

عقد الصيانة لجميع طائرات الخطوط
الموقع في 6/10/2016 مع شركة
ATS

TECHNICAL COOPERATION AGREEMENT

(Engineering, Line & Base Maintenance in BGW, SAFA and Quality Support Services)

for Bombardier CRJ, Boeing 737NG & 747 & 767 & 777, Airbus A320/A321 & A330 Fleets

By "HAVACILIK TEKNİK A.Ş."

ATSTEAM Technical Building
PK 6 Atatürk Airport
Yeşilköy / İstanbul / Türkiye

Hereinafter referred as "ATSTEAM"

To "IRAQI AIRWAYS"

Baghdad International Airport
Baghdad / Iraq

Hereinafter referred as "CUSTOMER"

Individually referred as "Party" and together referred as "Parties"

1. PERIOD OF AGREEMENT

Notwithstanding the date of signature in this Agreement and its related Annexes shall become effective from the date:

05/October/2016

and shall remain in force for five years from effective date until:

04 /October/2021

2. RECITALS

2.1. ATSTEAM is an organization in the business of Aircraft related technical Services such as but not limited to the maintenance of and Rotable Components and is duly authorized and certified in accordance with the EASA, Iraqi Civil Aviation Authority and Turkish Civil Aviation Authority.

2.2. ATSTEAM is willing to perform its Services for the benefit of CUSTOMER in accordance with appropriate EASA-145, SHY-145 and Iraqi CAA approvals and ATSTEAM's quality standards and experience; and whereas CUSTOMER wishes to have certain Aircraft related Services performed by ATSTEAM in accordance with such standards and experience.

2.3. Subject to the terms and conditions set forth in this Agreement, ATSTEAM shall perform the work and render the Services on CUSTOMER's request for CUSTOMER' Aircraft.

2.4. This Engineering; Line & Base Maintenance (in BGW); SAFA and Quality Support Services Agreement defines the procedures, conditions and terms inclusive of commercial terms of the requested Service. This Engineering; Line & Base Maintenance (in BGW); SAFA and Quality Support Services Agreement shall be entered into between the Parties for the Period of Agreement. Any amendment / extension shall be executed by signing additional agreements / side letters in writing and executed by both parties.

2.5. In consideration of the mutual promises and covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

3. DEFINITIONS

Additional Invoices	Costs arising or calculated or invoiced by ,including but not limited to, sub-contractor, ATSTEAM, airport authorities, after the issuance of the final invoice of ATSTEAM
Agreement	This General Terms Agreement on Technical Services as well as the Attachments thereto including any and all subsequent amendments and side letters in writing from time to time
Attachment	A detailed Service agreement inclusive of its Annexes, Appendices, amendments and side letters which are attached to this General Terms Agreement. Definition imposing the Attachment shall mean Annexes, Appendices, amendment and side letters individually and / or collectively where the context so requires.
Aircraft	Means the Airframe, the Engines, the Parts and the Aircraft Documentation, collectively. As the context requires, "Aircraft" may also mean the Airframe, any Engine, any Part, the Aircraft Documentation or any part thereof Airframe, Engines, Parts and Aircraft Documentation collectively
Aircraft Documentation	Means all a) log books, Aircraft records, manuals and other documents provided by / to CUSTOMER in connection with the Aircraft b) Any other documents required to be maintained during the Agreement
Airframe	means the Aircraft (except engines)
Airworthiness Directives	Means EASA, FAA and the Aviation Authority applicable to the Aircraft issued directives specifying required inspections, modifications or operations of affected equipment to be complied with
AOG	Aircraft on Ground
APU	Auxiliary Power Unit
Aviation Authority	Either the approving authority of the Aircraft operator or the approving authority of the maintenance organization, as applicable
Business Day	A day other than a Saturday or Sunday on which the banks in the country of CUSTOMER and in Istanbul are open for the transaction of business of the type required by this Agreement.
Consumable	Means an item approved for use on the Aircraft (no components or parts) [identified by a standard or other specification (or by a part number in exceptional cases) in the Maintenance or operation documents issued by an approved Manufacturer or component design organization concerned] such as oil, lubricants, adhesives, paints, seals, gaskets, filters, etc. or consumables used as aids to production such as solvents, cleaning agents, pickling agents, rags, gloves, pater materials etc. that do not constitute materials incorporated on the Aircraft.
Component	<p>Note : Paints (primers & top coat laquers) for a partial or full Aircraft exterior painting are not considered as included in the consumables and will be mentioned separately by name.</p> <p>Means a Rotable or Repairable</p>



CLP	Latest Catalogue List Price of a Part listed by the OEM at the date of invoice preparation of the accomplished Service, which is open to public and without any discount.
CRS	Certificate of Release to Service
Delivery	The act by which CUSTOMER delivers or causes to be delivered an Aircraft, Engine, APU, Component or Part to ATSTEAM for the provision of Services
EASA	European Aviation Safety Agency
Euro	Common currency of the European Union
Engine	means each engine (including accessories, QEC and parts attached to or installed on it from time to time) as more particularly described in the Attachments
EO	Engineering Order
Excusable Delay	Any excusable delay defined specifically in the related Attachment.
Expendables	Means a part of an Aircraft identified by part number for which no authorized repair procedure exists or for which cost of repair would normally exceed that of replacement and which is therefore to be disposed if unserviceable. For example light cover, seals, filter etc.
Fixed Price (F/P)	A predetermined price for a single Service or event
Indemnities	Means HAVACILIK TEKNİK A.Ş., ATLASJET HAVACILIK A.Ş. its parent and any associated company and their respective officers, employees, agents and subcontractors
Inventory	Means all loose equipment, manuals, and certificates on board of an Aircraft delivered at the time of Delivery
Loss	Means any losses, costs, liabilities, damages, actions, claims, proceedings, charges and expenses (including legal costs)
Maintenance	One or a combination of the following actions, including but not limited to; Overhaul, Repair, inspection, replacement, modification or rectification of discrepancies on an Aircraft
Maintenance Data	Approved data for an Aircraft which has been issued by the design organization which has developed the Aircraft or another appropriately approved design organization to define the extent of maintenance to be performed on Aircraft
Maintenance Program	An approved program for maintenance by CUSTOMER Aviation Authority
Manufacturer	Manufacturer of the product subjected to this Agreement and its related Attachments
MME	Maintenance Management Exposition
Modification	means the alteration of the Aircraft in conformity with an approval standard in a specified manner
MOE	Maintenance Organization Exposition
CUSTOMER	The entity who requests ATSTEAM to accomplish some Services in accordance with terms and conditions stated in this Agreement. CUSTOMER means CUSTOMER in this Agreement.
CUSTOMER Furnished Material	means all Parts provided by CUSTOMER in connection with the Services
CUSTOMER	Means the CUSTOMER representative appointed and holding Power of Attorney on

Representative	behalf of CUSTOMER . If none is appointed, CUSTOMER's Vice-President of Technical Services is assumed to be CUSTOMER Representative holding Power of Attorney on behalf of CUSTOMER
CUSTOMER Specific Material	CUSTOMER Specific Material are consumables and expendables to be incorporated on the Aircraft to maintain all equipment, furnishing (such as galleys, seats etc.) and décor individually chosen by the buyer or operator of the Aircraft (e.g. carpets, curtains, seat covers, linings, placards etc. but as well as primer & paint if special paint system has to be applied or specific expendables to maintain a particular modification)
N/A	Not Applicable
Non-routine Item	All discrepancies detected through performance of Routine Item Services and additional items in the Workpackage during Maintenance. The non-routine items require Test, calibration, troubleshooting, Repair or Overhaul before the affected Airframe and/or Engine can be returned to Service
OEM	Original Equipment Manufacturer
Overhaul	means the work required to return any Rotable Part to "as new" condition or in compliance with such limits of tolerance as are established by the Rotable Part Manufacturer's overhaul manual or as established by the manufacturer's overhaul or maintenance manual overhaul limits
Parts	means all appliances, part, accessories, instruments, navigational and communication equipment, furnishings, modules, components and other items or equipments (other than complete Engines)
Party / Parties	ATSTEAM or CUSTOMER and CUSTOMER/ATSTEAM collectively
Rectification	Action required after the findings of a routine item. Rectification actions may be any kind of process including removal/installation, repairs, overhaul, testing, etc...
Redelivery	Act of ATSTEAM by which a serviced Aircraft or Component is handed over or is offered to CUSTOMER for taking delivery on appropriate documentation.
Release to Service	The issuance of a certificate of release to Service by the Maintenance Organization approved by the applicable Airworthiness Authority confirming, unless otherwise specified, that the maintenance Services listed therein have been carried out in conformity with the applicable requirements (e.g. EASA Part-145) by appropriate authorized personnel of the maintenance organization and in accordance with the applicable maintenance organization exposition, and that the Aircraft or Component has been released to service
Repair	means the Maintenance required to return a Rotable Part to a serviceable and airworthy condition in compliance with such limits of tolerance as are established by the Rotable Part Manufacturer's manual or maintenance manual limits
Repairable	Means a Part of an Aircraft, which may be economical to repair to a serviceable condition.
Rotable	means a Part for an Aircraft 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).
Service	means all work performed or to be performed by ATSTEAM and/or subcontractors as a result of this Agreement and as specified in the Attachment
Special Tooling	means tool or equipment required in special cases (i.e. rectification of

	Exceptional defect, incorporation of modification etc.) that are not stocked at ATSTEAM facilities in Istanbul Base Maintenance Center and has to be procured or rented if needed
Subcontracting	means performance of work by an appropriately approved EASA 145 organization or performance of work by a non EASA 145 approved organization but under the quality system of a EASA 145 organization.
Subcontractor	Any person, legal or natural, rendering Subcontracting activities on behalf of ATSTEAM
Taxes	means any and all present and future sales, use, personal property, customs, value-added, turnover, excise, stamp, interest equalization, income, profits or gains, gross receipts, or other taxes, levies, imposts, duties, fees or withholdings together with any penalties, fines, surcharges or interest thereon imposed, levied or assessed by or otherwise payable to any government entity
Transportation Cost	Means all cost in association with transportation, including but not limited to freighting charges, custom fees and taxes etc.
ATSTEAM	means HAVACILIK TEKNİK A.Ş. and its respective associated and/or affiliated and/or subsidiary companies as now existing or may be constituted or acquired
Turnaround Time (TAT)	Unless otherwise stated in the related Attachment, the period of time agreed upon between the Parties for the rendering of the Services such time period being defined as the time period between the date of Delivery and the date of Redelivery
USD	Common currency of the United States
Work Order	Standard ATSTEAM work order form used by ATSTEAM
Workpackage	Means all the documents issued on, before or after the performance of the Services by Parties.

4. CUSTOMER FLEET UNDER THIS AGREEMENT

The following Aircraft operated by CUSTOMER and taking place in CUSTOMER Aircraft Operator Certificate "AOC" is covered under the scope of this Agreement as defined in table;

Registration	Aircraft MSN	Aircraft Type
YI-AQA	15189	Bombardier CRJ 900
YI-AQB	15202	Bombardier CRJ 900
YI-AQC	15213	Bombardier CRJ 900
YI-AQD	15220	Bombardier CRJ 900
YI-AQE	15265	Bombardier CRJ 900
YI-AQF	15266	Bombardier CRJ 900
YI-AQM	26235	Boeing 767-300
YI-AQW	26337	Boeing 767-300
YI-ASA	28433	Boeing 747-400
YI-AQQ	27099	Boeing 747-400
YI-ARA	5115	Airbus A320
YI-ARB	5290	Airbus A320
YI-ARD	5464	Airbus A320
YI-AGS	4044	Airbus A321
YI-AGR	4067	Airbus A321
YI-AQY	1339	Airbus 330
YI-AQZ	40993	Boeing 777

هذه الطائرات
المسجلة لدى
أطلس جت ووفق
هذا العقد فإن
صيانته مدفوعة

YI-ASA	28433	Boeing 747-400
YI-AQQ	27099	Boeing 747-400
YI-ARA	5115	Airbus A320
YI-ARB	5290	Airbus A320
YI-ARD	5464	Airbus A320
YI-AGS	4044	Airbus A321
YI-AGR	4067	Airbus A321
YI-AQY	1339	Airbus 330
YI-AQZ	40993	Boeing 777
YI-AQK	33935	Boeing 737-700
YI-AQL	35789	Boeing 737-700
YI-ASH	40076	Boeing 737-800
YI-ASI	40077	Boeing 737-800
YI-ASK	40078	Boeing 737-800
YI-ASQ	40079	Boeing 737-800
YI-ASR	40080	Boeing 737-800
YI-ASS	40081	Boeing 737-800
YI-AST	40082	Boeing 737-800
YI-ASG	40089	Boeing 737-800
YI-ASJ	40090	Boeing 737-800
YI-ASE	40104	Boeing 737-800
Y-ASU	40087	Boeing 737-800
YI-ASF	40105	Boeing 737-800

5. SCOPE OF SERVICES (Services to be provided under monthly fixed price)

5.1. HANGAR RENOVATION

5.1.1 Epoxy cover for hangar floor;

5.1.2 Provision of the tools and equipments of MPD tasks for all aircraft of Iraqi Airways' fleet during the C Check;

5.1.3 Installation of a modern lighting system at Iraqi Airways maintenance hangar;

5.1.4 Provision and installation of one Combined C Check Fixed Docking System for both B737NG, A321 types;

5.1.5 Provision and installation of one C Check Universal Fixed Docking System for wide body aircraft within the 8 months after the signature date of this Agreement;

5.1.6 Renovation of Modern store and tool house area (minimum 250, maximum 400 square meters) which will be allocated by Iraqi Airways in order to support both line and base maintenance. (All storage equipments iaw EASA standard also shall be provided by ATSTEAM)

5.1.7 Repair and activation of Hangar door and Crane: ATSTEAM shall organize hangar door and crane repair with related companies up to 150.000 USD. Installation shall be completed in 4 months on ATSTEAM's cost and expense.

5.1.8 ATSTEAM shall provide necessary maintenance at current firefighting system in order to make it active. Current system should be inspected and tested, if the system will be found beyond BER condition, ATSTEAM shall create firefighting system at EASA standards. (fire extinguisher tubes and smoke detectors)

5.1.9 Management, providing and/or purchasing of all the above mentioned items shall be ATSTEAM responsibility and cost.

5.2. CAMO (Engineering and Planning) SERVICES

5.2.1. Engineer Assignment in Baghdad for the Engineering Support

ATSTEAM shall base one experienced engineer to Baghdad for thirty (30) days per month in order to coordinate engineering & planning activities on-site. All transportation and accommodation expenses shall be covered by ATSTEAM.

5.2.2. Engineering Services related to CAMO Requirements

5.2.1.1 Airworthiness Directives and Manufacturer Service Documents Mandated by the ADs.

ATSTEAM shall perform Engineering Services for Airworthiness Directives (AD) (FAA and EASA here and after referred as ADs.) and Manufacturer Service Documents mandated by the ADs, consisting of:

- Procuring ADs on behalf of CUSTOMER(See Note 1 below),
- Providing one copy of the procured ADs to CUSTOMER,
- Monitoring ADs including their revisions,
- Evaluation of applicability and compliance,
- Issuing Engineering Order (EO) or Task Card etc. and sending one copy to CUSTOMER
- ATSTEAM shall provide all information including the performance date, promptly for the AD accomplishment where the accomplishment is made by any other facility.
- Providing AD Status reports including applicability and due date if requested by CUSTOMER

5.2.1.2 Other Inspections and Modifications

ATSTEAM shall assess;

- Mandatory/Alert Service Bulletins (SB) not mandated by ADs,
- Non-mandatory Service Bulletins (SB)

Consisting of:

- Procuring SBs, on behalf of CUSTOMER(See Note:2 below),
- Reviewing every SB issued by related Vendors/Manufacturers including their revisions,

- Evaluating the impact of the SBs, based on the Aircraft performance, and maintenance cost.
- ATSTEAM shall provide all information including the performance date, promptly for the SB accomplishment where the accomplishment is made by any other facility.

Notes:

Note 1: The subscription to the Manufacturer Service Documents (such as SBs, SLs, SILs etc.), is not included within the scope of this agreement and is under CUSTOMER's responsibility.

5.2.1.3 Minimum Equipment List

- ATSTEAM shall prepare and amend CUSTOMER's Minimum Equipment List (MEL) to be approved by CUSTOMER Civil Aviation Authority. While preparing and amending CUSTOMER's MEL, the MMEL shall be used as the basis.
- Customer shall inform ATSTEAM whether they would like to have MEL prepared including EASA Supplements or special operation rules like B-RNAV P-RNAV, RVSM, MNPS, LVO, ETOPS or not. CUSTOMER shall provide the specific wording and dispatch category for each item.
- CUSTOMER shall be responsible for the approval of the MEL by CUSTOMER Civil Aviation Authority.
- CUSTOMER shall be responsible for the approval of the request for operations out of CUSTOMER's MEL by CUSTOMER Civil Aviation Authority.

5.2.1.4 Maintenance Program Services

ATSTEAM shall be responsible for the followings

- Reviewing Manufacturer's MPD and MRM revisions,
- Preparation of Customer's Maintenance Program including Temporary revisions. Temporary revisions shall be provided to CUSTOMER via e-mail and hardcopy to incorporate the Temporary revisions into the maintenance program.

Notes:

Note 1: Obtaining the approval for the Customized Maintenance Program and the subsequent revisions from CUSTOMER's Civil Aviation Authority shall be in responsibility of CUSTOMER. CUSTOMER shall be responsible for sending the approval to ATSTEAM within 1 month.

Note 2: During preparation of initial Maintenance Program, customer must send the last accomplishment date/hours/cycle of tasks. After carrying out of the maintenance tasks, customer shall send the last accomplishment date/hours/cycle of tasks to ATSTEAM immediately during the preparation of Maintenance Program and mod status/ SB status/ AD status must be provided by CUSTOMER.

5.2.1.5 Task Card Services

ATSTEAM shall be responsible for Task Cards Preparation consisting of:

- Preparing Task Cards according to the source references (AMM, SB, SIL, Task Cards, etc.) in Maintenance Program,

INITIALS ATSTEAM

Agreement No: TECHNICAL COOPERATION AGREEMENT 2016 Page 9 / 20

INITIALS CUSTOMER



- Defining RII, CI, AD/CN marks on the task cards in accordance with ATSTEAM procedures.
- Keeping all issued Task Cards in ATSTEAM Maintenance Network System in electronic format and these tasks card shall be copied to Iraqi Airways.
- Generating Task Cards and Task Card Packages from ATSTEAM Maintenance Network System,
- Reviewing and revising Task Cards according to the latest revision of source references (MPD, AMM, Task Cards, etc.) within 75 days.
- Assigning of Task Card Reference Threshold and Intervals to aircraft in accordance with CUSTOMER Customized Maintenance Program
- Following of the accomplishment status of Engineering Orders or Mod SB's, for the Task Cards related to Engineering Orders or A/C Modification Status. If necessary, related Task Cards are revised, cancelled or new Task Cards are issued.
- The responsibility of implementation and tracking following responsibilities for out of phase task belongs to CUSTOMER and ATSTEAM.

5.2.1.2. Maintenance Data Supply

CUSTOMER shall authorize ATSTEAM to communicate and access to obtain (Customer shall share the necessary passwords) Maintenance Data from related Manufacturers/Vendors/Suppliers for the Services provided to CUSTOMER fleet under GTA and related Agreements.

CUSTOMER shall inform related Manufacturers/Vendors/Suppliers about ATSTEAM's authorization.

CUSTOMER shall provide the list of accomplished SBs to the related manufacturers regularly in order to enable the manufacturer to provide the right customized and updated manuals.

ATSTEAM's Engineering Services for Maintenance Data shall consist of:

- Procuring all technical documents and maintenance data produced by Manufacturers/ Vendors/ Suppliers related with Aviation Authorities and other entities,
- Subscribing to any kind of publications, updates, services required for the maintenance operations and CUSTOMER operations, at CUSTOMER's own cost and expense.
- Recording all technical documents and maintenance data in database,
- Keeping all technical documents and maintenance data updated,
- Distributing the up-to-date technical documents and maintenance data,
- Supporting with respect to the incorporation of changes in Aircraft & Systems related manuals in accordance with EASA 145.45(C).

Notes:

Note 3: ATSTEAM is not responsible for lead-times the manufacturers need to deliver the revised pages of the applicable manuals.

5.2.2 Aircraft Maintenance Services

5.2.2.1. Maintenance Planning

Planning of Line Maintenance activities less than an A-Check interval will be carried out by CUSTOMER. ATSTEAM's Total Maintenance Support & Engineering Services for Maintenance Planning shall consist of:

- Planning the performance date of A-Check.
- Planning the performance date of C Check.
- CUSTOMER shall be responsible to inform CUSTOMER's Civil Aviation Authority about the Short-Term Escalation. If maintenance work package could not be performed before due date, ATSTEAM shall submit Short-Term Escalation Form for approval of CUSTOMER. Form stated in CUSTOMER procedures shall be used.

5.2.2.2. Maintenance Workpackage Preparation

ATSTEAM's Total Maintenance Support & Engineering Services for Maintenance Workpackage shall consist of:

- Work Orders and Work Request Forms,
- Tally Sheets of Task Cards, Component Replacement Cards,
- Aircraft Maintenance Task Cards,
- Life Limited / Hard Time Component Replacement, Overhaul and Exchange Schedule,
- ADs, SBs, EOs to be applied,
- Submitting the workpackage to CUSTOMER for approval

5.2.2.3. Component Maintenance Planning Services

LLP and Hard Time, Safe life Components

ATSTEAM's Total Maintenance Support & Engineering Services for LLP, Safe Life and Hard Time Component Maintenance Planning shall consist of:

- Planning the replacement of LLP, SLC and Hard Time Components in accordance with CUSTOMER Maintenance Program.

LLP, Safe Life and Hard Time Components Interval Change

ATSTEAM's Total Maintenance Support & Engineering Services for LLP, Safe Life and Hard Time Components Interval Change shall consist of:

- Obtaining Alternative Means of Compliance (AMOC) for LLPs, Safe Life and Hard Time Components' Interval change from the related Vendor/Manufacturer when deemed necessary, on behalf of CUSTOMER and submitting AMOC to CUSTOMER for the approval of the AMOC by the CUSTOMER's Civil Aviation Authority. Customer shall be fully responsible for receiving the Approval for AMOC from its Civil Aviation Authority.

5.2.2.4. Engine Condition Monitoring

ATSTEAM's Total Maintenance Support & Engineering Services for Engine condition monitoring shall consist of; health monitoring and advice necessary actions for to improve engine performance and on-wing time. Also ATSTEAM shall perform Engine removal forecast monthly basis in accordance with the Engine Fleet condition.

5.2.2.5. Record Keeping

ATSTEAM's Engineering Services for Record Keeping shall consist of:

- Archiving of digital copy of original maintenance records for the maintenance activities performed by ATSTEAM during the term of this Agreement,
- Archiving of digital copy of original maintenance records for the maintenance activities performed by 3rd Party Maintenance Providers during the term of this Agreement, as long as a copy of the subject maintenance records is provided to ATSTEAM.
- Recording/updating of Aircraft AD status,

Necessary data and maintenance/operation documents to be provided by CUSTOMER

Necessary data and maintenance/operation documents to be provided by CUSTOMER at the initial stage of services provided by this Agreement

CUSTOMER is responsible to provide the data listed below to ATSTEAM to initiate providing the services for the aircraft within the scope of this Agreement and in case of a phase in.

- Original Aircraft Manufacturer delivery documents,
- All necessary up-to-date maintenance and operation documents such as AMM, IPC, AFM, AWM, AWL, FIM, SRM,
- WBM, etc.
- Documentation of the last delivery,
- LLP Status including Engine,
- Hard time part list,
- Existing customized MEL,
- Existing Component List including Engine serialized part number list,
- Existing Customized maintenance program and the last accomplishment dates of each maintenance task (FH, FC),
- Last accomplishment of each MPD Task and next due date,
- APU hrs/FH,
- Engine FC/FH, utilization,
- AD status,
- inspection/mod status (SB status + VSB status / SL status / STC status/ EO status)

Necessary data and maintenance/operation documents to be provided by CUSTOMER periodically

CUSTOMER is responsible to provide the data listed below to ATSTEAM within specified time frame in the presented. ATSTEAM will not accept any liabilities in case late or partial delivery of below mentioned data.

Type of Data or Maintenance/Operation Document	Maximum Submission Duration
All Component replacements, removals, installations	Within 1 week after accomplishment
Accomplishment of Ads	Within 1 week after accomplishment

INITIALS ATSTEAM

INITIALS CUSTOMER

Accomplishment of SB, VSB, SL, STC, EO	Within 1 week after accomplishment
FH, FC	Once in three days
APU hrs/FH	Weekly
Engine FC/FH, Utilization	Weekly
New revisions of all necessary maintenance and operation manuals such as AMM, IPC, AFM, AWM, AWL, FIM, SRM, WBM, etc. or else giving access to ATSTEAM for these documents from MANUFACTURER	Within 15 days after revision
Master MEL	Within 15 days after revision
Aircraft flight hours and flight cycles based on the FH and FC (revenue and non-revenue)	Weekly
All Pilot Reports/Maintenance Reports/Cabin Reports and the actions made to close these reports,	Weekly
All findings following out of scheduled maintenance and scheduled inspections,	Weekly
Numbers and details about acceptable deferred defects,	Weekly
Numbers and details about acceptable hold items and MEL items,	Weekly
Number and details about Air/Ground Interruptions for technical reasons,	Weekly
Numbers and details about all critical technical incidents,	Weekly
In Flight Shut Downs	Weekly
Numbers and details (removal reason—scheduled/unscheduled/other, removed A/C MSN and its position, removal date, on-wing FH/FC values as of removal, etc.) about Engine and component removals,	Weekly
shop visits and Component Confirmed Failures,	Monthly
APU utilization and numbers and details about APU removals,	Weekly
Engine Parameters (log page, PCMCIA disk or another source of data such as OEM support)	Weekly
Engine and APU oil consumptions	Weekly
FDR data in electronic format	weekly
Other sources of data and information to support the Reliability Program which are Safety Information issued by the Aviation Authorities, manufacturers and other operators,	when available

Notes:

Note 4: Copy of all mentioned documents shall be delivered to Iraqi Airways in each 6 months

5.3 LINE MAINTENANCE SERVICES to be PERFORMED in BAGHDAD

- 5.3.1 Line maintenance services up to and including A Check for aircraft in Iraqi Airways fleet mentioned in Article 4 of this agreement.
- 5.3.2 Establishing MCC (Maintenance Control Center) staff for observing and managing technical operations performed by ATSTEAM;
- 5.3.3 ATSTEAM shall assign and base enough number of maintenance team (25 staff) in Baghdad (in rotation);

- 5.3.4 Iraqi Airways shall assign 50 certifying staff for joint operations in order to support ATSTEAM staff for the above mentioned line maintenance activities.
- 5.3.5 ATSTEAM shall also assign NDT, boroscope, structural experts free of charge, when needed;
- 5.3.6 Procurement of all materials and rotatable components for line maintenance shall also be offered additionally upon request of Iraqi Airways, and shall be invoiced to Iraqi Airways additionally.

5.4 BASE MAINTENANCE SERVICES to be PERFORMED in BAGHDAD

- 5.4.1 ATSTEAM shall immediately (as of the signature of this Agreement) start to perform base maintenance (C Check) for Iraqi Airways A321, Boeing 737NG, Bombardier CRJ, B767 fleet at Iraqi Airways' Baghdad hangar after receiving approval by Iraqi Civil aviation Authority.
- 5.4.2 ATSTEAM shall start to perform base maintenance (C Check) for Iraqi Airways B747, B777 and Airbus 330 as at Iraqi Airways' Baghdad hangar as of 1 January 2017; after receiving approval by Iraqi Civil aviation Authority. Until this date ATSTEAM shall take necessary measurements to have this capability in Iraqi Airways' Baghdad hangar. Otherwise ATSTEAM shall pay only the manhour cost of routine taskcards in C Check package of any above mentioned aircraft at C Checks performed in MRO selected by ATSTEAM.
- 5.4.3 Procurement of all materials, mod kits and rotatable components for base maintenance shall also be offered additionally upon request of Iraqi Airways, and shall be invoiced to Iraqi Airways additionally.
- 5.4.4 ATSTEAM shall additionally assign experienced engineers and skilled technicians for the performance of A321, A330, B737NG, B767, B747, B777 and Bombardier CRJ C Checks at Baghdad Airport during the term of agreement. Assignment of all C Check staff shall be under **ATSTEAM's cost and expense** for each C Check event.
- 5.4.5 ATSTEAM shall perform external and internal cleaning for all aircraft before C Check exit at Baghdad hangar.

5.5 LINE AND BASE TRAINING PROGRAM FOR IRAQI ENGINEERS

Continuous line and base maintenance training program for Iraqi Engineers shall be run by ATSTEAM experienced staff during the line and base maintenance activities in Baghdad. Licensed Iraqi Engineers shall gain experience during the Agreement period. After this practical training, ATSTEAM shall conduct an evaluation for Iraqi Airways Engineers to determine their knowledge towards obtaining the appropriate licenses from local authorities.
This program shall be applicable for the engineers mentioned in Article 5.3.10.

5.6 TECHNICAL SAFA MANAGEMENT

- 5.6.1 Assignment of highly experienced SAFA inspection and management team at Baghdad to establish technical SAFA system covering all Iraqi Airways' fleet. Iraqi Airways will designate an office in apron area and ATSTEAM will be responsible for rental cost of office, furnish and equip the mentioned office to do SAFA inspections properly.
- 5.6.2 ATSTEAM technical SAFA team shall diagnose the existing problems and perform corrective actions to close findings and prepare necessary reports.



5.6.3 ATSTEAM is aiming to upgrade the technical level of Iraqi Airways' fleet to be at the same standards of Europe. ATSTEAM shall do their best to reach such level within 9 months.

5.6.4 ATSTEAM will issue a technical report annually to diagnose the existing technical problems of Iraqi Airways and take necessary actions to reach EASA standards.

5.7 QUALITY CONSULTANCY

5.7.1 In order to ensure that all maintenance activities covered in this Agreement are performed at the regulations and standards of EASA;

5.7.2 In order to raise the quality standards of Iraqi Airways Maintenance Structure to EASA standards, ATSTEAM shall prepare a new MOE (Maintenance Organisation Exposition) with all Annexes and Forms for Iraqi Airways.

5.7.3 ATSTEAM shall provide Quality Consultancy with the Coordination of Iraqi Airways Quality Management.

5.7.4 ATSTEAM and CUSTOMER shall invite EASA inspectors after 3 years period from the signature date of this agreement, as a target to obtain EASA Part 145 approval.

5.8 STORE & TOOLING MANAGEMENT

Assignment of expert and experienced store and tooling staff in order to support line & base maintenance services provided by ATSTEAM at Baghdad Airport in accordance with EASA standard.

5.9 WORKSHOPS

Assignment of expert and experienced workshop engineers to provide training for 25 Iraqi Airways staff in wheel & tires, brake unit, battery, NDT, cabin and sheet metal workshops in order to reach EASA standard.

ATSTEAM shall furnish and equip above mentioned shops in order to reach international standards. The mentioned investment shall not exceed 2.000.000 USD.

الخطوط الجوية العراقية تدفع ما قيمته 845 ألف دولار شهريا في عقد اي تي اس بضمنها الصيانة لطائرات عقد اطلس جت ونلاحظ انواع الصيانة المدرجة والتي تحتها خط احمر هي نفس مسؤوليات الصيانة لاطلس جت في عقدها مع العراقية والموضحة في الوثيقة رقم 8-1 وهذا يعني ان صيانة هذه الطائرات تدفعها العراقية مرتين !!!!

6. COMMERCIAL TERMS& OTHERS

6.1 CHARGES FOR SCOPE OF SERVICES UNDER FIXED PRICE

SERVICES	PRICING
<ul style="list-style-type: none"> ✓ Epoxy cover for hangar floor under Article 5.1.1 is included; ✓ Provision of C Check tools and equipment for B737NG, A321 and Bombardier CRJ Fleets under Article 5.1.2 is included; ✓ Installation of a modern lightning system at Iraqi Airways maintenance hangar under Article 5.1.3 is included; ✓ Provision and installation of Combined C Check Fixed Docking System for B737NG and A321 Fleets under Article 5.1.4 is included; ✓ Provision and installation of C Check Fixed Docking System for wide body aircraft under Article 5.1.5 is included; ✓ Re-construction of modern store and tool house which will support both line and base maintenance under Article 5.1.6 is included; ✓ Repair and activation of hangar door & crane (up to 150.000 USD) under Article 5.1.7 is included; ✓ <u>CAMO Services to be performed under Article 5.2 is included</u> ✓ <u>Line Maintenance Services to be performed at Baghdad Airport under Article 5.3 is included</u> ✓ C Check Services to be performed in Baghdad for B737NG, B747, B767, B777, A321, A330 and Bombardier CRJ fleets under Article 5.4 is included; ✓ <u>Line & Base Maintenance Training Program for Iraqi Engineers under Article 5.5 is included;</u> ✓ <u>SAFA Management services under Article 5.6 is included;</u> ✓ Quality Consultancy under Article 5.7 is included; ✓ Store & Tooling Management services under Article 5.8 is included; ✓ Training and investment for Workshops under Article 5.9 is included. 	<p style="text-align: center;">845.000 USD * per month</p>

* Any aircraft (Boeing, Airbus or Bombardier types) removed from Iraqi Airways or added to Iraqi Airways fleet, the monthly price shall be decreased or increased 15.000 USD per narrow body aircraft, 20.000 USD per wide body aircraft accordingly during the term of this agreement.

6.2 PRICING FOR SERVICES NOT COVERED UNDER FIXED PRICES

Pricing for Services not classified under the Fixed Rates shall be invoiced separately in accordance with the fixed prices mutually agreed between Parties.

6.3 LOGISTICS AND SUPPLY SERVICES

All materials (expendables, consumables and rotatable parts) shall be provided by ATSTEAM upon mutual agreement. These shall be charged as follows:

- CLP + % 7 Handling charge + Transportation and Custom cost.
(ATSTEAM Logistics department gives priority to Iraqi Airways flights from IST to BGW for the shipments)

ATSTEAM shall reflect all warranties and rights to CUSTOMER arisen from repair services at supplier shops. ATSTEAM shall provide EASA Form One or FAA Form 8130, and shop reports as a technical document for such components.

ATSTEAM shall offer a quotation to CUSTOMER for each repair/loan/exchange or sale unit. This quotation includes fixed price, TAT, warranty conditions, and other commercial details about the unit. Transaction shall only begin after CUSTOMER representative approve this quotation via e-mail. This approved quotation shall be the sole financial document for invoicing and payment processes. After CUSTOMER approves this quotation any additional commercial document shall not be submitted by ATSTEAM.

ATSTEAM Supply specialists shall send weekly and monthly reports to CUSTOMER representatives about the condition of the units sent to repair by CUSTOMER or purchased by CUSTOMER.

Note: Upon Iraqi Airways' request, ATSTEAM shall provide a "Pool Agreement". If two Parties reach a consensus on "Pool Agreement", it shall be inserted as an Annex to this Agreement.

6.4 PRICE VALIDITY

All prices in this Agreement are valid during the term.

6.5 EXCLUSIVITY

CUSTOMER accepts in advance that ATSTEAM shall be the sole provider for the services mentioned in Article 5 to the CUSTOMER for all Fleet within the time frame this Agreement is effective, including the same type aircraft to be phased-in to CUSTOMER fleet.

6.6 TERMINATION

العراقية ألزمت نفسها هنا بما لا يقل عن ثلاثة سنوات ونصف لعقد قيمته السنوية حوالي عشرة ملايين دولار سنوياً لألحظ الشروط المجعفة التي وقعت عليها الخطوط

It is accepted in advance by CUSTOMER and ATSTEAM that, there is no termination in first two (2) years. If CUSTOMER terminates the contract in two (2) years, CUSTOMER shall pay 36 monthly fee additionally to ATSTEAM.

- In case of an early termination without any reasonable cause by CUSTOMER after two (2) years; CUSTOMER shall pay additional 18 monthly amount to ATSTEAM
- In case of an early termination without any reasonable cause by CUSTOMER after three (3) years; CUSTOMER shall pay additional 12 monthly amount to ATSTEAM.
- In case of an early termination without any reasonable cause by CUSTOMER after four (4) years; CUSTOMER shall pay additional 6 monthly amount to ATSTEAM.

It is accepted by Parties that, ATSTEAM shall compensate any individual service which cannot be performed within the timeframe by using third party resources in order to not effect Iraqi Airways operations.

6.7 INVOICING AND PAYMENT

ATSTEAM shall issue invoice regarding the Engineering, Line and Base Maintenance, SAFA Support, Quality Consultancy, Store and Tooling Management Charges in Article 6.1 at the date of signature of this Agreement to CUSTOMER.

INITIALS ATSTEAM

INITIALS CUSTOMER

CUSTOMER shall make payment for the fixed price monthly.

6.8 TAXES

All payments are net of any and all taxes, charges (money transfer charges etc.) or duties arising from this Agreement and all of such taxes, charges and duties shall be borne and paid by CUSTOMER.

Iraqi Airways shall take all the measures for the full payment of 845.000 USD fixed monthly payment, without 3,2 % governmental tax deduction.

For clarification purposes, any cost to ATSTEAM with respect to Iraqi taxation rules and regulations, current or in the future shall be borne by CUSTOMER, whatsoever its TDS, VAT or any other tax rule.

6.9 PROFIT SHARE from THIRD PARTY CUSTOMERS

Profit from the line maintenance and base maintenance activities for the third party customers in Iraq shall be shared on 50 % - 50 % basis between Iraqi Airways and ATSTEAM. ATSTEAM shall provide marketing and sales activities for new customers in Iraq.

6.10 EXCEPTIONS OF ATSTEAM TECHNICAL SERVICES

All administration procurements detailed below shall be under the Customer's (Iraqi Airways) expense and responsibility:

- Apron security permissions (for all Airports) management;
- Iraqi Airways shall provide Istanbul-Baghdad-Istanbul flights for ATSTEAM staff which are based in Baghdad for the services mentioned in Article 5. Also domestic flights of ATSTEAM staff shall be provided by Iraqi Airways.
- Accommodation (bed & breakfast) cost ATSTEAM staff which are based in Baghdad for the services mentioned in Article 5.
- Ground Handling Services for maintenance (fuel, potable water services, interior/exterior cleaning, marshalling, etc.);
- Local Civil Authority-Iraq CAA issues (such as MEL, AMP approval, etc.);
- Ground support equipment;
- Working permissions;
- Managing Visas and their administration cost;
- All technical manuals supply; and

These items mentioned above in Article 6.10 are not covered under monthly fixed price and shall be paid by Iraqi Airways additionally.

التحكيم وفق القانون السويسري

6.11 VALIDITY, GOVERNING LAW AND JURISDICTION

- This Agreement will be governed and construed in accordance with Swiss Law.
- Each of ATSTEAM and Customer irrevocably agrees that any suit, action or proceeding against it or its assets, properties or revenues, arising out of or relating to this Agreement may be brought by any other Party in Switzerland Arbitration and each of ATSTEAM and Customer irrevocably submits generally and unconditionally to the jurisdiction of such courts.
- This Agreement supersedes the existing CAMO and Maintenance Support Services Agreement between the Parties.

6.12 SEVERABILITY

- If a term of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect (i) the legality, validity or enforceability in that jurisdiction of any other term of this Agreement; or (ii) the legality, validity or enforceability in other jurisdictions of that or any other term of this Agreement.

6.13 NOTICES

- Any communication in connection with this Agreement must be in writing and, unless otherwise stated, may be given in person, by post or fax to the addresses or fax numbers of the Parties indicated below:

(a) if to ATSTEAM:

ATSTEAM: Atatürk Airport, Istanbul - Turkey

Phone:

Fax: 00 90 212 465 43 15

Email: iaw.camo@atsteam.aero

Maintenance Manager will be reachable for Iraqi Airways by telephone and e-mail communication for 7/24.

(b) if to Customer:

.....

....

Baghdad, Iraq

Phone:

Fax:

Email: ia.technical.director@ia.gov.iq

Any notice will be deemed served upon actual receipt by the addressee.

6.14 WAIVER OF IMMUNITY

The Parties agree that in any legal proceedings against it or its assets in connection with this Agreement, no immunity from such legal proceedings (which shall include suit, attachment prior to judgement, other attachment, the obtaining of judgement, execution or other enforcement) shall be claimed by or on behalf of it or with respect to its assets and waives all rights of immunity in respect of it or its assets.

THIS AGREEMENT has been entered into, on the date stated at the beginning of this Agreement.

In witness thereof IRAQI AIRWAYS and HAVACILIK TEKNİK A.Ş. have caused this TECHNICAL COOPERATION AGREEMENT to be executed as of the day and year written below.

For and in behalf of IRAQI AIRWAYS;

Date : __. __. 2016

Signature : *6/10/2016*

Title : _____

Name : _____

Baghdad, Iraq

Quality assurance

Boys

تاريخ توقيع العقد 6 تشرين الأول
2016

For and in behalf of HAVACILIK TEKNİK A.Ş.;

Date : 05.10.2016

Signature: _____

Title : *Director General*

Name : *Erkan YILMAZ*

Istanbul, Türkiye

