B and fixed prices for labor as set out in Annex a)B-2.1 and Annex a)B-2.2 shall be adjusted from \_\_\_\_X\_\_\_\_ in accordance with the increase ("annual inflation") in the National Consumer Price Index or other National Index which is reflecting this increase.

The price adjustment for labor rates shall not exceed a maximum of two percent (2%) per annum.

For the adjustment the following formula shall be applied:

$$NR = R * \left( \frac{NCPI_{new}}{NCPI_{old}} \right)$$

NR                      New rate

R                        Current Rate

NCPI<sub>new</sub>              Average NCPI over the last twelve (12) months as per end of October.

NCPI<sub>old</sub>                Average NCPI of the twelve (12) months period prior to the period applied for  
NCPI<sub>new</sub>

Note: In the event that the result is less than zero, no adjustment shall apply.

### **B-7.2 Adjustment of Material rates**

Material prices in this Agreement and material caps as per Annex a)B-1.2 and Annex a)B-1.3 shall be adjusted in accordance with the OEM material price increase. Adjustment shall be capped at 5.0% per year.

### **B-7.3 Adjustment of CPC**

The prices published in the CPC are valid until the date as published and shall be automatically adjusted each year. Adjustment shall be capped at 4.0% per year.

### **B-7.4 Adjustment of the EFP**

The EFP is determined by eighteen percent (18%) labor and eighty-two percent (82%) Material portion and shall be adjusted according to: Labor rate increase, as stated in Annex B-7.1, the OEM material cost increase as set out in Annex B-7.2.

The aggregated escalation of the EFP due to both adjustments on labor and OEM material adjustment shall be capped at 3.0% per year.

### **B-7.5 Adjustment of the Components repair fixed prices**

Adjustment of the fixed prices for the Components shall be capped at 4.0% per year.

### **B-7.6 Adjustment of the Engine test cell run**

Adjustment for Engine test cell charge as set out in B-2.3 shall be done in accordance with percentage change for jet fuel versus twelve (12) months ago to the IATA Jet Fuel Price Monitor most recently published.

## Annex C Documentation

### Legend:

H	Hard copy (either original or copy of original with a true copy stamp)
HTML	HTML format
JPEG	JPEG File Interchange Format (for field assistance)
PDF	Adobe Acrobat PDF format
TIFF	Tagged Image file format from electronic archive
XLS	MS Excel format

### C-1 Documentation to be provided by the Customer

#### C-1.1 Minimum documentation required for shop induction

For the Engines pursuant to this Agreement the following minimum documentation shall be provided by the Customer to Engine Maintenance Provider in order to enable Engine induction.

Table 11

Description of minimum documents required for shop induction	Format	Date of delivery
Engine data submittal book for respective Engine(s)	HTML / PDF	Within ten (10) Business Days before Engine induction.
Optional if LLP changed and/or rating changed during SVJ Back to birth history (thrust rating, duration of assignment for specific thrust rating) for each LLP, if such LLP will be changed and/or rating change take place during the Shop Visit	XLS / PDF	
Engine and module serial number total time and total cycles accrued to date	XLS / PDF	At least one (1) Business Day prior to Engine delivery
Actual LLP status	XLS / PDF	At least one (1) Business Day prior to Engine delivery
Current Engine AD status or the AD status of each Shop Visit including AD's performed since last Shop Visit	XLS / PDF	At least one (1) Business Day prior to Engine delivery
Engine workscope for respective Engine approved by the customer	XLS / PDF	At least one (1) Business Day prior to Engine delivery
Identification of the Engine or parts thereof	XLS / PDF	Latest with delivery of the Engine
Primary cause for removal and date of removal occurred / position of Engine removed	XLS / PDF	
Engine Component and accessory list for respective Engine	XLS / PDF	
Total accumulated hours and cycles up to date / Engine change (removal report)	XLS / PDF	
Non-incident statement / non-accident statement for respective Engine	H	

#### C-1.2 Additional information provided to Engine Maintenance Provider

The Customer shall deliver the additional information to Engine Maintenance Provider as set out in below table:

Table 12

Требуемая информация	Формат	Дата предоставления
Test cell report or the release certificate (hot-day-corrected and modified EGT measured at N1K rated take off for the last applicable Shop Visit or engine test run after production).	XLS / PDF / H	Latest with delivery of the Engine
Engine preservation actions since last Engine removal	XLS / PDF / H	Latest with delivery of the Engine

### C-1.3 For complete package the following documentation is required

In addition to the documents as set out in Annex C-1.1 and Annex C-1.2, the following documents shall be delivered to Engine Maintenance Provider in case the Customer requires a complete documentation package (e.g. conditions from Engine Lessor) after the Shop Visit from Engine Maintenance Provider.

Table 13

Description of additional documents	Format	Date of delivery
Shop visit history of the respective Engine(s)	XLS / PDF	Within ten (10) Business Days before Engine induction.
Engine log book (if exists)	XLS / PDF	
Engine-rating history including hours / cycles and date of each conversion	XLS / PDF	
ETOPS (Extended-range Twin-engine Operational Performance Standards) status if operated under such requirement	XLS / PDF	
Current Engine SB status or SB status of each Shop Visit including SB's performed since last Shop Visit	XLS / PDF	
AMM (if requested by Engine Maintenance Provider)	XLS / PDF	
Engine acceptance test summary (last Shop Visit)	XLS / PDF	Latest 5 days after delivery of the Engine
Actual status serialized parts (on log) reflect time since new (TSN) and cycle since new (CSN) as well as time since last overhaul (TSO) and cycle since last overhaul (CSO)	XLS / PDF	

### C-2 Documentation to be provided to the Customer

Engine Maintenance Provider shall deliver the following documents to the Customer, under the provision that the necessary documentation has been delivered prior to Shop Visit by the Customer to Engine Maintenance Provider as set out in Annex C-1.

Table 14

Description of documents delivered by Engine Maintenance Provider	Format	Date of delivery
Certificate (original) of release to service (EASA Form 1) and FAA 8130-3	H / TIFF	With the serviceable declared Engine
Engine preservation and serviceable tag	H / TIFF	
Engine Component and accessory list for respective Engine	H / TIFF	
Missing part list	H / TIFF	
LLP time and cycle assignment	H / TIFF	
The remaining hours and cycle to go of all LLP as of completion of the Shop Visit and the back to birth history (thrust rating, duration of assignment for specific thrust rating) of all exchanged, replaced and thrust rating changed LLP	H / TIFF	Within three (3) Business Days after Engine has been declared serviceable
On-log of Engine, module and parts inventory	H / TIFF	
Fan blade distribution sheet	H / TIFF	
Engine AD status at completion of the Shop Visit and Engine SB status which have been carried out during the Shop Visit. In case the Customer provided the Engine SB status to Engine Maintenance Provider prior to Shop Visit then the full Engine SB status will be provided at completion of the Shop Visit.	H / TIFF	
ETOPS (Extended-range Twin-engine Operational Performance Standards) status if operated under such requirement	H / TIFF	
Engine test summary log	H / TIFF	
Borescope inspection and filters inspection results after outbound test	H / TIFF	
Engine Shop Visit report	H / TIFF	Within thirty (30) days

Review meeting sheet (worksopce description)	H / TIFF	after Engine redelivery
Dirty Finger Prints for each engine module after Shop Visit	PDF	Within sixty (60)days after engine delivery
Scrap report	H / TIFF	

## Signatures

Made and executed this \_\_\_\_\_ [MM/DD/YYYY]

### ROSSIYA Russian Airlines

### Engine Maintenance Provider .

\_\_\_\_\_  
**Name :**

Title:

\_\_\_\_\_  
**Name**

Title:

\_\_\_\_\_  
**Name :**

Title:

\_\_\_\_\_  
**Name**

Title:

**ANNEX  
to the repair agreement**

**INFORMATION FORM**

No	Name of the counterpart					Contract (Bank requisites, Subject Matter, Total Amount, Validity)					Owners/beneficiaries data (till the owners/beneficiaries of the last level)						
	taxpayer identification number	state registration number	name of the company	CEO name	CEO ID/passport details	No. of Contract and entering into force	Subject Matter of Contract	Total Amount	Validity	Bank requisites and legal address	taxpayer identification number	state registration number (for organisations)	name of the owner/beneficiary	registration address	ID (passport details) for individuals	CEO/owner/shareholder/beneficiary	List of the documents confirming the info. about owners, shareholders and beneficiaries
1																	
2																	
3																	

\_\_\_\_\_

authorized representatives of \_\_\_\_\_

Date: «\_\_» \_\_\_\_\_

**“ROSSIYA AIRLINES” Joint Stock Company**

General Director

\_\_\_\_\_ Dmitrii Saprykin

Date: \_\_\_\_\_

**Provider**

\_\_\_\_\_

Date: \_\_\_\_\_