

Approved:
Chairman of the Competition Commission
A.V. Mazurets

Approval date

21	12	2021
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Procurement Documentation

Public request for Competitive selection not in electronic form

Requests receiving place	Electronic Trading Platform Gazprombank Group: http://etpgpb.ru/		
Date for the requests receiving commencement	21	12	2021
Date and time for the request receiving completion	13	01	2022 10:00 MSK
Date for examination of procurement bidder proposals and summarizing of results	Date for examination of procurement bidder proposals 17.01. 2022		
	Date for summarizing of results 17.01. 2022		
Commencement date for providing clarifications on procurement documentation	21	12	2021
Completion date for providing clarifications on procurement documents	30	12	2021
Specifying the features of participation	Not applicable		
Option to submit an alternative offer	Not applicable		
Option to engage co-contractors/subcontractors	Applicable		
Distribution of the total scope of procurement between the procurement parties	Not applicable		
Subject-matter of the procurement	Lot №1 Rendering of Shop Visit services for CFM56-7B26 Engine ESN 894428. Lot №2 Rendering of Shop Visit services for CFM56-7B26 Engine 894235 Basic Workscope		
Number of lots	2		

Lot № 1					
Name of the Subject-Matter of the Agreement (lot)		Shop Visit of aircraft engines of model CFM56-7B26 with serial numbers 894428 ESN			
Initial (maximum) price of the agreement (lot)	Currency	Quantity (Scope)	Units of Measurement	Classification by OKVED2	Classification by OKPD2
5 724 143,00	USD	1	cond. unit	33.16	30.30.60.190

Place, conditions and terms (periods) of delivery of goods, performance of works, provision of services	Repair base of the winner of the purchase.
Term and Payment Procedure for Goods (Work. Service)	<p>20% of engine NTE price invoice shall be paid during 30 days after engine induction, balance of the total estimated cost but not more than 80% of the NTE price shall be payable before redelivery of the engine to the Customer. Engine Maintenance Provider shall provide corresponding invoice at least 10 business days before planned redelivery date.</p> <p>Charges not included in the NTE shall be issued upon shop visit completion and shall be paid 60 (sixty) calendar days from the date of receipt of the invoice and set of supporting documents, provided the Parties have agreed such additional charges and made a corresponding amendment to the Agreement.</p> <p>The invoice for payment should be sent by Contractor to amd9@rossiya-airlines.com without any undue delay immediately after issuance but not later than 10 business days prior to the payment date (if applicable). If the Contractor has not provided the invoice on time, the payment date should be postponed to such period.</p>
Request Security (amount)	Not applicable
Right of the Procurement Bidder to submit a draft of counter-agreement	<p>Applicable:</p> <p>The procurement participant has the right to propose a counter draft of the contract, subject to all the mandatory conditions directly specified in the procurement documentation without the possibility of making changes in the following clauses:</p> <ul style="list-style-type: none"> - Clauses 3, 7, 9, 10, 12, 13 of the draft agreement. - Appendix A except for clauses: A-2, A-4.2, A-8,1, A-8.3, A-9, A-10 of the draft agreement, - Appendix B, except for clauses B-2.4, B-3.1, B-4, B-7.1, B-7.3 of the draft agreement. <p>All conditions specified in the Terms of Reference are mandatory.</p>

Lot № 2					
Name of the Subject-Matter of the Agreement (lot)		Shop Visit of aircraft engines of model CFM56-7B26 with serial numbers 894235 Basic Workscope			
Initial (maximum) price of the agreement (lot)	Currency	Quantity (Scope)	Units of Measurement	Classification by OKVED2	Classification by OKPD2
5 724 143,00	USD	1	cond. unit	33.16	30.30.60.190

Place, conditions and terms (periods) of delivery of goods, performance of works, provision of services	Repair base of the winner of the purchase.
Term and Payment Procedure for Goods (Work. Service)	<p>20% of engine NTE price invoice shall be paid during 30 days after engine induction, balance of the total estimated cost but not more than 80% of the NTE price shall be payable before redelivery of the engine to the Customer. Engine Maintenance Provider shall provide corresponding invoice at least 10 business days before planned redelivery date.</p> <p>Charges not included in the NTE shall be issued upon shop visit completion and shall be paid 60 (sixty) calendar days from the date of receipt of the invoice and set of supporting documents, provided the Parties have agreed such additional charges and made a corresponding amendment to the Agreement.</p> <p>The invoice for payment should be sent by Contractor to amd9@rossiya-airlines.com without any undue delay immediately after issuance but not later than 10 business days prior to the payment date (if applicable). If the Contractor has not provided the invoice on time, the payment date should be postponed to such period.</p>
Request Security (amount)	Not applicable
Right of the Procurement Bidder to submit a draft of counter-agreement	<p>Applicable:</p> <p>The procurement participant has the right to propose a counter draft of the contract, subject to all the mandatory conditions directly specified in the procurement documentation without the possibility of making changes in the following clauses:</p> <ul style="list-style-type: none"> - Clauses 3, 7, 9, 10, 12, 13 of the draft agreement. - Appendix A except for clauses: A-2, A-4.2, A-8,1, A-8.3, A-9, A-10 of the draft agreement, - Appendix B, except for clauses B-2.4, B-3.1, B-4, B-7.1, B-7.3 of the draft agreement. <p>All conditions specified in the Terms of Reference are mandatory.</p>

Assessment and Comparing Criteria of Quotes

Lot №1	
Name of Criterion 1	Total engine shop visit price (NTE), USD
Points Calculation Procedure for Criterion 1	Total engine shop visit price N is to be estimated by following formula: $N=P+D$

	<p>P - NTE price for engine shop visit is to be estimated. D - the cost of transportation from SVO airport to Engine Maintenance Provider facility and from Engine Maintenance Provider facility to SVO airport. Transportation cost is to be calculated by Customer. To calculate the number of points using the formula: $S_{base} / S_{quote} \times K1$, where: S_{base} - the lowest N value among of the proposals; S_{quote} – the engine N value of the individual participant; K1 - the maximum number of points assigned to the criteria</p>
Maximum number of points for criterion 1	95
Name of Criterion 2	Turn Around Time (TAT), calendar days
Points Calculation Procedure for Criterion 2	<p>Turn Around Time (TAT) means the time that starts on the first Business Day after the following conditions are fulfilled: an Engine is inducted at the engine shop; the initial workscope has been accepted by the Customer; the relevant documentation, required pursuant to this Agreement, has been received by Engine Maintenance Provider. It ends on the day the Engine is declared serviceable by Engine Maintenance Provider. To calculate the number of points using the formula: $S_{base} / S_{quote} \times K2$, where: S_{base} - the lowest total TAT for the engine shop visit among of the proposals; S_{quote} – the TAT of the individual participant. K2 - the maximum number of points assigned to the criteria</p>
Maximum number of points for criterion 2	5
Total amount	100

Conditions for matching applications

Final score for each bid for the request for quotations shall be calculated by adding of scores for each criterion of the bid evaluation.
Each bid for the request for quotations shall get a sequence number as advantage degree of contract execution terms and conditions identified in the bid decreases based on the results of calculation of final score for each bid.

The comparison is carried out in the order with points for N (NTE and transportation cost) and TAT criterions.

The contract is to be concluded with the participant who submitted an offer on the requested terms and received the highest number of points according to the evaluation criteria.

Lot №2	
Name of Criterion 1	Total engine shop visit price (NTE), USD
Points Calculation Procedure for Criterion 1	<p>Total engine shop visit price N is to be estimated by following formula: $N = P + D$ P - NTE price for engine shop visit is to be estimated. D - the cost of transportation from SVO airport to Engine Maintenance Provider facility and from Engine Maintenance Provider facility to SVO airport. Transportation cost is to be calculated by Customer. To calculate the number of points using the formula:</p>

	$S_{base} / S_{quote} \times K1$, where: S_{base} - the lowest N value among of the proposals; S_{quote} – the engine N value of the individual participant; $K1$ - the maximum number of points assigned to the criteria	
Maximum number of points for criterion 1		95
Name of Criterion 2	Turn Around Time (TAT), calendar days	
Points Calculation Procedure for Criterion 2	Turn Around Time (TAT) means the time that starts on the first Business Day after the following conditions are fulfilled: an Engine is inducted at the engine shop; the initial workscope has been accepted by the Customer; the relevant documentation, required pursuant to this Agreement, has been received by Engine Maintenance Provider. It ends on the day the Engine is declared serviceable by Engine Maintenance Provider. To calculate the number of points using the formula: $S_{base} / S_{quote} \times K2$, where: S_{base} - the lowest total TAT for the engine shop visit among of the proposals; S_{quote} – the TAT of the individual participant. $K2$ - the maximum number of points assigned to the criteria	
Maximum number of points for criterion 2		5
Total amount		100

Conditions for matching applications

Final score for each bid for the request for quotations shall be calculated by adding of scores for each criterion of the bid evaluation.
Each bid for the request for quotations shall get a sequence number as advantage degree of contract execution terms and conditions identified in the bid decreases based on the results of calculation of final score for each bid.

The comparison is carried out in the order with points for N (NTE and transportation cost) and TAT criterions.

The contract is to be concluded with the participant who submitted an offer on the requested terms and received the highest number of points according to the evaluation criteria.

1. General Terms of the Procurement Procedure

1.1. The Procurement is undertaken in accordance with the Federal Act dated 18 July 2011 No. 223-FZ “On Procurement of Goods, Works, Services by Certain Types of Legal Entities” and Regulation on Procurement of Goods, Works, and Services.

1.2. Priority provision to goods of Russian origin, works, services performed, provided by Russian persons is applied in accordance with the Regulation of the Government of the Russian Federation No. 925 dated 16.09.2016.

1.3. The procurement documentation is an invitation addressed to an indefinite circle of persons to give proposals under the procurement procedure.

The procedure for the competitive selection/price selection is neither competition, nor auction for the right to be awarded a contract, or governed by Articles 447 - 449 Part One of the Civil Code of the Russian Federation. This procedure is also not a public competition nor governed by Articles 1057-1061 of Part Two of the Civil Code of the Russian Federation. Thus, the terms of the competitive selection/price selection does not entail for the Customer the relevant scope of civil legal obligations pertaining to mandatory conclusion of an agreement with the winner or other bidder.

1.4. The Customer has the right to refuse competitive selection or price selection for one or more subject of purchase (lot) before the date and time for the request receiving completion on the procurement procedure. The decision about competitive selection or price selection refuse (refusal notice to purchase) shall be placed in a unified information system on the day of such decision.

1.5. At any time before the end (expiration) of the request receiving completion for participation in competitive selection or price selection, the customer may, on its own initiative or in response to the request of any applicant, make changes to the procurement notice of competitive selection or price selection, procurement documentation.

1.6. Within three days from the date of adoption of the decision on need for change the procurement notice carrying out competitive selection or price selection or procurement documentation such changes shall be placed by the customer in unified information system.

1.7. In the case of changes in the procurement notice or procurement documentation of competitive selection or price selection, the deadline for the request receiving completion for participation in such procurement procedure shall be extended so that from the date of placement in the unified information system of these changes until the Date and time for the request receiving completion for participation in such procurement was not less than half of the deadline for submission of applications for participation in such procurement, established by the procurement regulations for this procurement method.

2. Procedure for Submission of Requests

2.1. To participate in the competitive selection/price selection the bidder shall prepare a request for participation in the procurement procedure executed in full compliance with the requirements of the procurement documentation. The bidder may submit only one request with respect of each subject-matter of the competitive selection/price selection (lot).

2.2. In pursuance of procurement documentation all documents shall be submitted to the electronic platform facility as scan-copies of signed documents.

2.3. The bidder may amend or withdraw a submitted Request for participation in the competitive selection/price selection not later than the deadline for submission of Requests for participation in the competitive selection/price selection. Amendment or addition to the Request is permitted by submission of a new Request only, then the original Request shall be withdrawn by the bidder.

3. Form and procedure for Clarifications on the Points of the Procurement Documentation to the Bidders

3.1. Any bidder of the competitive procurement process may submit the customer in the order stipulated by the Federal law No. 223-FZ and regulations on procurement, an

inquiry for clarification of the of the points of the procurement notice and (or) procurement documentation.

Within three working days from the date of receipt of the inquiry, the customer shall clarify the provisions of the competitive procurement documentation and place them in the unified information system indicating the subject of the inquiry, but without specifying the name of participant of such procurement from whom the inquiry was received.

In this case, the customer has the right not to carry out such an explanation if the specified request was received later than three working days before the deadline of the date and time for the request receiving completion for participation in such procurement procedure.

- 3.2. In the implementation of competitive procurement process in electronic form, the direction by the participants of such inquires for clarification of the points of the of the procurement notice and (or) procurement documentation shall be provided by the operator of the electronic platform on the electronic platform.

4. Payment Method for Goods, Work, and Service

- 4.1. The payment method is cashless transfer.

5. Pricing Procedure for the Agreement Price (Lot Price)

5.1. The Agreement Price (Lot Price) shall be formed subject to expenses for carriage, insurance, payment of customs duties, taxes and other mandatory payments unless otherwise is provided in the Terms of Reference (Appendix 3).

5.2.

6. Requirements for safety, quality, technical performance, functionality (consumer properties) of goods, work, and service, for sizes, packing, shipment of goods, work results established by the Customer and provided for technical maintenance rules in accordance with the laws of the Russian Federation about technical regulation, documents elaborated and applicable in the national system of standardization adopted in accordance with the laws of the Russian Federation on standardization, other requirements related to the establishment of the conformity of goods to be supplied, work to be performed, service to be provided with the customer needs.

6.1. Requirements for safety, quality, technical performance, functionality (consumer properties) of goods, work, and service, for sizes, packing, shipment of goods, work results established by the Customer and provided for technical maintenance rules in accordance with the laws of the Russian Federation about technical regulation, documents elaborated and applicable in the national system of standardization adopted in accordance with the laws of the Russian Federation on standardization, other requirements related to the establishment of the conformity of goods to be supplied, work to be performed, service to be provided with the customer needs are set forth in the Terms of Reference (Appendix 3).

7. Requirements for description by the procurement bidders of goods to be supplied which is the subject-matter of procurement, its functionality (consumer properties), its quantitative and qualitative features, requirements for description by the procurement bidders of work to be performed, service to be provided which are the subject-matter of procurement, their quantitative and qualitative features.

7.1. Requirements for description by the procurement bidders of goods to be supplied which is the subject-matter of procurement, its functionality (consumer properties), its quantitative and qualitative features, requirements for description by the procurement bidders of work to be performed, service to be provided which are the subject-matter of procurement, their quantitative and qualitative features are set forth in the Terms of Reference (Appendix 3).

8. Requirements for the procurement bidders and list of documents to be submitted by the procurement bidders to confirm their conformity with the established requirements

8.1. There are set the following mandatory requirements for a legal capacity of the procurement bidder

8.1.1. The conformity of the procurement bidder with the requirements set in accordance with the laws of the Russian Federation for persons making deliveries of goods, performance of works, provision of services which are the subject-matter of the procurement.

8.1.2. Availability of the relevant licenses, certificates, approvals and other permits of governmental authorities of the Russian Federation and/or other countries (if applicable) to undertake by them or persons contracted by them, of activity which is necessary to meet obligations undertaken by them in accordance with this documentation and an agreement expected for conclusion in accordance with this documentation.

8.1.3. No liquidation proceeding with respect to the corporate procurement bidder and a lack of an arbitration award on the adjudication of the corporate bidder, individual entrepreneur a bankrupt or initiating bankruptcy proceedings.

8.1.4. No suspension of the procurement bidder's business in accordance with the procedures contemplated by the Russian Federation Administrative Offence Code as of the day of submission of the request for participation in the procurement.

8.1.5. A lack of the indebtedness with the procurement bidder on taxes, dues and other mandatory payments accrued to the budgets of the budgetary system of the Russian Federation (except for those amounts where it is granted a delay, payment by instalments, investment tax credit in accordance with the laws of the Russian Federation on taxes and charges which are rescheduled in accordance with the laws of the Russian Federation where there is a court decision which has entered into legal force, on recognition of the obligation of the claimant to pay such amounts discharged or which have been adjudicated bad debts for recovery in accordance with the laws of the Russian Federation on taxes and charges) for a calendar year elapsed.

The procurement bidder shall be deemed complying with the established requirement provided that it appeals the existence of the said arrears, indebtedness and a decision on such appeal is pending as at the day of examining such request for identifying a supplier (contractor, provider) is not taken.

8.1.6. A lack of information of the procurement bidder in the register of mala fide suppliers contemplated by Article 5 of Federal Act No. 223-ФЗ and in the register of mala fide suppliers contemplated by Federal Act No. FZ-44 dated 05 April 2013 "On Contracting System in Procurement of Goods, Works, and Services for Governmental and Municipal Needs".

8.1.7. The procurement bidder shall not have a conflict of interests with the customer's employees.

8.1.8. The procurement bidder shall provide a certified information about the absence/presence of affiliation of the bidder with the employees of the Customer and their close relatives.

8.2. The list of all documents evidencing the conformity of the procurement bidder with the established requirements is given in the Questionnaire Form of the bidder (Appendix 2).

8.3. Additional requirements for the procurement bidders related to the requirements for safety, quality, technical performance, functionality (consumer properties) of goods, work, and service as well as the procedure for confirming the conformity of the procurement bidders with the said requirements may be provided for by the Terms of Reference (Appendix 3).

9. Requirements for the Contents, Form, Execution and Setup of the Request for Participation in the Procurement

9.1. The bidder's Request shall include the following documents:

9.1.1. The Request for participation in the procedure executed on the official letterhead of the procurement procedure bidder (Appendix 1).

9.1.2. The bidder's Questionnaire Form executed on the official letterhead of the procurement procedure bidder (Appendix 2).

9.2. All documents and information submitted by the bidders shall be issued in Russian or English. If any information or documents are submitted in other language, they shall be accompanied by translation into Russian or English.

9.3. All prices shall be stated in the currency of the initial (maximum) price of the agreement (lot price). If the price in the bidder's request is set in the currency which is different from the initial (maximum) agreement price (lot price), the Customer may recalculate the price into the required currency at the rate as of the end date for taking the requests for assessment and comparison of requests.

9.4. A request shall be provided for each lot separately.

9.5. A request shall include one main request with the price, dates and other terms of delivery of goods/performance of works/provision of services provided that submission of alternative proposals is not contemplated by procurement documentation.

9.6. The Bidders shall pay independently all expenses related to submission of the request, including but not limited to expenses for examination of this documentation and issuance of proposals.

10. Procedure for Assessment and Comparison for Requests to Participate in Procurement and summarizing of results

10.1. Requests for participation in procurement shall subject to two-stage check:

Stage one – is a pre-qualification stage of examining such requests for the conformity with the requirements of procurement documents in part of execution of such requests;

Stage two – is an assessment stage of requests passed the pre-qualification stage.

10.2. The pre-qualification stage of examining of requests for the conformity with requirements of procurement documentation shall be carried out based on the following indicators and assessment procedure:

10.2.1. Conformity with the requirements for procurement bidders: checking the bidders for the conformity with the requirements based on documents received in accordance with clause 8, including but not limited for its legal capacity and a lack of a procurement bidder in the register of mala fide suppliers.

10.2.2. The completeness of the documents submitted: check for the conformity of the documents submitted in the request with the required list (Appendix 1 and 2) as well as the accuracy of information and documents submitted.

10.2.3. Conformity of the request for participation with the requirements of procurement documents: check for the contents of the request, including the contents of the price proposal, other information in accordance with the requirements of procurement documentation.

10.3. If in the course of the pre-qualification stage the competition commissions establishes the fact that the request fails to conform by one or more indicators referred to in clause 9, such request shall be waived and shall be subject to no further examination.

The request of the procurement bidder may also be waived in the following instances:

- a) there is a failure to submit copies of documents as well as other information required by the procurement documentation;
- b) non-conformity of the procurement bidder with the requirements for the procurement bidders set by procurement documentation;
- c) submission of knowingly false information as a part of the request, intentional misrepresentation of information or documents making a part of such request;
- d) a failure to provide clarifications on the request for participation in the competitive selection upon request of the Competition Commission;
- e) existing information on the procurement bidder in the register of mala fide suppliers;
- f) existing overdue accounts receivables with the procurement bidder and/or unfulfilled obligations to the customer and its subsidiaries and related companies (including affiliated structures with the procurement bidder);
- g) non-conformity of goods, works, and services offered with the requirements of procurement documentation;
- h) existing other adverse information identified by the results of the check.

10.4. If only one request for participation in the procurement procedure is received by the completion date for submission of requests for participation in the competitive selection/price selection established by procurement documentation, such the competitive selection/price selection shall be deemed failed.

10.5. If procurement documentation provides for two or more lots, the competitive selection/price selection shall be deemed failed with respect to those lots only with respect of which the only request has been submitted.

10.6. If the only request for participation in the procurement procedure is received by the customer by the completion date for submission of requests set by procurement documentation, despite the competitive selection/price selection is recognized failed, the competition commission shall examine it in the manner contemplated by this documentation. If the request for participation in the procurement procedure being examined and the procurement bidder submitted such request conform with the requirements and terms contemplated by procurement documentation, the Customer to enter into an agreement with such bidder.

10.7. If a request of the only bidder is recognized conforming with the procurement documentation at the pre-qualification stage, such bidder shall be deemed the only bidder in the competitive selection/price selection. The Customer enter into an agreement with the procurement bidder which has submitted such request, on the terms of procurement documentation, draft agreement and request submitted by such bidder. Such bidder is not entitled to waive the conclusion of the agreement with the customer. The competitive selection/price selection shall be deemed failed in such case.

10.8. The request which have passed the pre-qualification stage shall be assessed by criteria stated in the Assessment and Comparison Criteria of the Requests table. The proposal prices of all bidders excluding VAT shall be used as a single basis for comparing price proposals.

10.9. If in the course of assessing the requests for participation in the competitive selection/price selection the Competition Commission is necessary to extend the dates of pre-qualification and/or assessment stage stated as the dates for examining proposals of the procurement bidders and summarizing the procurement results, in the notice on holding the competitive selection/price selection the customer shall, within one working day after a decision is made by the competition commission on extension of the dates for the pre-

qualification and/or assessment stage, post a notice on the extension or reduction of the relevant term in the unified information system.

10.10. The Winner in the competitive selection/price selection.

10.10.1. It shall be recognized the Winner in the price selection that procurement bidder which conforms to the requirements set by procurement competitive selection/price selection documentation, which has failed a request that meets all the requirements set by procurement documentation and where it is stated the lowest price for goods, works, and services.

10.10.2. It shall be recognized the Winner in the competitive selection that bidder which conforms to the requirements set by procurement documentation, which has proposed the best combination of terms for the performance of an agreement and to the request for participation in the competitive selection is assigned number one. The assignment of the sequence number to each request for participation in the competitive selection as the advantage degree of the terms for the performance of an agreement contained in such request decreases, shall be done by the results of final point calculation for each request. Number one shall be assigned to the request for participation in the competitive selection which has gained the highest final point. The final point of each request for participation in the competitive selection shall be calculated by adding points for each criterion for the assessment of such request.

If more than one requests for participation in the competitive selection include equal combination of terms for the performance of an agreement, a lesser sequence number shall be assigned to the request for participation in the competitive selection which has been received earlier than other requests for participation in the competitive selection which contain such terms.

10.11. Based on the results of examination and assessment of requests the competition commission shall issue a record. The Record shall be signed (adopted) not later than in ten (10) days from the day of the meeting of the competition commission.

10.12. The Record shall be posted in the unified information system not later than in three (3) days from its signature.

10.13. The term for signing of the agreement with the bidder whose proposal is considered the best – shall be not later than three calendar days from the date of receipt of the agreement from the customer.

10.14. Should the winner in the price selection be evading the conclusion of the agreement, the Competition Commission may take a decision to sign the agreement with the bidder which offered the same price in its request as the winner, or whose proposal of the agreement price contains better terms after those proposed by the winner. The agreement with such bidder shall be signed on the terms of the draft agreement attached to the procurement documentation at the price offered by such bidder in the request. Such bidder is not entitled to waive the conclusion of the agreement.

Should the bidder which offered the same price in the request as the winner, waive the conclusion of the agreement, or which proposed the terms next to the ones proposed by the winner, the price selection shall be recognized failed.

10.15. Should the winner in the competitive selection be evading the conclusion of the agreement, the competition commission may take a decision to conclude an agreement with the bidder whose request was assigned number two by the results of assessment and comparison of requests (proposals), on the terms of the performance of the agreement proposed by such bidder in the request. Such decision shall be executed as the relevant record of the meeting of the competition commission. The bidder in the competitive selection is not entitled to waive the conclusion of the agreement.

10.16. In case of refusal of the customer to enter into a contract with the winner of the price selection or a participant who offered the same price in the application as the winner, or an offer on the price of the contract which contains the best conditions following after the

proposed winner, as well as in the case of refusal of the customer to enter into a contract with the winner of the competitive selection and the participant whose application was assigned a second number, the customer shall place information about the refusal in the unified information system within 3 days from its signature.

10.17. The customer has the right after the completion of the qualifying stage to decide on the re-bidding for one, several or all the criteria for evaluation and comparison of applications specified in the procurement documentation. If the Record of the qualifying stage procurement is not defined the criterion for the evaluation and comparison of bids, at which the participants of procurement to provide improved information applications, when re-bidding is allowed providing improved information applications on all criteria of evaluation and comparison of bids specified in the documentation for the purchase.

10.18. If the Record of consideration of applications at the qualifying stage the procurement is listed on carrying out rebidding, the Record establishes the possibility for the participants of procurement to provide an improved information applications and specific date and time after the reception of improved information of the application, and, if necessary, criteria for the evaluation and comparison of proposals which need to be rebid.

10.19. After conducting of rebidding the winner is determined in the manner prescribed for the method of procurement, in accordance with the evaluation criteria stipulated in the conditions of the procurement procedure.

10.20. All participants whose applications were not rejected on the results of the selection stage of the procurement procedure has the right to participate in the rebidding.

10.21. Bidder has the right not to improve the details of the application and has no right to worsen the details of the application. If the participant did not provide improved information of the application or provided worsen information of the application, the previous version of the application is valid.

11. Consequences of Recognizing the competitive selection/price selection Failed

11.1. Should the competitive selection/price selection be recognized failed and/or the agreement is not concluded with the procurement bidder which has submitted the only request for participation in the competitive selection/price selection or recognized the only bidder in the procurement procedure, the Customer may hold the repeated competitive selection/price selection or apply another method of procurement.

12. Closing Provisions

The Customer shall be governed by the Procurement Regulation in all other matters not contemplated by this documentation.

Appendices:

Appendix 1: Request Form for Participation in the Procurement Procedure.

Appendix 2: Bidder Questionnaire Form Procurement Procedure.

Appendix 3: Terms of Reference.

Appendix 4: Draft Agreement.

Appendix 5: Basis of the initial (maximum) price of the agreement (lot) or the price of a unit of goods, work, or services.

Request for Participation¹ In the Procurement Procedure:
<i>(state the name of the procurement procedure, procedure number if necessary lot number)</i>
1. Having studied the terms and requirements stated in the procurement documentation posted in the electronic trading facility as well as the Regulation on procurement of goods, work, service of the Customer and accepting the requirements stated therein, terms for holding the competitive selection/price selection and delivery of goods (performance of works, provision of services)
<i>(state full name of legal entity/last name, first name, patronymic of individual)</i>
Registered at the following address:
<i>(state place of location address of legal entity/place of residence of individual)</i>
proposes to conclude the agreement for
<i>(state the subject-matter of the agreement)</i>
In accordance with the price proposal and other documents which are an integral part of this request for participation in the procedure of public competitive selection/price selection
Quote:
<p>Lot № _____</p> <p>1. Total engine shop visit price (NTE) _____ USD excluding VAT.</p> <p>2. Turn Around Time (TAT), calendar days.</p> <p>3. Repair base of the winner of the purchase _____.</p> <p>The country of origin of the product including delivered to the customer when performing purchased works, rendering purchased services _____.</p>
2. This Request for participation in the competitive selection/price selection, is to advise (declare) that against us:
Neither award of the arbitration court on adjudication a bankrupt and initiating bankruptcy proceedings, nor liquidation procedure was carried out (for legal entities)
Activity is not suspended in the manner contemplated by the Russian Federation Administrative Offence Code, as of the submission day of the request for procurement participation purposes;
No information in the register of mala fide suppliers contemplated by Article 5 of Federal Act No. 223-ФЗ and in the register of mala fide suppliers contemplated by Federal Act No. FZ-44 dated 05 April 2013 "On Contracting System in Procurement of Goods, Works, and Services for Governmental and Municipal Needs".
3. This is to guarantee the accuracy of information submitted by us in the request for participation in the procurement and confirm the right of the Customer which is without prejudice to the requirement to form equal terms for all procurement bidders, to request from us, from the authorized agencies and legal entities and individuals mentioned in our request for participation in the procurement, clarifying information submitted by us in it.

¹ To be executed on the official letterhead of the bidder in the procurement procedure as a separate document.

<p>4. In the event of our winning in the competitive selection/price selection we guarantee the provision of details with respect to all chain of owners, including beneficiaries (including ultimate) and the members of executive bodies with evidencing by the relevant documents (except the procurement bidders which are governmental authorities, governmental and municipal agencies and unitary enterprises) in a week term from posting the record determining the right of the bidder to conclude an agreement with the customer, in the unified information system.</p>	
<p>5. In the event the Customers offers to conclude an agreement by the results of the procurement, we undertake to sign an agreement with Rossiya Airlines JSC in accordance with the requirements of procurement documentation and our request, in term not later than three calendar days from the day of receipt of the agreement from the customer and give our consent to perform the terms of such agreement.</p>	
<p>6. In the event we are recognized the procurement bidder ranked the second by the results of the procurement, and the procurement winner is recognized evaded the conclusion of the agreement, we undertake to sign the agreement in accordance with the requirements of the procurement documentation, our request and give consent to perform the terms of the agreement.</p>	
<p>7. In the event we are recognized the only procurement bidder, we undertake to sign the agreement in accordance with the requirements of the procurement documentation, our request and give consent to perform the terms of the agreement.</p>	
<p>8. If we are recognized the winner in the competitive selection/price selection or taking a decision on the conclusion of an agreement with us in the established instances, and our evasion of the conclusion of the agreement which is the subject-matter of the procurement, we agree to the inclusion of information in the Register of mala fide suppliers.</p>	
<p>9. We undertake not to amend and/or withdraw our bid for the procurement procedure after the deadline for submission of bids.</p>	
<p>10. Submitting this request, I confirm my consent to processing personal data in accordance with Federal Act dated 27 July 2006 No. 152-FZ "On Personal Data"⁵.</p>	
<p>11. Documents which are an integral part of our request for participation in the procurement, are attached to this request for participation in the procurement:</p> <p>11.1. The Questionnaire Form of the procurement bidder in the form of Appendix 2;</p> <p>11.2. Information about functional specifications (consumer properties) and qualitative specifications of goods, work, and services. In the instances contemplated by the procurement documentation, also copies of documents evidencing the conformity of goods, works, services with the requirements established in accordance with the laws of the Russian Federation provided that the laws of the Russian Federation establish requirements for such goods, works, and services.</p> <p>11.3. The Engine Maintenance Provider shall have its own tools, equipment, test cell facility necessary for service, maintenance and repair performance, as evidenced with a copy of the relevant Bidder's EASA and FAA certificates with approval schedule</p>	
According to the list on	pages
Principal	
(signature) (state initials, last name)	
<i>SEAL</i>	
Date of issuance	
(DD) (MM) (YYYY)	

⁵ The clause is subject to inclusion as a part of the request from the procurement bidder only who is an individual.

**Appendix 2
to Procurement Documentation**

BIDDER QUESTIONNAIRE FORM² Procurement Procedure	
<i>(state the name of procedure)</i>	
Procedure No. _____ <i>(state the procedure number)</i>	Lot No. _____ <i>(state the lot number)</i>
<i>(state full name of entity in accordance with the Articles of Association and legal organizational form)</i>	
<i>(state abbreviated name of the entity in accordance with the Articles of Association)</i>	
1. Legal details	
Country _____ of registration _____	
Registered address _____	
Street address _____	
Phone _____	
Fax _____	
E-mail _____	
2. Banking details	
INN / KPP of entity _____	
OGRN (Primary State Registration Number) _____	
Transaction Account No. _____	
Bank Name _____	
Correspondent account _____	
BIC _____	
3. Registration data	
Date, place and registration authority _____	
Founders _____	
Primary Business _____	
Included in the small and medium businesses ³ _____	

² To be executed on the official letterhead of the bidder in the procurement procedure as a separate document.

³ If the bidder is included in the subjects of small or medium businesses, it shall be attached to the request a document containing details from the unified register of subjects of small and medium businesses, or declaration of conformity in the form approved by regulation of the RF Government dated 11 December 2014 No. 1352

OKPO _____
OKVED _____

4. Appendices to the Bidder Questionnaire Form:

Description of Document	Number of Pages
1. Copies of incorporation documents (Certificate of State Registration, Articles of Association, Incorporation Agreement).	
2. A copy of statement from the Uniform State Register of Legal Entities and/or Uniform State Register of Individual Entrepreneurs received not earlier than 6 months before the day of posting a notice on holding the competitive selection/price selection in the unified information system (for foreign companies – statement from the Trade Register).	
3. A decision on approval or execution of a major transaction (or documents confirming that the transaction is not large) if the requirement to have such a decision for a major transaction is established by the legislation of the Russian Federation, the constituent documents of the legal entity and if for the bidder supplying of goods, performance of works, provision of services that are the subject of the contract, or the introduction of security for the application, enforcement of the contract, is a major transaction.	
4. The reference confirming that the procurement bidder has the absence of the shortage on taxes, fees, debt on other obligatory payments in budgets of the budget system of the Russian Federation issued by the relevant divisions of Federal tax service and off-budget funds not earlier than 3 months prior to the date of placement of the notice.	
5. Document evidencing the powers of the person to act on behalf of the procurement bidder – legal entity (copy of resolution on appointment or election or an order on appointment of an individual to the office under which such individual is entitled to act on behalf of the procurement bidder without a power of attorney (hereinafter also the Principal). If other person acts on behalf of the procurement bidder, such request shall also include a power of attorney to perform actions on behalf of the procurement bidder certified by the seal of the procurement bidder (for legal entities) and signed by the principal of the procurement bidder or a person authorized by such principal, or notarized copy of such power of attorney. If the said power of attorney is signed by the person authorized by the principal of the procurement bidder, the request for participation in the procurement procedure shall also include a document evidencing the powers of such person.	
6. Details of a lack of/existing affiliation of the procurement bidder with the employees of Rossiya Airlines JSC and their close relatives (spouses, children, parents, brothers and sisters).	
7. Declaration of absence of the conflict of interests between bidder and its officials and the customer's employees.	
8. A copy of notice on application of the simplified taxation system (STS) or a notifying statement of the bidder on STS application with the seal of the tax authority (where applicable), with the submission of a tax return on the tax to be paid in connection with the STS application, for the latest year.	
9. For a group (for several persons) of persons acting on the part of one procurement bidder, it shall be submitted additionally a copy of the document evidencing the union of persons acting on the part of the one procurement bidder into the group, and the right of a certain procurement bidder to participate in the procedure on behalf of the group of persons, including submit	

a request for participation, to sign an agreement.

Contact person

_____ (state last name, first name, patronymic, telephone, fax, e-mail)

This is to confirm by the bidder the accuracy of all data stated in the Questionnaire Form.

Principal

(title of the Principal)

_____ (signature)

_____ (state initials, last name)

SEAL

Date of Issuance

_____ (DD)

_____ (MM)

_____ (YYYY)

Terms of Reference

Subject-matter of the procurement		LOT №1 Rendering of Shop Visit services for CFM56-7B26 Engine ESN 894428.		
LOT №1				
1	Nomenclature, description of products (work, service)	Units of Measurement	Quantity (Scope)	Option to replace (equivalent)
2	Rendering of Shop Visit services for CFM56-7B26 Engine ESN 894428	cond. unit	1	No
3	Delivery place of goods, performance of works and provision of services (address)	<p>In the territory of a foreign state at Engine Maintenance Provider's facility.</p> <p>Delivery Terms shall be Incoterms 2010 FCA Contractor's facility for import to the Russian Federation and Incoterms 2010 DAP, Contractor's facility for export from the Russian Federation.</p> <p>Engine transportation to and from the Contractor's shop location shall be coordinated with Customer's Logistics Department in advance of the Engine dispatch.</p> <p>If the spare parts and materials supplied by the Customer were not in demand or removed after performing the Shop visit, the Contractor is obliged to return these spare parts and materials to the Customer after completion of the repair within 90 days in accordance with Incoterms 2010 EXW, Contractor's facility.</p> <p>Any transportation to and from the Contractor's shop location shall coordinated with between the Customer's and Contractor's Logistics at least 1 (one) week in advance. The Contractor shall send information on the day of shipment by e-mail no later than 1 week before items are ready for shipment to: logistics-VKO@rossiya-airlines.com, ld-vko@rossiya-airlines.com</p>		
4	Dates or schedule of shipment/delivery of goods, performance of works and provision of services	<p>4.1 Customer plans to deliver the engine to the Engine Maintenance Provider for repair no later than 17.01.2022 (this date is approximate and can be changed on written consent of the parties by email).</p> <p>4.2 The engine repair shall start within a week after the engine arrives at the Engine Maintenance Provider's facility and last no more than 75 calendar days.</p> <p>4.3 The engine must be prepared for redelivery to the Customer within 2 calendar days after completion of all repair services and engine certification as stipulated in clause 5.3 of this Terms of reference, unless otherwise agreed between the Engine Maintenance Provider and the Customer.</p> <p>4.4. The specified terms and dates could be changed on written</p>		

		consent the Customer and the Engine Maintenance Provider, via email.																										
5	Requirements for acceptance of goods, service for work,	<p>5.1 The Engine Maintenance Provider undertakes to perform repair services on the engine ESN 894428, specified in the Basic Workscope (Appendix 1) and Component Workscope (Appendix 2), in full and with proper quality within the time specified in clause 4 of this Terms of Reference.</p> <p>5.2 Reports to be provided to the Customer during shop visit:</p> <table border="1"> <thead> <tr> <th>Report name</th> <th>Format</th> <th>Point/frequency of delivery</th> </tr> </thead> <tbody> <tr> <td>Incoming inspection report</td> <td>XLS / PDF</td> <td>After engine arrival to Engine Maintenance Provider's facility</td> </tr> <tr> <td>Finding report</td> <td>XLS / PDF</td> <td>After engine disassembly or after Table Inspection</td> </tr> <tr> <td>Weekly report</td> <td>XLS / PDF</td> <td>On weekly basis until shop visit is not completed</td> </tr> </tbody> </table> <p>5.3 Engine certification shall be issued with dual release EASA and FAA without any on-watch or deferred items. After Engine shop visit the Engine Maintenance Provider provides all reporting documentation in accordance with EASA and FAA requirements which includes EASA Form 1 and FAA Form 8130 and shop report refer to timeframe and content mentioned in the following table:</p> <table border="1"> <thead> <tr> <th>Description of documents delivered by Engine Maintenance Provider</th> <th>Form at</th> <th>Date of delivery</th> </tr> </thead> <tbody> <tr> <td>Certificate (original) of release to service (EASA Form 1) and FAA 8130-3</td> <td rowspan="4">HC, TIFF/ PDF</td> <td rowspan="4">With the serviceable declared Engine</td> </tr> <tr> <td>Engine preservation and serviceable tag</td> </tr> <tr> <td>Engine Component and accessory list for respective Engine</td> </tr> <tr> <td>Missing part list</td> </tr> <tr> <td>LLP time and cycle assignment</td> <td rowspan="3">HC, TIFF/ PDF</td> <td rowspan="3">Within three (3) Business Days after Engine has been declared serviceable</td> </tr> <tr> <td>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</td> </tr> <tr> <td>On-log of Engine, module and parts inventory including HPT Blades, HPT Nozzles, LPT stg 1</td> </tr> </tbody> </table>	Report name	Format	Point/frequency of delivery	Incoming inspection report	XLS / PDF	After engine arrival to Engine Maintenance Provider's facility	Finding report	XLS / PDF	After engine disassembly or after Table Inspection	Weekly report	XLS / PDF	On weekly basis until shop visit is not completed	Description of documents delivered by Engine Maintenance Provider	Form at	Date of delivery	Certificate (original) of release to service (EASA Form 1) and FAA 8130-3	HC, TIFF/ PDF	With the serviceable declared Engine	Engine preservation and serviceable tag	Engine Component and accessory list for respective Engine	Missing part list	LLP time and cycle assignment	HC, TIFF/ PDF	Within three (3) Business Days after Engine has been declared serviceable	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	On-log of Engine, module and parts inventory including HPT Blades, HPT Nozzles, LPT stg 1
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		Nozzles installation sheet		
		Fan blade distribution sheet		
		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.		
		ETOPS (Extended-range Twin-engine Operational Performance Standards) status if operated under such requirement (if applicable)		
		Engine test summary log		
		Borescope inspection and filters inspection results after outbound test		
		Engine Shop Visit report	HC, TIFF/ PDF	Within thirty (30) days after Engine redelivery
		Review meeting sheet (workscope description)		
		CDR/DICA listing for installed parts		
		PMA – DER statement		
		Dirty Finger Prints for each engine module after Shop Visit. Dirty Finger Prints should be provided. Dirty Fingers Prints shall contain all records for engine and LRU&QEC.	HC, TIFF/ PDF	Within sixty (60)days after engine delivery
		Scrap report		
		Minipack of Shop visit	HC, TIFF/ PDF	TIFF/PDF within 10 days after shop visit, HC (Hard Copy) within 30 days
		MPD Last Done/Next Due status		
		<p>5.4 Any errors, typos, or other inconsistencies in the reporting documents to the Customer's requirements must be corrected by the Engine Maintenance Provider within reasonable timeframe but not more than 10 business days after notification from Customer in writing.</p> <p>5.5. The Engine Maintenance Provider shall submit a written statement by its appropriately authorized officer, confirming that the company-contractor have been trading internationally for not less than 10 years as a major EASA and FAA - certified CFM56-7B overhaul specialist shop (please attach Company's valid approvals);</p> <p>5.6. The Engine Maintenance Provider shall submit a written</p>		

		statement by its appropriately authorized officer, confirming that the company-contractor has experience in repairing CFM56-7B engines for at least 5 years, and over the last 3 years from 01.01.2017 to 01.01.2020 has made at least 120 repairs. Proof of the number of repairs performed must be provided with an indication of the list of engines and the name of the customer as part of the application.
6	Requirements for safety, quality, technical performance, functionality (consumer properties) of goods, work, and service, for sizes, packing, shipment of goods, work results established by the customer and provided for technical maintenance rules in accordance with the laws of the Russian Federation about technical regulation, documents elaborated and applicable in the national system of standardization adopted in accordance with the laws of the Russian Federation on standardization, other requirements related to the establishment of the compliance of goods to be supplied, works to be performed, service to be provided with the customer needs	6.1 Since subject Engine is intended for use on Customer's foreign-registered commercial aircraft, the Engine, their maintenance & repair, and associated records must comply with international (EASA/FAA) requirements and regulations; hence, the State standards of the Russian Federation are not applicable. 6.2 Engine Maintenance Provider must have its own capability for accomplishment of the requested workscope for CFM56-7B engine model per ESM CFM56-7B SM.10 and shall have a valid EASA Part 145 and FAA Part 145 certificates for engine CFM56-7B maintenance rating, tools, test cell and necessary equipment.
7	Requirements for the price formation for goods: whether or not delivery is	7.1. The initial maximum contract price should be formed from: 7.1.1 Not To Exceed (NTE) price which is determined from the scope of work and services specified in paragraphs 7.2-7.7. It is considered that the NTE shall not exceed US\$ 3 784 143.00; and

<p>included in the price of goods as well as loading/unloading, insurance, assembly, training of the staff, customs fees to be paid in release of goods for internal consumption in the territory of the Customs Union, etc.</p>	<p>7.1.2 Price of extra services (PES) – all extra services which are excluded from NTE, but could be deemed necessary due to the actual declared workscope and engine condition. Such PES could not exceed US\$1 940 000.00 and shall be given with the list of such extra services the Contractor considers as necessary. The list will be included in the Agreement executed on results of the tender. The Customer will be entitled to place the order in respect of such extra services on its discretion depending on the most favourable cost-effectiveness balance .</p> <p>7.2 Any escalation factor shall be the part of the NTE price and shall not be calculated extra. Any adjustment or yearly escalation of NTE price for each engine is not allowed. Any assumptions, expectations proposed (including due to used or new part/material supply or availability) which influent on NTE price are not allowed.</p> <p>7.3 Any assumptions, expectations proposed (including due to used or new part/material supply or availability) which influent on NTE price are not allowed.</p> <p>The draft contract submitted by the participant must fully comply with the essential conditions set forth in these terms of reference. The following articles of the draft contract attached to the competitive selection documentation cannot be changed by the participant:</p> <ul style="list-style-type: none"> • Clauses 3, 9, 7, 10, 12, 13 of draft contract attached to this request; • Annex A of draft contract attached to this request excluding articles: A-2, A-4.2, A-8.1, A-8.3, A-9, A-10; • Annex B of draft contract attached to this request excluding articles: B-2.4, B-3.1, B-4, B-7.1, B-7.3. <p>7.4 Proposal per Not To Exceed must meet the following conditions of the requested Workscope mentioned in Appendix 1 of draft contract :</p> <p style="padding-left: 40px;">7.4.1 Without any exception the proposal per Not To Exceed must include:</p> <p>Labor and engineering support of Engine Maintenance Provider for requested WS;</p> <p>Engine incoming inspection;</p> <p>Engine disassembly and assembly;</p> <p>Engine part repairs if per Workscope the part is defined at piece part level inspection;</p> <p>Cleaning and inspection of all parts and units;</p> <p>In-house and subcontractor repairs of required in accordance with Workscope Engine parts including labor, materials required and handling fees;</p> <p>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;</p> <p>Labor for LLP replacement;</p> <p>Scrap replacement of Engine Parts and applicable handling fees if not specified;</p> <p>Airfoils scrap replacement per rates mentioned below for all Blades, Vanes, Nozzles installed in LPC, HPC, HPT, LPT engine</p>
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modules, including new materials if used materials are not available, this scrap replacement is applicable for the parts requested for overhaul or piece part level inspection per defined engine workscope:

Description	Scrap rate
Fan Blades	10%
Booster blades stg 2-5*	0%
Fan OGV	10%
HPC Blades*	50%
HPC Stator Vanes stg IGV-1-2-3*	25%
HPC Stator Vanes Sector stg 4-5-6-7-8*	15%
HPT NGV	20%
HPT Blades	50%
LPT NGV Stg 1	20%
LPT blades*	20%
LPT NGV stg 2-4*	20%

*For the total quantity of blades, vanes, vanes sectors, NGVs installed at mentioned stages.

Engine Components repairs according to Workscope defined in the article 7.4.4;

Exchange of the parts required to be in compliance with target Engine Total Ground Time;

Exchanged Engine Parts applicable fees;

Consumable and Expendable material;

All additional works and materials, which are required to rectify all findings per special instructions from manufacturer (OEM) including cost of requests to OEM, if applicable;

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;

2 From Not To Exceed must be excluded:

FOD event. See the article 7.6 for processing FOD event.

DOD event. See the article 7.7 for processing DOD event.

Cost of Life Limited Parts.

Scrap replacement of Engine casings, housings and major stationary parts of engine.

The Customer is responsible to provide LLP but may request the Engine Maintenance Provider to provide certain LLPs. In this event the Engine Maintenance Provider shall supply the requested LLPs for the Customer with issue of separate invoice. The Customer has rights to supply any of materials for engine shop visit if it is economically reasonable or may bring any improvement for engine turn around time as mutually agreed by parties. If materials supplied by Customer are included in the NTE then initial NTE value must be reduced accordingly at cost of supplied materials to

obtain a comparable value for final invoice estimation.

7.4.3 The following material and labor rates must be accepted by Engine Maintenance Provider in full and used for calculation of engine repair price on the base of Time and material:

Materials

	Rate and Condition	
1	Scrap replacement with new part: OEM list price plus fee % of OEM list price	
	Fee % of OEM list price	2,0%
	Max handling charge per part	\$1850
	Max handling charge per line item	\$2400
2	Scrap replacement of non-LLP part with OVH part 60% of OEM list price or Both parties agreed price based on the best available market price plus fee % of agreed price	
	Fee % of agreed price	2,0%
	Max handling charge per part	\$1850
	Max handling charge per line item	\$2400
3	Scrap replacement of LLP part with new part, fee % of OEM list OEM list price plus fee % of OEM list price	
	Fee % of OEM list price	2,0%
	Max handling charge per part	\$1850
4	Scrap replacement of LLP part with OVH part: Both parties agreed price plus fee % of agreed price	
	Fee % of agreed price	3,0%
	Max handling charge per part	\$2400
5	Exchange of non-LLP parts with OVH part: Repair cost plus fee % of OEM list price	
	Fee % of OEM list price	3,0%
	Max handling charge per part	\$1850
	Max handling charge per line item	\$2400
6	Exchange of used non-LLP parts with New part: Repair cost plus fee % of OEM list price	
	Fee % of OEM list price	25%
7	Exchange of used LLP parts: Difference of pro-rata values (Stublife rate is equal to 1,0) plus fee % of OEM list	
	Fee % of OEM list price	3,0%
	Max handling charge per part	\$2400
8	Handling charge for customer supplied parts: For parts up to 4000\$ of OEM list price, fee % of OEM list	0,0%
	For parts over 4000\$ of OEM list price, fee % of OEM list	1,0%

		Cap per item	\$1850
		Cap per line item	\$2400
	9	Subcontracting repairs of parts: Vendor cost including transportation plus fee % of vendor invoice	
		fee % of vendor invoice	2,0%
		Max handling charge per part	\$1850
		Max handling charge per line item	\$2400

Labor (major aspects)

1	Disassembly/assembly/cleaning/inspection/part	\$65
2	Engine's QEC LRU repair/overhaul/modification/	\$70
3	Engineering support at customer's request	\$110
4	Outgoing test run, incl. Fuel and oil	\$21 000

The following component (LRU&QEC) maintenance shall be included in NTE price, including labor and materials:

#	Description	Workscope
1	IDG	Visual Check
2	IDG AIR/OIL COOLER	Overhaul per CMM
3	ELECTRICAL HARNESSES	Test per CMM
4	EGT HARNESSES	Overhaul per CMM
5	LEFT CORE FIRE DETECTOR	Test per CMM
6	RIGHT CORE FIRE DETECTOR	Test per CMM
7	UPPER FAN FIRE DETECTOR	Test per CMM
8	LOWER FAN FIRE DETECTOR	Test per CMM
9	HYDRAULIC PUMP	Visual Check
1	CTAI VALVE	Visual Check
11	OIL TEMP TRANSMITTER	Visual Check
12	FUEL FLOW TRANSMITTER	Overhaul per CMM
13	FUEL NOZZLE FILTER	Overhaul per CMM
14	FUEL NOZZLES	Overhaul per CMM
15	FUEL MANIFOLD	Clean
16	STARTER VALVE	Test per CMM
17	N2 SPEED SENSOR	Test per CMM
18	EEC ALTERNATOR STATOR	Visual Check
19	EEC ALTERNATOR ROTOR	Visual Check
20	AIR STARTER	Test per CMM
21	SERVO FUEL HEATER	Overhaul per CMM
22	OIL/FUEL HEAT EXCHANGER	Overhaul per CMM

23	MAIN FUEL PUMP	Overhaul per CMM
24	HMU	Overhaul per CMM
25	FDPS	NEW
26	OIL CLOGGING INDICATOR	NEW
27	OIL SCAVENGE FILTER	Visual Check
28	IDG FUEL/OIL COOLER	Overhaul per CMM
29	LUBRICATION UNIT	Overhaul per CMM
30	STATIC ANTI-LEAK	Visual Check
31	LOWER IGNITION EXCITER	Test per CMM
32	UPPER IGNITION EXCITER	Test per CMM
33	IGNITION LEAD	Overhaul per CMM
34	IGNITION LEAD	Overhaul per CMM
35	N1 SPEED SENSOR	Test per CMM
36	OIL TANK	Visual Check
37	OIL QUANTITY TRANSMITTER	Visual Check
38	SENSOR OIL PRESSURE	Test per CMM
39	T12	Visual Check
40	ELECTRONIC CONTROL UNIT	Visual Check
41	IDENTIFICATION PLUG	Visual Check
42	TAI PRESSURE SWITCH	Visual Check
43	PRECOOLER CONTROL VALVE	Visual Check
44	T3 SENSOR	Visual Check
45	VSV ACTUATOR L/H	Overhaul per CMM
46	VSV ACTUATOR R/H	Overhaul per CMM
47	HPTCC VALVE	Overhaul per CMM
48	LPTCC VALVE	Test per CMM
49	TRANSIENT BLEED VALVE	Overhaul per CMM
50	HIGH STAGE VALVE	Visual Check
51	BLEED AIR CHECK VALVE	Visual Check
52	PRESS REG & SHUTOFF VALVE	Visual Check
53	HIGH STAGE REGULATOR	Visual Check
54	BLEED AIR REGULATOR	Visual Check
55	TAI WING SOLENOID VALVE	Visual Check
56	VBV ACTUATOR L/H	Overhaul per CMM
57	VBV ACTUATOR R/H	Overhaul per CMM
58	VBV DOORS	Overhaul per CMM
59	N1 VIB SENSOR	Test per CMM

		<table border="1"> <tr> <td>60</td> <td>VIBRATION SENSOR (FFCCV)</td> <td>Test per CMM</td> </tr> <tr> <td>61</td> <td>T5 TEMP SENSOR</td> <td>Visual Check</td> </tr> <tr> <td>62</td> <td>EXHAUST PLUG</td> <td>Visual Check</td> </tr> <tr> <td>63</td> <td>EXHAUST SLEEVE</td> <td>Visual Check</td> </tr> <tr> <td>64</td> <td>FORWARD MOUNT</td> <td>Overhaul per CMM</td> </tr> <tr> <td>65</td> <td>REAR MOUNT</td> <td>Overhaul per CMM</td> </tr> <tr> <td>66</td> <td>FRONT SPINNER CONE</td> <td>Recondition</td> </tr> <tr> <td>67</td> <td>REAR CONE</td> <td>Visual check</td> </tr> </table>	60	VIBRATION SENSOR (FFCCV)	Test per CMM	61	T5 TEMP SENSOR	Visual Check	62	EXHAUST PLUG	Visual Check	63	EXHAUST SLEEVE	Visual Check	64	FORWARD MOUNT	Overhaul per CMM	65	REAR MOUNT	Overhaul per CMM	66	FRONT SPINNER CONE	Recondition	67	REAR CONE	Visual check
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64	FORWARD MOUNT	Overhaul per CMM																								
65	REAR MOUNT	Overhaul per CMM																								
66	FRONT SPINNER CONE	Recondition																								
67	REAR CONE	Visual check																								
		<p>7.5 In frame of the requested engine workscope if actual repair price, based on Time and Material Rates, specified in 7.4.3. is lower than NTE price for a certain engine the invoice for this engine shop visit shall be issued using Time and Material option. Final invoice (or credit memo) shall be issued taking into account invoices previously paid and final shop visit cost based on Time and Material option. In case if actual repair price, calculated based Time and Material Rates, specified in p. 7.4.3 is higher than NTE price for certain engine the invoice for this engine shop visit shall be issued based on NTE price proposed by the participant in the Proposal.</p> <p>All additional works not specified in the requested workscope are to be charged as over and above based on Time and Material Rates, specified in 7.4.3 and to be reflected in the final invoice.</p> <p>7.6 FOD influence on the NTE: In case of FOD event, the NTE 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 NTE for the engine modules impacted due to FOD is applicable if they are initially included in the NTE offered.</p> <p>7.7 DOD influence on the NTE: In case of DOD event, the NTE 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 NTE for the engine modules impacted due to DOD is applicable if they are initially included in the NTE offered.</p> <p>7.8 Customer will deliver the engine to the repair organization on DAP (Engine Maintenance Provider facilities) conditions and from the repair organization on the terms of FCA (Engine Maintenance Provider facilities).</p>																								
8	Requirements for the term and scope of the warranty to be provided with respect to quality of goods, work, and service	<p>8.1 A guaranteed EGT margin (EGTM) for each engine Workscope should be:</p> <p>8.1.1 minimum 62 degrees of Celsius for the 26K Thrust Rating; In the event when the final measured EGTM is below 62 degrees of Celsius for the for the 26K Thrust Ratings, Engine Maintenance Provider shall recover the engine at its own cost to achieve requested values or credit the Customer at 7,900 USD per each not gained degree of Celsius. If the EGTM is below the required level by 10° or more, the Engine Maintenance Provider undertakes to correct everything to achieve the required EGTM at its own cost.</p>																								

8.2 Workmanship, part/unit warranties after shop visit:
Engine Maintenance Provider is only liable to rectify defects if such defects or failures:

- whichever comes first within twenty four (24) months or seven thousand (7,000) operation hours after the date of the release note due to faulty workmanship;
- within twenty four (24) months or applicable limitation in Flight hours according to warranty provided by OEM whichever comes later after the date of the release note due to failure of the new part installed at shop visit performed by Engine Maintenance Provider;
- whichever comes first within eighteen (18) months or five thousand (5,000) operation hours after the date of the release note due to failure of the used (overhauled/repaired/inspected) part installed at shop visit performed by Engine Maintenance Provider;

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.

8.3 Engine Maintenance Provider shall provide additional warranty related EGTM:

A. Engine Maintenance Provider shall ensure that operational parameters determined by EGT will allow engine operation during 20.000 FH .

B. If engine is removed from an aircraft due to decreasing of operational parameters before 20.000 FH from shop visit following terms will be used:

a) If EGTM decreasing to zero before 15.000 FH from shop visit with a minimum of a core performance restoration Engine Maintenance Provider takes obligation to restore engine parameters to reach guaranteed TOW, therefore Engine Maintenance Provider should be able to direct or conduct troubleshooting and performance relevant maintenance tasks such as sensor replacement, engine wash, check of the EGT measurements and get access to the ECM data before the engine is removed.

b) If EGTM decreasing to zero after 15.000 FH from shop visit Engine Maintenance Provider takes obligation to restore engine parameters to reach guaranteed TOW. Engine Maintenance Provider shall reimburse the prorated costs of an Engine "standard" Performance restoration according to WSPG for the total number of FH below the warranted level at 20.000 FH. The remaining costs of such overhaul and repair services shall be charged to Customer

b) If EGTM decreasing to zero after 15.000 FH from shop visit Engine Maintenance Provider takes obligation to restore engine parameters to reach guaranteed TOW. Engine Maintenance Provider shall reimburse the prorated costs of an Engine "standard" Performance restoration according to WSPG for the total number of FH below the warranted level at 20.000 FH. The remaining costs of such overhaul and repair services shall be charged to Customer.

		<p>This additional warranty is applicable only in case of EGTM decreasing and operation of the repaired/overhauled Engines in neutral environment as defined by the Engine manufacturer publications and documents. This additional warranty is not applicable if EGTM decreasing happens due to:</p> <ul style="list-style-type: none"> - FOD; - DOD; <p>or operation of the Engine in harsh environment regions as defined by Engine manufacturer;</p> <p>or if the Engine is not operated, handled or stored by the Customer or its authorized third party in accordance with manufacturer's recommendations;</p> <p>or if there is a failure of components described by aircraft manufacturer.</p>
9	Other necessary information or additional requirements	<p>9. Terms, Conditions and Procedure of Payment</p> <p>9.1. Payment shall be via bank wire transfer.</p> <p>9.2. Payment terms</p> <p>Invoicing and payment terms: 20% of engine NTE price invoice shall be paid during 30 days after engine induction, balance of the total estimated cost but not more than 80% of the NTE price shall be payable before redelivery of the engine to the Customer. Engine Maintenance Provider shall provide corresponding invoice at least 10 business days before planned redelivery date.</p> <p>Charges not included in the NTE shall be issued upon shop visit completion and shall be paid 60 (sixty) calendar days from the date of receipt of the invoice and set of supporting documents, provided the the Parties have agreed such additional charges and made a corresponding amendment to the Agreement.</p> <p>The invoice for payment should be sent by Contractor to amd9@rossiya-airlines.com without any undue delay immediately after issuance but not later than 10 business days prior to the payment date (if applicable). If the Contractor has not provided the invoice on time, the payment date should be postponed to such period.</p> <p>9.3 Engine Maintenance Provider may subcontract any work other than for a whole Engine workscope requested under this Agreement to any of its Affiliates.</p> <p>9.4 The Engine Maintenance Provider shall ensure the delivery of the necessary parts, assemblies, units and components through its logistics system. The Customer has the right to supply their own materials, parts, components, assemblies and components to the Engine Maintenance Provider as part of the repair. In this case, the Engine Maintenance Provider must deduct the actual cost of these parts from the final invoice for engine repairs. Requirements for part/components planned for installation by Engine Maintenance Provider as scrap replacement or exchange are stipulated in 9.4.1-9.4.4.</p> <p>9.4.1 Engine 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 used non-LLP parts to be installed in/on Rossiya's</p>

	<p>Engines shall:</p> <ul style="list-style-type: none"> (i) be of equivalent or higher modification and (ii) be of recent applicable revision of CFM56-7B Engine Shop Manual CFM56-TP.SM.10 and (iii) have an utilization (time on wing or cycles on wing) not more than 110% of removed/replaced for serialized parts only except HPT blades and also for HPC blades, HPC vanes, LPT blades, LPT nozzle guide vanes, and in addition all hot section parts (modules 51, 52, 53, 54) shall not have been operated in harsh environment regions (according to the WPG) for more than 50% of the total time on wing. All used HPT blades installed must be overhauled and shall meet requirements mention in 9.4.3. (iv) have full traceability documentation, if requested for serialized parts only and also for HPC blades, HPC vanes, LPT blades, LPT nozzle guide vanes. For the avoidance of doubt, full traceability for HPC blades and HPC vanes, LPT blades and LPT nozzle guide vanes stages 2-4 means the respective certificate and the Non-Incident-Statement of the last operator. <p>If contractually Engine Maintenance Provider must provide a replacement part due to Inclusions in the NTE then replacement part offered must meet this requirement. Engine Maintenance Provider has no rights to skip it or make a decision at its own.</p> <p>9.4.2 DER or PMA parts are not allowed across the engine without prior approval from the Customer.</p> <p>9.4.3 Used HPT blades package must ultimately meet following requirements:</p> <ul style="list-style-type: none"> – the approved soft life limit for the HPT blade offered is verified per the last revisions CFMI technical publication materials and must not be more than 50% of designated soft time limit; – must be free of operation in Harsh Environment Regions as announced by CFMI; – there is a proof of origin for HPT blade offered, also known as birth certificate (EASA Form 1, or FAA Form 8130-3 or engine data submittal); – the part number and serial number, total hours and cycles since new, and the times and cycles since last Overhaul or refurbishment on the installation and removal information from all operators and shop visits are true, accurate, and verifiable by supporting data in package of Shop Visit paperwork; – includes non-incident / non-accident statements (NIS) from the last operator and EVERY operator of the donor engine(s) or individual HPT blade; – includes Non-Harsh Environment Operation Statement from the last operator and EVERY operator of the donor engine(s) or individual HPT blade; – the latest certificate of serviceability (EASA Form 1 and FAA 8130-3 or dual releases) includes certification of all repairs done per active revision of CFM56-7B Engine Shop Manual CFM56-TP.SM.10 for offered HPT blades; – remaining cycles per applicable soft time limit announced by engine manufacturer for HPT blades shall not be less 9000 flight cycles or shall be matched with the first LLP limiter,
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which is greater.

9.4.4 All LLPs (all except new parts) provided by Engine Maintenance Provider must ultimately meet following requirements:

- LLP offered meets the conditions of aviation authorities;
- All previous operator records (including supporting data) should also be maintained as part of the BTB trace history;
- the approved life limit for the LLP offered is verified in Engine Manual Chapter 05;
- there is a proof of origin for LLP offered, also known as birth certificate (EASA Form 1, or FAA Form 8130-3 or engine data submittal);
- the part number and serial number, total hours and cycles since new, and the times and cycles since last Overhaul or refurbishment on the installation and removal disk sheets from all operators and shop visits are true, accurate, and verifiable by supporting data;
- mixed model management of LLPs shall be accounted for by "On and Off" disk sheets from all operators confirming operating thrusts for parts used in multiple model engines;
- all shop visits and repair records documenting part number changes or modifications to the LLPs must be reviewed and substantiated, as well as the last return to service methods that may include AD mandated critical rotating part inspections;
- all transfer of ownerships "commercial trace" for the LLPs shall consist of, but not limited to, the Bill of Sale, tie-in letter(s), and/or material certification(s);
- all appropriate letters or statements from Operators with contracted maintenance and record-keeping services under CAMO (Continuing Airworthiness Management Organization) under EASA Annex 1, Part M or FAA Delegated Authority are obtained;
- non-incident / non-accident statements (NIS) from the last operator and EVERY operator of the engine(s) and individual LLPs are provided;
- Non-PMA / Non-DER statement from the last operator and EVERY operator of the engine(s) or individual LLPs are provided;
- the latest certificate of serviceability (EASA Form 1 and FAA 8130-3 or dual releases) includes certification of all repairs done per active revision of CFM56-7B Engine Shop Manual CFM56-TP.SM.10;
- Compliance all Manufacturer Requirements Storage statement for the LLP offered if part was stored more than 3 months since the last certification or period when part was not operable more than 4 months neither it was installed in an engine or was stored separately from engine.

9.5 The Engine Maintenance Provider is obliged to provide all invoices and reports of inspections and repairs performed and their results at the request of the Customer.

		<p>9.6. The Engine Maintenance Provider shall have its own tools, equipment, test cell facility necessary for service, maintenance and repair performance, as evidenced with a copy of the relevant Bidder's EASA and FAA certificates with approval schedule</p> <p>9.7. All scrapped parts except Expendable and Consumable are to be stored without additional charge during 12 (twelve) months period after Engine release date at Engine Maintenance Provider Facility.</p> <p>9.8. Technical historical records access All technical records are available with link (Google Chrome is recommended): <u>https://files.rossiya-airlines.com/index.php/s/7n02gXaUY8468bF</u> Password: Rossiya_1</p>
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Subject-matter of the procurement		LOT №2 Rendering of Shop Visit services for CFM56-7B26 Engine 894235 Basic Workscope.		
LOT №2				
1	Nomenclature, description of products (work, service)	Units of Measurement	Quantity (Scope)	Option to replace (equivalent)
2	Rendering of Shop Visit services for CFM56-7B26 Engine 894235 Basic Workscope	cond. unit	1	No
3	Delivery place of goods, performance of works and provision of services (address)	<p>In the territory of a foreign state at Engine Maintenance Provider's facility.</p> <p>Delivery Terms shall be Incoterms 2010 FCA Contractor's facility for import to the Russian Federation and Incoterms 2010 DAP, Contractor's facility for export from the Russian Federation.</p> <p>Engine transportation to and from the Contractor's shop location shall be coordinated with Customer's Logistics Department in advance of the Engine dispatch.</p> <p>If the spare parts and materials supplied by the Customer were not in demand or removed after performing the Shop visit, the Contractor is obliged to return these spare parts and materials to the Customer after completion of the repair within 90 days in accordance with Incoterms 2010 EXW, Contractor's facility.</p> <p>Any transportation to and from the Contractor's shop location shall be coordinated with between the Customer's and Contractor's Logistics at least 1 (one) week in advance. The Contractor shall send information on the day of shipment by e-mail no later than 1 week before items are ready for shipment to: logistics-VKO@rossiya-airlines.com, ld-vko@rossiya-airlines.com</p>		
4	Dates or schedule of shipment/delivery of goods, performance of works and provision of services	<p>4.1 Customer plans to deliver the engine to the Engine Maintenance Provider for repair no later than 17.01.2022 (this date is approximate and can be changed on written consent of the parties by email).</p> <p>4.2 The engine repair shall start within a week after the engine arrives at the Engine Maintenance Provider's facility and last no more than 75 calendar days.</p> <p>4.3 The engine must be prepared for redelivery to the Customer within 2 calendar days after completion of all repair services and engine certification as stipulated in clause 5.3 of this Terms of reference, unless otherwise agreed between the Engine Maintenance Provider and the Customer.</p> <p>4.4. The specified terms and dates could be changed on written consent the Customer and the Engine Maintenance Provider, via email.</p>		
5	Requirements for acceptance of goods, work,	5.1 The Engine Maintenance Provider undertakes to perform repair services on the engine ESN 894428, specified in the Basic Workscope (Appendix 1) and Component Workscope (Appendix		

service

2), in full and with proper quality within the time specified in clause 4 of this Terms of Reference.

5.2 Reports to be provided to the Customer during shop visit:

Report name	Format	Point/frequency of delivery
Incoming inspection report	XLS / PDF	After engine arrival to Engine Maintenance Provider's facility
Finding report	XLS / PDF	After engine disassembly or after Table Inspection
Weekly report	XLS / PDF	On weekly basis until shop visit is not completed

5.3 Engine certification shall be issued with dual release EASA and FAA without any on-watch or deferred items or any reduced interval inspections. After Engine shop visit the Engine Maintenance Provider provides all reporting documentation in accordance with EASA and FAA requirements which includes EASA Form 1 and FAA Form 8130 and shop report refer to timeframe and content mentioned in the following table:

Description of documents delivered by Engine Maintenance Provider	Form at	Date of delivery
Certificate (original) of release to service (EASA Form 1) and FAA 8130-3	HC, TIFF/ PDF	With the serviceable declared Engine
Engine preservation and serviceable tag		
Engine Component and accessory list for respective Engine		
Missing part list		
LLP time and cycle assignment	HC, TIFF/ PDF	Within three (3) Business Days after Engine has been declared serviceable
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		
On-log of Engine, module and parts inventory including HPT Blades, HPT Nozzles, LPT stg 1		

		Nozzles installation sheet		
		Fan blade distribution sheet		
		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.		
		ETOPS (Extended-range Twin-engine Operational Performance Standards) status if operated under such requirement (if applicable)		
		Engine test summary log		
		Borescope inspection and filters inspection results after outbound test		
		Engine Shop Visit report	HC, TIFF/ PDF	Within thirty (30) days after Engine redelivery
		Review meeting sheet (workscope description)		
		CDR/DICA listing for installed parts		
		PMA – DER statement		
		Dirty Finger Prints for each engine module after Shop Visit. Dirty Finger Prints should be provided. Dirty Fingers Prints shall contain all records for engine and LRU&QEC.	HC, TIFF/ PDF	Within sixty (60)days after engine delivery
		Scrap report		
		Minipack of Shop visit	HC, TIFF/ PDF	TIFF/PDF within 10 days after shop visit, HC (Hard Copy) within 30 days
		MPD Last Done/Next Due status		
		<p>5.4 Any errors, typos, or other inconsistencies in the reporting documents to the Customer's requirements must be corrected by the Engine Maintenance Provider within reasonable timeframe but not more than 10 business days after notification from Customer in writing.</p> <p>5.4 Any errors, typos, or other inconsistencies in the reporting documents to the Customer's requirements must be corrected by the Engine Maintenance Provider within reasonable timeframe but not more than 10 business days after notification from Customer in writing.</p> <p>5.5. The Engine Maintenance Provider shall submit a written statement by its appropriately authorized officer, confirming that the</p>		

		<p>company-contractor have been trading internationally for not less than 10 years as a major EASA and FAA - certified CFM56-7B overhaul specialist shop (please attach Company's valid approvals);</p> <p>5.6. The Engine Maintenance Provider shall submit a written statement by its appropriately authorized officer, confirming that the company-contractor has experience in repairing CFM56-7B engines for at least 5 years, and over the last 3 years from 01.01.2017 to 01.01.2020 has made at least 120 repairs. Proof of the number of repairs performed must be provided with an indication of the list of engines and the name of the customer as part of the application.</p>
6	<p>Requirements for safety, quality, technical performance, functionality (consumer properties) of goods, work, and service, for sizes, packing, shipment of goods, work results established by the customer and provided for technical maintenance rules in accordance with the laws of the Russian Federation about technical regulation, documents elaborated and applicable in the national system of standardization adopted in accordance with the laws of the Russian Federation on standardization, other requirements related to the establishment of the compliance of goods to be supplied, works to be performed, service to be provided with the</p>	<p>6.1 Since subject Engine is intended for use on Customer's foreign-registered commercial aircraft, the Engine, their maintenance & repair, and associated records must comply with international (EASA/FAA) requirements and regulations; hence, the State standards of the Russian Federation are not applicable.</p> <p>6.2 Engine Maintenance Provider shall have its own capability for accomplishment of the requested workscope for CFM56-7B engine model per ESM CFM56-7B SM.10 and shall have a valid EASA Part 145 and FAA Part 145 certificates for engine CFM56-7B maintenance rating, tools, test cell and necessary equipment.</p>

	customer needs	
7	Requirements for the price formation for goods: whether or not delivery is included in the price of goods as well as loading/unloading, insurance, assembly, training of the staff, customs fees to be paid in release of goods for internal consumption in the territory of the Customs Union, etc.	<p>7.1. The initial maximum contract price should be formed from:</p> <p>7.1.1 Not To Exceed (NTE) price which is determined from the scope of work and services specified in paragraphs 7.2-7.7. It is considered that the NTE shall not exceed US\$ 3,784,143.00; and</p> <p>7.1.2 Price of extra services (PES) – all extra services which are NTE excluded could be deemed necessary due to the actual declared workscope and engine condition. Such PES could not exceed US\$1 940 000.00 and shall be given with the list of such extra services the Contractor considers as necessary. The list will be included in the Agreement executed on results of the tender. The Customer will be entitled to place the order in respect of such extra services on its discretion depending on the most favourable cost-effectiveness balance</p> <p>7.2 Any escalation factor shall be the part of the NTE price and shall not be calculated extra. Any adjustment or yearly escalation of NTE price for each engine is not allowed. Any assumptions, expectations proposed (including due to used or new part/material supply or availability) which influent on NTE price are not allowed.</p> <p>7.3 Any assumptions, expectations proposed (including due to used or new part/material supply or availability) which influent on NTE price are not allowed.</p> <p>The draft contract submitted by the participant must fully comply with the essential conditions set forth in these terms of reference. The following articles of the draft contract attached to the competitive selection documentation cannot be changed by the participant:</p> <ul style="list-style-type: none"> • Clauses 3, 9, 7, 10, 12, 13 of draft contract attached to this request; • Annex A of draft contract attached to this request excluding articles: A-2, A-4.2, A-8.1, A-8.3, A-9, A-10; • Annex B of draft contract attached to this request excluding articles: B-2.4, B-3.1, B-4, B-7.1, B-7.3. <p>7.4 Proposal per Not To Exceed must meet the following conditions of the requested Workscope mentioned in Appendix 1 of draft contract:</p> <p>7.4.1. Without any exception the proposal per Not To Exceed must include:</p> <p>Labor and engineering support of Engine Maintenance Provider for requested WS;</p> <p>Engine incoming inspection;</p> <p>Engine disassembly and assembly;</p> <p>Engine part repairs if per Workscope the part is defined at piece part level inspection;</p> <p>Cleaning and inspection of all parts and units;</p> <p>In-house and subcontractor repairs of required in accordance with Workscope Engine parts including labor, materials required and handling fees;</p> <p>Repairs and overhaul of airfoils and other Engine parts, including</p>

all improved modifications and repairs required due to stoppage of certain repairs by the vendors;
 Labor for LLP replacement;
 Scrap replacement of Engine Parts and applicable handling fees if not specified;
 Airfoils scrap replacement per rates mentioned below for all Blades, Vanes, Nozzles installed in LPC, HPC, HPT, LPT engine modules, including new materials if used materials are not available, this scrap replacement is applicable for the parts requested for overhaul or piece part level inspection per defined engine workscope:

Description	Scrap rate
Fan Blades	10%
Booster blades stg 2-5*	0%
Fan OGV	10%
HPC Blades*	50%
HPC Stator Vanes stg IGV-1-2-3*	25%
HPC Stator Vanes Sector stg 4-5-6-7-8*	15%
HPT NGV	20%
HPT Blades	50%
LPT NGV Stg 1	20%
LPT blades*	20%
LPT NGV stg 2-4*	20%

*For the total quantity of blades, vanes, vanes sectors, NGVs installed at mentioned stages.

Engine Components repairs according to Workscope defined in the article 7.4.4;

Exchange of the parts required to be in compliance with target Engine Total Ground Time;

Exchanged Engine Parts applicable fees;

Consumable and Expendable material;

All additional works and materials, which are required to rectify all findings per special instructions from manufacturer (OEM) including cost of requests to OEM, if applicable;

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;

7.4.2. From Not To Exceed must be excluded:

FOD event. See the article 7.6 for processing FOD event.

DOD event. See the article 7.7 for processing DOD event.

Cost of Life Limited Parts.

Scrap replacement of Engine casings, housings and major stationary parts of engine.

The Customer is responsible to provide LLP but may request the Engine Maintenance Provider to provide certain LLPs. In this

even the Engine Maintenance Provider shall supply the requested LLPs for the Customer with issue of separate invoice. The Customer has rights to supply any of materials for engine shop visit if it is economically reasonable or may bring any improvement for engine turn around time as mutually agreed by parties. If materials supplied by Customer are included in the NTE then initial NTE value must be reduced accordingly at cost of supplied materials to obtain a comparable value for final invoice estimation.

7.4.3. The following material and labor rates must be accepted by Engine Maintenance Provider in full and used for calculation of engine repair price on the base of Time and material:

:

Materials

	Rate and Condition
1	Scrap replacement with new part: OEM list price plus fee % of OEM list price Fee % of OEM list price 2,0% Max handling charge per part \$1850 Max handling charge per line item \$2400
2	Scrap replacement of non-LLP part with OVH part 60% of OEM list price or Both parties agreed price based on the best available market price plus fee % of agreed price Fee % of agreed price 2,0% Max handling charge per part \$1850 Max handling charge per line item \$2400
3	Scrap replacement of LLP part with new part, fee % of OEM list OEM list price plus fee % of OEM list price Fee % of OEM list price 2,0% Max handling charge per part \$1850
4	Scrap replacement of LLP part with OVH part: Both parties agreed price plus fee % of agreed price Fee % of agreed price 3,0% Max handling charge per part \$2400
5	Exchange of non-LLP parts with OVH part: Repair cost plus fee % of OEM list price Fee % of OEM list price 3,0% Max handling charge per part \$1850 Max handling charge per line item \$2400
6	Exchange of used non-LLP parts with New part: Repair cost plus fee % of OEM list price Fee % of OEM list price 25%
7	Exchange of used LLP parts: Difference of pro-rata values (Stublife rate is equal to 1,0) plus fee % of OEM list Fee % of OEM list price 3,0%

		Max handling charge per part	\$2400
8		Handling charge for customer supplied parts: For parts up to 4000\$ of OEM list price, fee % of OEM list	0,0%
		For parts over 4000\$ of OEM list price, fee % of OEM list	1,0%
		Cap per item	\$1850
		Cap per line item	\$2400
9		Subcontracting repairs of parts: Vendor cost including transportation plus fee % of vendor invoice	
		fee % of vendor invoice	2,0%
		Max handling charge per part	\$1850
		Max handling charge per line item	\$2400
		Labor (major aspects)	
1		Disassembly/assembly/cleaning/inspection/part	\$65
2		Engine's QEC LRU repair/overhaul/modification/	\$70
3		Engineering support at customer's request	\$110
4		Outgoing test run, incl. Fuel and oil	\$210 00
5.		The following component (LRU&QEC) maintenance shall be included in NTE price, including labor and materials:	
	#	Description	Workscope
	1	IDG	Visual Check
	2	IDG AIR/OIL COOLER	Overhaul per CMM
	3	ELECTRICAL HARNESSES	Test per CMM
	4	EGT HARNESSES	Overhaul per CMM
	5	LEFT CORE FIRE DETECTOR	Test per CMM
	6	RIGHT CORE FIRE DETECTOR	Test per CMM
	7	UPPER FAN FIRE DETECTOR	Test per CMM
	8	LOWER FAN FIRE DETECTOR	Test per CMM
	9	HYDRAULIC PUMP	Visual Check
	10	CTAI VALVE	Visual Check
	11	OIL TEMP TRANSMITTER	Visual Check
	12	FUEL FLOW TRANSMITTER	Overhaul per CMM
	13	FUEL NOZZLE FILTER	Overhaul per CMM
	14	FUEL NOZZLES	Overhaul per CMM
	15	FUEL MANIFOLD	Clean
	16	STARTER VALVE	Test per CMM
	17	N2 SPEED SENSOR	Test per CMM
	18	EEC ALTERNATOR STATOR	Visual Check

19	EEC ALTERNATOR ROTOR	Visual Check
20	AIR STARTER	Test per CMM
21	SERVO FUEL HEATER	Overhaul per CMM
22	OIL/FUEL HEAT EXCHANGER	Overhaul per CMM
23	MAIN FUEL PUMP	Overhaul per CMM
24	HMU	Overhaul per CMM
25	FDPS	NEW
26	OIL CLOGGING INDICATOR	NEW
27	OIL SCAVENGE FILTER	Visual Check
28	IDG FUEL/OIL COOLER	Overhaul per CMM
29	LUBRICATION UNIT	Overhaul per CMM
30	STATIC ANTI-LEAK	Visual Check
31	LOWER IGNITION EXCITER	Test per CMM
32	UPPER IGNITION EXCITER	Test per CMM
33	IGNITION LEAD	Overhaul per CMM
34	IGNITION LEAD	Overhaul per CMM
35	N1 SPEED SENSOR	Test per CMM
36	OIL TANK	Visual Check
37	OIL QUANTITY TRANSMITTER	Visual Check
38	SENSOR OIL PRESSURE	Test per CMM
39	T12	Visual Check
40	ELECTRONIC CONTROL UNIT	Visual Check
41	IDENTIFICATION PLUG	Visual Check
42	TAI PRESSURE SWITCH	Visual Check
43	PRECOOLER CONTROL VALVE	Visual Check
44	T3 SENSOR	Visual Check
45	VSV ACTUATOR L/H	Overhaul per CMM
46	VSV ACTUATOR R/H	Overhaul per CMM
47	HPTCC VALVE	Overhaul per CMM
48	LPTCC VALVE	Test per CMM
49	TRANSIENT BLEED VALVE	Overhaul per CMM
50	HIGH STAGE VALVE	Visual Check
51	BLEED AIR CHECK VALVE	Visual Check
52	PRESS REG & SHUTOFF VALVE	Visual Check
53	HIGH STAGE REGULATOR	Visual Check
54	BLEED AIR REGULATOR	Visual Check
55	TAI WING SOLENOID	Visual Check

			VALVE	
		56	VBV ACTUATOR L/H	Overhaul per CMM
		57	VBV ACTUATOR R/H	Overhaul per CMM
		58	VBV DOORS	Overhaul per CMM
		59	N1 VIB SENSOR	Test per CMM
		60	VIBRATION SENSOR (FFCCV)	Test per CMM
		61	T5 TEMP SENSOR	Visual Check
		62	EXHAUST PLUG	Visual Check
		63	EXHAUST SLEEVE	Visual Check
		64	FORWARD MOUNT	Overhaul per CMM
		65	REAR MOUNT	Overhaul per CMM
		66	FRONT SPINNER CONE	Recondition
		67	REAR CONE	Visual check
		<p>For the harnesses (positions 3-4) the highest repair level shall be included.</p> <p>7.5. In frame of the requested engine workscope if actual repair price, based on Time and Material Rates, specified in 7.4.3. is lower than NTE price for a certain engine the invoice for this engine shop visit shall be issued using Time and Material option. Final invoice (or credit memo) shall be issued taking into account invoices previously paid and final shop visit cost based on Time and Material option. In case if actual repair price, calculated based Time and Material Rates, specified in p. 7.4.3 is higher than NTE price for certain engine the invoice for this engine shop visit shall be issued based on NTE price proposed by the participant in the Proposal.</p> <p>All additional works not specified in the requested workscope are to be charged as over and above based on Time and Material Rates, specified in 7.4.3 and to be reflected in the final invoice.</p> <p>7.6. FOD influence on the NTE: In case of FOD event, the NTE 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 NTE for the engine modules impacted due to FOD is applicable if they are initially included in the NTE offered.</p> <p>7.7. DOD influence on the NTE: In case of DOD event, the NTE 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 NTE for the engine modules impacted due to DOD is applicable if they are initially included in the NTE offered.</p> <p>7.8 Customer will deliver the engine to the repair organization on DAP (Engine Maintenance Provider facilities) conditions and from the repair organization on the terms of FCA (Engine Maintenance Provider facilities).</p>		
8	Requirements for the term and scope of the warranty to be provided with	<p>8.1. A guaranteed EGT margin (EGTM) for each engine Workscope should be:</p> <p>8.1.1 minimum 62 degrees of Celsius for the 26K Thrust Rating; In the event when the final measured EGTM is below 62 degrees</p>		

<p>respect to quality of goods, work, and service</p>	<p>of Celsius for the for the 26K Thrust Ratings, Engine Maintenance Provider shall recover the engine at its own cost to achieve requested values or credit the Customer at 7,900 USD per each not gained degree of Celsius. If the EGTM is below the required level by 10° or more, the Engine Maintenance Provider undertakes to correct everything to achieve the required EGTM at its own cost.</p> <p>8.2. Workmanship, part/unit warranties after shop visit: Engine Maintenance Provider is only liable to rectify defects if such defects or failures:</p> <ul style="list-style-type: none"> - whichever comes first within twenty four (24) months or seven thousand (7,000) operation hours after the date of the release note due to faulty workmanship; - within twenty four (24) months or applicable limitation in Flight hours according to warranty provided by OEM whichever comes later after the date of the release note due to failure of the new part installed at shop visit performed by Engine Maintenance Provider; - whichever comes first within eighteen (18) months or five thousand (5,000) operation hours after the date of the release note due to failure of the used (overhauled/repaired/inspected) part installed at shop visit performed by Engine Maintenance Provider; <p>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.</p> <p>Engine Maintenance Provider shall provide additional warranty related EGTM:Engine Maintenance Provider shall provide additional warranty related EGTM:</p> <p>A. Engine Maintenance Provider shall ensure that operational parameters determined by EGT will allow engine operation during 20.000 FH .</p> <p>B. If engine is removed from an aircraft due to decreasing of operational parameters before 20.000 FH from shop visit following terms will be used:</p> <ul style="list-style-type: none"> a) If EGTM decreasing to zero before 15.000 FH from shop visit with a minimum of a core performance restoration Engine Maintenance Provider takes obligation to restore engine parameters to reach guaranteed TOW, therefore Engine Maintenance Provider should be able to direct or conduct troubleshooting and performance relevant maintenance tasks such as sensor replacement, engine wash, check of the EGT measurements and get access to the ECM data before the engine is removed. b) If EGTM decreasing to zero after 15.000 FH from shop visit Engine Maintenance Provider takes obligation to restore engine parameters to reach guaranteed TOW. Engine Maintenance Provider shall reimburse the prorated costs of an Engine “standard” Performance restoration according to WSPG for the
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		<p>total number of FH below the warranted level at 20.000 FH. The remaining costs of such overhaul and repair services shall be charged to Customerb) If EGTM decreasing to zero after 15.000 FH from shop visit Engine Maintenance Provider takes obligation to restore engine parameters to reach guaranteed TOW. Engine Maintenance Provider shall reimburse the prorated costs of an Engine “standard” Performance restoration according to WSPG for the total number of FH below the warranted level at 20.000 FH. The remaining costs of such overhaul and repair services shall be charged to Customer.</p> <p>This additional warranty is applicable only in case of EGTM decreasing and operation of the repaired/overhauled Engines in neutral environment as defined by the Engine manufacturer publications and documents. This additional warranty is not applicable if EGTM decreasing happens due to:</p> <p>FOD; DOD;</p> <p>or operation of the Engine in harsh environment regions as defined by Engine manufacturer;</p> <p>or if the Engine is not operated, handled or stored by the Customer or its authorized third party in accordance with manufacturer's recommendations;</p> <p>or if there is a failure of components described by aircraft manufacturer.</p>
9	Other necessary information or additional requirements	<p>9. Terms, Conditions and Procedure of Payment</p> <p>9.1. Payment shall be via bank wire transfer.</p> <p>9.2. Payment terms</p> <p>Invoicing and payment terms: 20% of engine NTE price invoice shall be paid during 30 days after engine induction, balance of the total estimated cost but not more than 80% of the NTE price shall be payable before redelivery of the engine to the Customer. Engine Maintenance Provider shall provide corresponding invoice at least 10 business days before planned redelivery date.</p> <p>Charges not included in the NTE shall be issued upon shop visit completion and shall be paid 60 (sixty) calendar days from the date of receipt of the invoice and set of supporting documents, provided the Parties have agreed such additional charges and made a corresponding amendment to the Agreement.</p> <p>The invoice for payment should be sent by Contractor to amd9@rossiya-airlines.com without any undue delay immediately after issuance but not later than 10 business days prior to the payment date (if applicable). If the Contractor has not provided the invoice on time, the payment date should be postponed to such period.</p> <p>9.3. Engine Maintenance Provider may subcontract any work other than for a whole Engine workscope requested under this Agreement to any of its Affiliates.</p> <p>9. 4 The Engine Maintenance Provider shall ensure the delivery of the necessary parts, assemblies, units and components through its logistics system. The Customer has the right to supply their own materials, parts, components, assemblies and components to the Engine Maintenance Provider as part of the</p>

		<p>repair. In this case, the Engine Maintenance Provider must deduct the actual cost of these parts from the final invoice for engine repairs. Requirements for part/components planned for installation by Engine Maintenance Provider as scrap replacement or exchange are stipulated in 9.4.1-9.4.4.</p> <p>9.4.1 Engine 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 used non-LLP parts to be installed in/on Rossiya's Engines shall:</p> <ul style="list-style-type: none"> (i) be of equivalent or higher modification and (ii) be of recent applicable revision of CFM56-7B Engine Shop Manual CFM56-TP.SM.10 and (iii) for serialized parts only and also for HPC blades, HPC vanes, LPT blades, LPT nozzle guide vanes have an utilization (time on wing or cycles on wing) of not more than 110% of removed/replacement parts except HPT blades and in addition all hot section parts (modules 51, 52, 53, 54) shall not have been operated in harsh environment regions (according to the WPG) for more than 50% of the total time on wing. All used HPT blades installed must be overhauled and shall meet requirements mention in 9.4.3. (iv) have full traceability documentation, if requested for serialized parts only and also for HPC blades, HPC vanes, LPT blades, LPT nozzle guide vanes. For the avoidance of doubt, full traceability for HPC blades and HPC vanes, LPT blades and LPT nozzle guide vanes stages 2-4 means the respective certificate and the Non-Incident-Statement of the last operator. <p>If contractually Engine Maintenance Provider must provide a replacement part due to Inclusions in the NTE then replacement part offered must meet this requirement. Engine Maintenance Provider has no rights to skip it or make a decision at its own.</p> <p>9.4.2. DER or PMA parts are not allowed across the engine without prior approval from the Customer.</p> <p>9.4.3. Used HPT blades package must ultimately meet following requirements:</p> <ul style="list-style-type: none"> - the approved soft life limit for the HPT blade offered is verified per the last revisions CFMI technical publication materials and must not be more than 50% of designated soft time limit; must be free of operation in Harsh Environment Regions as announced by CFMI; there is a proof of origin for HPT blade offered, also known as birth certificate (EASA Form 1, or FAA Form 8130-3 or engine data submittal); the part number and serial number, total hours and cycles since new, and the times and cycles since last Overhaul or refurbishment on the installation and removal information from all operators and shop visits are true, accurate, and verifiable by supporting data in package of Shop Visit paperwork; includes non-incident / non-accident statements (NIS) from the last operator and EVERY operator of the donor engine(s) or individual HPT blade; includes Non-Harsh Environment Operation Statement
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from the last operator and EVERY operator of the donor engine(s) or individual HPT blade;the latest certificate of serviceability (EASA Form 1 and FAA 8130-3 or dual releases) includes certification of all repairs done per active revision of CFM56-7B Engine Shop Manual CFM56-TP.SM.10 for offered HPT blades;remaining cycles per applicable soft time limit announced by engine manufacturer for HPT blades shall not be less 9000 flight cycles or shall be matched with the first LLP limiter, which is greater.

9.4.4 All LLPs (all except new parts) provided by Engine Maintenance Provider must ultimately meet following requirements:

LLP offered meets the conditions of aviation authorities;

All previous operator records (including supporting data) should also be maintained as part of the BTB trace history;

the approved life limit for the LLP offered is verified in Engine Manual Chapter 05;

there is a proof of origin for LLP offered, also known as birth certificate (EASA Form 1, or FAA Form 8130-3 or engine data submittal);

the part number and serial number, total hours and cycles since new, and the times and cycles since last Overhaul or refurbishment on the installation and removal disk sheets from all operators and shop visits are true, accurate, and verifiable by supporting data;

mixed model management of LLPs shall be accounted for by "On and Off" disk sheets from all operators confirming operating thrusts for parts used in multiple model engines;

all shop visits and repair records documenting part number changes or modifications to the LLPs must be reviewed and substantiated, as well as the last return to service methods that may include AD mandated critical rotating part inspections;

all transfer of ownerships "commercial trace" for the LLPs shall consist of, but not limited to, the Bill of Sale, tie-in letter(s), and/or material certification(s);

all appropriate letters or statements from Operators with contracted maintenance and record-keeping services under CAMO (Continuing Airworthiness Management Organization) under EASA Annex 1, Part M or FAA Delegated Authority are obtained;

non-incident / non-accident statements (NIS) from the last operator and EVERY operator of the engine(s) and individual LLPs are provided;

Non-PMA / Non-DER statement from the last operator and EVERY operator of the engine(s) or individual LLPs are provided;

the latest certificate of serviceability (EASA Form 1 and FAA 8130-3 or dual releases) includes certification of all repairs done per active revision of CFM56-7B Engine Shop Manual CFM56-TP.SM.10;

Compliance all Manufacturer Requirements Storage statement for the LLP offered if part was stored more than 3 months since

		<p>the last certification or period when part was not operable more than 4 months neither it was installed in an engine or was stored separately from engine.</p> <p>9.5 The Engine Maintenance Provider is obliged to provide all invoices and reports of inspections and repairs performed and their results at the request of the Customer.</p> <p>9.6 The Engine Maintenance Provider shall have its own tools, equipment, test cell facility necessary for service, maintenance and repair performance, as evidenced with a copy of the relevant Bidder's EASA and FAA certificates with approval schedule</p> <p>9.7. All scrapped parts except Expendable and Consumable are to be stored free of charge during 12 (twelve) months period after Engine release date at Engine Maintenance Provider Facility.</p> <p>9.8. Technical historical records access</p> <p>All technical records are available with link (Google Chrome is recommended):</p> <p><u>https://files.rossiya-airlines.com/index.php/s/7n02gXaUY8468bF</u></p> <p>Password: Rossiya_1</p>
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Draft Agreement

**Draft Contract
Engine Repair of model CFM56-7B26**

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 CFM56-7B26 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

- a) 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 CFM56-7B26 engine approved and issued by the Engine OEM.
Deviation to Instructions for Continued Airworthiness Capabilities and Fixed Prices Catalogue (CPC)	means a repair solution for a CFM56-7B26 engine approved and issued by the Engine OEM.
Consumables and Expendables	means the current Engine Maintenance Provider fixed price catalogue for Engine Parts repair services.
	means parts (i.e. expendable items) that are used only once and can never be used again as defined in

	the CFM56- manual.
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.
Engine	means a CFM56-7B26, 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.
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 mentioned in the Engine Shop Manual as QEC kit
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

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
CLP	Current Catalogue List Price of the relevant OEM
CDR	Customer Departure Record
DICA	Deviation to Instructions for Continued Airworthiness
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
NTE	Not to exceed
EGTm	Exhaust Gas Temperature margin
EOGT	"Engine On Ground Time"
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

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 certain services for shop visits with respect to the Engines listed in Annex A as exhaustively specified in the scope of services in Annex D 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 and 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 engine shop visit from 2 Engine shop visits listed in Annex A to any third party before a Shop Visit accomplishment by the Maintenance Provider without written consent from Customer. After accomplishment of a certain engine Shop Visit by the Maintenance Provider an obligation of the Customer to provide this certain engine for Shop Visit to the Maintenance Provider shall be considered fulfilled.

3. Standard of Services

- 3.1. The services shall be performed in accordance with:
 - b) Engine Maintenance Provider' EASA Part-145 maintenance organization approval certificate reference: _____ issued by a member of the EASA;
 - c) 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 Customer;

- 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 air agency certificate number: _____ in effect at the date of executing the Agreement approval reference _____.

4. Production Planning

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

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.

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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.

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

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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. Otherwise, it shall be agreed with the Customer in writing.

8. Documentation

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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-1. 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.

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

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10. Invoicing and Payment

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Total price of each engine shop visit shall not exceed NTE value specified in Annex B for certain engine serial number in accordance with the requested engine Workscope.

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10.2.1 Preliminary Invoice

- a) 20% of engine NTE price invoice shall be paid during 30 days after engine induction, balance of the total estimated cost but not more than 80% of the NTE price shall be payable before redelivery of the engine to the Customer.

Engine Maintenance Provider shall provide corresponding invoice at least 10 business days before planned redelivery date.

- b) Charges not included in the NTE shall be issued upon shop visit completion and shall be paid 60 (sixty) calendar days from the date of receipt of the invoice and set of supporting documents, provided the Parties have agreed such additional charges and made a corresponding amendment to the Agreement.
- c) The invoice for payment should be sent by Contractor to amd9@rossiya-airlines.com without any undue delay immediately after issuance but not later than 10 business days prior to the payment date (if applicable). If the Contractor has not provided the invoice on time, the payment date should be postponed to such period.

10.2.2. Final Invoice

The invoice for payment should be sent by Contractor to amd9@rossiya-airlines.com without any undue delay immediately after issuance but not later than 10 business days prior to the payment date (if applicable). If the Contractor has not provided the invoice on time, the payment date should be postponed to such period.

Such invoice will be issued by Engine Maintenance Provider after completion of all works and after Redelivery of the Engine. Engine Maintenance Provider will use all reasonable efforts to render the final invoice by no later than three (3) months after Redelivery of the Engine.

10.2.3. In case if agreed in this agreement services are not provided by the Engine Maintenance Provider or engine repair cannot be finished the Engine Maintenance Provider must return to the Customer account all amounts previously paid in accordance with per 10.2.1. validity within 10 business days from the date of receipt of the notice from the Customer. Additionally the Engine Maintenance Provider shall pay to the Customer penalty for using the Customer money in the amount 5% per year for the time when deposit is located on the Engine Maintenance Provider account.

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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.

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Address: Pilotov Street 18/4 Saint-Petersburg, 196210 Russian Federation Attention
Tax Accounting Department, Inara Popova

12. Representations and Warranties

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 careful 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 it.

12.2.2. Without limiting the terms of clause 12.2.1, Engine Maintenance Provider assumes no liability of whatever nature relating to:

- a) originally installed Material or parts of Engine which have only been tested and re-installed, or were declared satisfactory but have not been restored or repaired by, Engine Maintenance Provider;
- b) Material or parts of Engine which have not been supplied by Engine Maintenance Provider as scrap replacement or exchange.

12.2.3. 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' 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' 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' expense shall be preapproved by Engine Maintenance Provider.

12.2.4. In addition to the above terms of this 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 and has suffered deterioration due to external causes, e.g. foreign object damage, degradation on the ground, damage due to non-observance of instructions, etc.

12.2.5. 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 secondary damages of Engine caused by faulty workmanship, failed part or unit as a main reason in rendering services under this Agreement.

13.2. Time Limitation

Engine Maintenance Provider is only liable to rectify defects as per clause 13.1 if such defects or failures:

- whichever comes first within twenty four (24) months or seven thousand (7,000) operation hours after the date of the release note due to faulty workmanship;
- within twenty four (24) months or applicable limitation in Flight hours according to warranty provided by OEM whichever comes later after the date of the release note due to failure of the new part installed at shop visit performed by Engine Maintenance Provider;
- whichever comes first within eighteen (18) months or five thousand (5,000) operation hours after the date of the release note due to failure of the used (overhauled/repaired/inspected) part installed at shop visit performed by Engine Maintenance Provider;

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 excluding Warranty obligation for EGT, specified in article 13.4.

13.4. Engine Maintenance Provider shall provide additional warranty related EGTM:

A. Engine Maintenance Provider shall ensure that operational parameters determined by EGT will allow engine operation during 20.000 FH.

B. If engine is removed from an aircraft due to decreasing of operational parameters before 20.000 FH from shop visit following terms will be used:

a) If EGTM decreasing to zero before 15.000 FH from shop visit with a minimum of a core performance restoration Engine Maintenance Provider takes obligation to restore engine parameters to reach guaranteed TOW, therefore Engine Maintenance Provider should be

able to direct or conduct troubleshooting and performance relevant maintenance tasks such as sensor replacement, engine wash, check of the EGT measurements and get access to the ECM data before the engine is removed.

b) If EGTM decreasing to zero after 15.000 FH from shop visit Engine Maintenance Provider takes obligation to restore engine parameters to reach guaranteed TOW. Engine Maintenance Provider shall reimburse the prorated costs of an Engine "standard" Performance restoration according to WSPG for the total number of FH below the warranted level at 20.000 FH. The remaining costs of such overhaul and repair services shall be charged to Customer.

13.5. This additional warranty is applicable only in case of EGTM decreasing and operation of the repaired/overhauled Engines in neutral environment as defined by the Engine manufacturer publications and documents. This additional warranty is not applicable if EGTM decreasing happens due to:

- FOD;
- DOD;
- or operation of the Engine in harsh environment regions as defined by Engine manufacturer;
- 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 if there is a failure of components described by aircraft manufacturer.

13.6. 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.

13.7. In the event of any liability, the total aggregate liability of the Engine Maintenance Provider, its Affiliates and their directors and employees whether in contract, tort, negligence or otherwise shall not exceed three hundred million US Dollars (\$ 300,000,000).

Any liability in respect of claims not specified herein shall be excluded. Save for Engine Maintenance Provider's liability towards Customer outlined in this clause 13, the Customer shall indemnify and hold harmless the Engine Maintenance Provider and its Affiliates from and against any and all claims and liabilities - including third party claims - arising from or related to or in connection with this Agreement, any Purchase Order and/or the goods or services provided.»

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 covering loss or damage to the Engine (including any of the Customer's or third party's spare parts or Engines in the possession of Contractor).
- 14.2. Throughout the term of this Agreement and for a period of two (2) years after redelivery of any Engine by the Engine Maintenance Provider to Customer, Customer shall maintain or shall procure the operator of such Engine to maintain, at no cost to Engine Maintenance Provider, legal liability insurance with respect to the Engine and any Aircraft to which the Engine may be attached (including to the extent available war and associated risks) for a combined single limit of not less than seven hundred fifty million U.S. Dollars (\$500,000,000.00) for any one accident or occurrence and in the aggregate in respect of products liability, or such higher amount maintained by Customer or such operator or as required by applicable law, and such legal liability insurance shall:
- Include but not be limited to aircraft third party legal liability, passenger and passengers' baggage legal liability, cargo and mail legal liability insurance;
 - Name the Indemnitees as additional insureds ("Additional Insureds");
 - Contain a severability of interests clause;
 - Be primary and without right of contribution from other insurances which may be available to the Additional Insureds;
 - Provide that the Engine Maintenance Provider will be given thirty (30) Days' (or such lesser period as may be customarily available in respect of war and associated risks) prior written notice before any material alteration or cancellation is effective as to the interests of the Additional Insureds (10 Days for non-payment of premium);
 - Provide that the insurers waive any and all of their rights of subrogation against the Additional Insureds unless the Additional Insured shall have engaged in willful misconduct;
 - Provide that the cover afforded to each Additional Insured by the Policy shall not be invalidated by any act or omission (including misrepresentation and non-disclosure) of any other person or party which results in a breach of any term, condition or warranty of the Policy provided that the Additional Insured so protected has not caused, contributed to or knowingly condoned said act or omission;
 - Provide that the Insurers shall waive the rights to set off, counterclaim or other deduction which it may have against any Additional Insured except in respect of outstanding premium in respect of an aircraft the subject of a loss; and
 - Provide that none of the Additional Insureds shall be liable for any insurance premium.
- The Engine Maintenance Provider shall maintain during the term of this Agreement, Hangarkeepers, Premises and Products Liability Insurance for the Services for a combined single limit (bodily injury/property damage) of not less than Five Hundred Million United States Dollars (USD \$500,000,000) for Premises and Products Liability any one occurrence (in the aggregate for Products Liability) and not less than Two Hundred Fifty Million United States Dollars (USD \$250,000,000) for Hangarkeepers.

14.3. 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 until 31.07.2024.

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

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 not performing any of the terms and conditions of this Agreement and such noncompliance is not remedied within thirty (30) days after written notice 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 fifteen (15) 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.

In case of any above mentioned termination the Engine maintenance Provider shall complete and release engine(s), which was inducted before above mentioned terms start and the Customer shall pay accomplished service. After engine(s) redelivery and invoices for it are paid this Agreement is considered as terminated and the Parties obligation accomplished.

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 thirty (30) 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 one (1) month written notice.

15.4. Either Party may terminate this Agreement at its sole discretion by giving six (6) months prior written notice to the other Party.

15.5. A mandatory face to face meeting shall be held with the presence of Rossiya's and Engine Maintenance Provider's representatives at least five (5) prior to sending any termination notice. The face to face meeting shall be held not later than ten (10) after one of the parties has requested it.

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 16.1 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 16.1 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. The Parties acknowledge that as a result of this Agreement, each may obtain information regarding the business affairs, practices, methods and financial information of the other Party (the "**Confidential Information**"). Confidential Information will not include information which is already in the public domain or which is already in a Party's possession and not otherwise confidential or which was received from third parties having a right to disclose such information. Each Party hereto agrees to keep the Confidential Information strictly confidential and will not disclose nor permit the disclosure of nor use the Confidential Information for any purpose whatsoever, except as provided in the next paragraph hereof. Each Party may disclose the Confidential Information to its officers, directors, attorneys, accountants, lenders and employees who are required to know the Confidential Information in the course of performance of this Agreement or their professional services ("**Disclosees**"). All Disclosees will be informed of the confidential nature of the Confidential Information and will, prior to obtaining access thereto, agree to keep this Confidential Information confidential in accordance with the terms of this Agreement. If so required, each Party may also disclose the Confidential Information in connection with the enforcement of this Agreement or pursuant to any valid court order, regulation or other lawful order or process compelling such disclosure but only after notifying the other Party of such disclosure prior to its occurrence (to the extent legally

permissible). Any legal entity of the Engine Maintenance Provider shall not be considered as a third party and the Engine Maintenance Provider is entitled disclose necessary information relating to this Agreement, Supplemental Agreement or the performance of its obligations under this Agreement within the Engine Maintenance Provider's group of companies..

19. Title to Parts

19.1. Without affecting Engine Maintenance Provider' rights under this clause 19, 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.

20.5 LRU's WS

Both parties shall agree to review LRU Workscopes on a "per Engine" basis in accordance to Customer's and Customer's lessor's (if applicable) requirements.

20.6 Harsh Environment Engines

Customer confirms that none of the Engines listed in the present Agreement are operating in Harsh Environment Conditions as described by the OEM. Otherwise, both Parties shall agree on additional and/or differing warranties and other contractual terms of this Agreement that might be affected.

20.7 Engine Thrust

Customer confirms that none of the Engines listed in the present Agreement shall be converted to higher thrust than the ones communicated. Otherwise, both Parties shall agree on additional and/or differing warranties and other contractual terms of this Agreement that might be affected.

20.8 Over & Above (O&A)

Parties shall mutually agree on any O&A item.

20.9 Warranty Disclaimer

SUBJECT TO THE PROVISIONS OF THIS AGREEMENT, THE WARRANTIES, OBLIGATIONS AND LIABILITIES OF THE ENGINE MAINTENANCE PROVIDER AND REMEDIES OF CUSTOMER SET FORTH IN THIS CLAUSE ARE EXPRESSLY IN LIEU OF AND CUSTOMER HEREBY WAIVES AND RELEASES ANY AND ALL OTHER WARRANTIES, AGREEMENTS, CONDITIONS, DUTIES, GUARANTEES, OBLIGATIONS, REMEDIES OR LIABILITIES, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, INCLUDING WITHOUT LIMITATION ANY WARRANTY OR MERCHANTABILITY AND FITNESS FOR INTENDED USE, WITH RESPECT TO THE ENGINE MAINTENANCE PROVIDER'S PERFORMANCE HEREUNDER AND CUSTOMER AGREES THAT THE ENGINE MAINTENANCE PROVIDER SHALL NOT BE LIABLE FOR ANY DAMAGE OR LOSS (INCLUDING BUT NOT LIMITED TO, CONSEQUENTIAL DAMAGE) SUFFERED BY CUSTOMER DIRECTLY OR INDIRECTLY BECAUSE OF ANY DEFECT IN THE ENGINE MAINTENANCE PROVIDER'S PERFORMANCE HEREUNDER. NO AGREEMENT IN OR UNDERSTANDING VARYING, ALTERING OR EXTENDING THE ENGINE MAINTENANCE PROVIDER'S LIABILITY HEREUNDER SHALL BE BINDING ON THE ENGINE MAINTENANCE PROVIDER UNLESS IN WRITING AND SIGNED BY CUSTOMER'S AND ENGINE MAINTENANCE PROVIDER'S DULY AUTHORISED OFFICER OR REPRESENTATIVE.

20.10 Not to Exceed Prices adjustment

Not to Exceed price adjustments are not allowed provided other than mentioned in Annex B, B-6.

20.11 Anti-corruption clause

20.11.1 While performing its obligations under the Agreement, the Parties, their employees do not pay, do not offer to pay, and do not acquiesce in payment of any money

or values, directly or indirectly, to any people for influencing the acts or decisions of those people so as to obtain any unfair preferences or for any other inappropriate end.

While performing its obligations under the Agreement, the Parties, their employees do not carry out any activities that in accordance with the legislation are qualified for the purposes of the Agreement as giving/taking, commercial bribery, illegal gratification, abuse of power, as well as any actions that violate applicable legal requirements and international acts on counteraction to legitimization of proceeds of crime.

20.11.2 If the Parties have any suspicion of the occurrence or possible occurrence of any violation of the provisions stipulated in paragraph 20.11.1, the corresponding Party shall notify the other Party in writing. In its written notification the Party should refer to the facts or provide materials reliably confirming or giving reason to believe that there has occurred or may occur any violation of any provisions of paragraph 20.11.1 by the other Party, its employees, which in accordance with the legislation are qualified for the purposes of the Agreement as giving/taking, commercial bribery, illegal gratification, abuse of power, as well as any actions that violate applicable legal requirements and international acts on counteraction to legitimization of proceeds of crime. Upon receipt of a written notification the Party to which it was sent, will direct a confirmation that the violation did not happen or will not happen. This confirmation should be directed within 30 calendar days from the date of receipt of the written notification.

20.11.3 In case of violation by any Party of its obligations to refrain from any actions referred to in paragraph 20.11.1, the other Party shall be entitled to terminate the Agreement unilaterally and without any judicial procedures by giving a written notice of termination. The Agreement is deemed to be terminated after expiry of 30 (thirty) calendar days from the date of receipt by the corresponding Party of a written notice of termination. The Party initiating termination of the Agreement, in accordance with the provisions of this paragraph shall be entitled to claim compensation for actual damages resulting from such termination. The compensation term amounts to 30 (thirty) calendar days after the date of receipt of the corresponding claim from the Party initiating termination of the Agreement.

20.12 In case of any dispute arising out of the text of the contract, securely bound and certified contract counterpart shall prevail.

In the event of any conflict or inconsistency between the English and Russian versions of the Contract, the English version shall prevail.

20.13 On the date of execution of this Contract, the Engine Maintenance Provider shall provide the Customer with information in the form set out in Annex E in respect to the Engine Maintenance Provider's owners (beneficiaries), including the ultimate beneficiaries, together with relevant supporting documentation (if any). During the Term, in case of any changes in the chain of the Engine Maintenance Provider's owners, including ultimate beneficiaries, the Engine Maintenance Provider shall promptly inform the Customer of such changes, and provide the Customer with relevant supporting documentation (if any).

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) 6333954

E-Mail: contractTD@rossiya-airlines.com

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:

Bank Name: SBERBANK (SEVERO-ZAPADNY HEAD OFFICE)
ST.PETERSBURG, RUSSIA

SWIFT: SABRRUMM

Acc. transit № 40702840755001000096

№ 40702840455000000096

Correspondent Bank: The Bank of New York Mellon, New York, NY

SWIFT: IRVTUS3N

22. Governing Law and Jurisdiction

This agreement is governed by and construed in accordance with the law of England and Wales. If any dispute or difference arising out of or in connection with this Agreement (including any question regarding its existence, breach, termination or validity or any non-contractual obligations arising out of or in connection with this Agreement) ("Dispute") arises between the Parties under or in connection with the Agreement, either Party may give notice thereof to the other Party along with reasonable particulars of the Dispute. The Parties will use reasonable endeavors to resolve all disputes or differences which may arise out of or in connection with the Agreement by way of negotiations. If the Parties fail to resolve any Dispute within sixty (60) calendar days of the notice of Dispute, either Party may by notice to the other Party require the Dispute to be referred to and finally resolved by arbitration under the LCIA Rules, which Rules are deemed to be incorporated by reference into this Clause. The number of arbitrators shall be three. The Customer shall nominate one arbitrator and the Provider shall nominate one arbitrator, and the two arbitrators so nominated (once appointed) shall agree on and nominate a third arbitrator, who shall serve as the presiding arbitrator. In the event that the Provider or the Customer fails to nominate an arbitrator within the time limits specified in the LCIA Rules, such arbitrator shall be nominated and appointed by the LCIA Court. In the event that the two arbitrators fail to nominate a third arbitrator, such arbitrator shall be nominated and appointed by the LCIA Court. In the event that both the Provider and the Customer fail to nominate an arbitrator within the time limits specified in the LCIA Rules, all three arbitrators shall be nominated and appointed by the LCIA Court. The seat, or legal place, of arbitration shall be London, England. The language to be used in the arbitral proceedings shall be English. The arbitrators shall have the power to make orders as to costs

23. No Waiver.

Any failure at any time of either Party to insist upon any of its rights under the provisions of this Agreement shall neither constitute a waiver of such provisions nor prejudice the rights of either Party to insist upon such provisions at any subsequent time. The said waiver shall

only come into effect if made in writing and signed by duly authorised representatives of the Parties.

24. No Joint Venture or Partnership.

Nothing in this Agreement shall create a partnership or joint venture between the Parties and save as expressly provided in this Agreement, neither party shall enter into or have authority to enter into any engagement or make any representation or warranty on behalf of or otherwise bind or obligate the other Party.

25. Counterparts.

This Agreement may be executed in several counterparts each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument.

Signatures

Made and executed this _____ [MM/DD/YYYY]

ROSSIYA Airlines JSC

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 CFM56-7B26 Engines pursuant to specifications in the respective purchase order.

The shop visits are to be accomplished by the Engine Maintenance Provider on following Engines:

Table 1

#	Engine Model	ESN
1	CFM56-7B26	

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 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 C-1.

Rates and charges: The engine engineering services are included in the fixed prices as stated in Annex B-2. All non-routine investigative work and reports shall be charged in accordance with Annex 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

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

A-4.1 Guaranteed Turn Around

The following Turn Around Time shall be applied:

Table 2

#	Engine Model	ESN	Guaranteed TAT
1	CFM56-7B26		

The engine repair shall start within a week after the engine arrives at the Engine Maintenance Provider's facility and last no more than 75 calendar days..

The engine must be prepared for redelivery to the Customer within 2 calendar days after completion of all repair services and engine certification as stipulated in clause **A-7.6.4 herein**, unless otherwise agreed between the Engine Maintenance Provider and the Customer.

The specified terms and dates could be changed on written consent the Customer and the Engine Maintenance Provider, via email

A-4.2 Excusable delays

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

- a) Engine shows abrasion and defects not addressed or described in the OEM engine shop manual and requiring a DICA or other OEM directive
- b) Unusual major defects due to FOD, 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
- c) Idle time due to waiting for Customer's instructions which exceeds more than two (2) Business Day
- d) 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
- e) 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
- f) If invoices are due for payment prior to completion of service and the Customer has not paid such invoices
- g) In case of force majeure as set out in clause 16.
- h) Delays occurred due to Russian Federation Customs clearance or Engine shipping arranged by Customer;
- i) Material provision delays, OEM material shortage for the Engine Maintenance Provider.

A-4.3 TAT performance penalty

In the event that Engine Maintenance Provider does not meet the agreed TAT or EOGT as set out in Annex A-4.1 and such delay causes an AOG situation, Engine Maintenance Provider shall compensate or credit the Customer at 3750 USD per day of delay and limited at 110000 USD maximum.

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) calendar days prior to the agreed shop induction date and Annex 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 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 may handle the standard OEM warranty programs and AD/SB

related warranty if requested by Customer. All directly received warranty payments shall be credited to Customer.

A-6 EGT margin guarantee

A-6.1 EGT guarantee

Engine Maintenance Provider guarantees that the EGTM measured at a test run for every requested Workscope as mentioned in the Annex D and for rating as mentioned in the Annex A Table 1 is at least as follows:

Table 3

Engine type: CFM56-7B rating	Guaranteed EGTM
CFM56-7B26 Thrust Rating (26300 Lbs)	minimum 62 degrees of Celsius for the 26K Thrust Rating

In the event that the final measured EGTM is below the guaranteed EGTM 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 7,900 USD per each not gained degree of Celsius. If the EGTM is below the required level by 10° or more, the Engine Maintenance Provider undertakes to correct everything to achieve the required EGTM at its own cost.

A-7 Material management

The Engine Maintenance Provider is fully responsible for the material management and supply, excluding LLPs. The Customer is responsible to provide LLPs but may request the Engine Maintenance Provider to provide certain LLPs. In this even the Engine Maintenance Provider shall supply requested LLPs for the Customer with issue of separate invoice. The Customer has rights to supply any of materials for engine shop visit if it is economically reasonable or may bring any improvement for engine shop visit turn around time as mutually agreed by parties.

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 per Rates and Charges as set in the Annex B-1.2.

Handling of not anymore Repairable and rejected parts is to in accordance with A-7.5.4.

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 the Engine Maintenance Provider shall inform the Customer accordingly and

the Engine Maintenance Provider shall supply an Engine Component or source an Engine Component from a third party for 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 (per 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.

Engine 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 used non-LLP parts to be installed in/on Customer's Engine shall:

- be of equivalent or higher modification and
- be of recent applicable revision of CFM56-7B Engine Shop Manual CFM56-TP.SM.10 and
- have an utilization (time on wing or cycles on wing) not more than 110% of removed/replaced part for serialized parts only except HPT blades and also for HPC blades, HPC vanes, LPT blades, LPT nozzle guide vanes, and in addition all hot section parts (modules 51, 52, 53, 54) shall not have been operated in harsh environment regions (according to the WPG) for more than 50% of the total time on wing.. All used HPT blades installed must be overhauled and shall meet requirements mention below.
- have full traceability documentation, if requested for serialized parts only and also for HPC blades, HPC vanes, LPT blades, LPT nozzle guide vanes. For the avoidance of doubt, full traceability for HPC blades and HPC vanes, LPT blades and LPT nozzle guide vanes stages 2-4 means the respective certificate and the Non-Incident-Statement of the last operator.

If contractually maintenance provider must provide a replacement part due to Inclusions in the NTE then replacement part offered must meet this requirement. Engine Maintenance Provider has no rights to skip it or make a decision at its own.

All used LLPs if supplied by Engine Maintenance Provider shall meet following requirements:

- All documents for supplied LLP (all except new parts) must ultimately meet following requirements:
- LLP offered meet the conditions of aviation authorities;
- there are all previous operator records (including supporting data) should also be maintained as part of the BTB trace history;
- the approved life limit for the LLP offered is verified in Engine Manual Chapter 05;
- there is a proof of origin for LLP offered, also known as birth certificate (EASA Form 1, or FAA Form 8130-3 or engine data submittal);
- the part number and serial number, total hours and cycles since new, and the times and cycles since last Overhaul or refurbishment on the installation and removal disk sheets from all operators and shop visits are true, accurate, and verifiable by

- supporting data;
- Mixed model management of LLPs shall be accounted for by “On and Off” disk sheets from all operators confirming operating thrusts for parts used in multiple model engines;
- All shop visits and repair records documenting part number changes or modifications to the LLPs must be reviewed and substantiated, as well as the last return to service methods that may include AD mandated critical rotating part inspections;
- all transfer of ownerships “commercial trace” for the LLPs shall consist of, but not limited to, the Bill of Sale, tie-in letter(s), and/or material certification(s);
- all appropriate letters or statements from Operators with contracted maintenance and record-keeping services under CAMO (Continuing Airworthiness Management Organization) under EASA Annex 1, Part M or FAA Delegated Authority are obtained;
- Includes non-incident / non-accident statements (NIS) from the last operator and EVERY operator of the engine(s) and individual LLPs;
- Includes Non-PMA / Non-DER statement from the last operator and EVERY operator of the engine(s) or individual LLPs;
- the latest certificate of serviceability (EASA Form 1 and FAA 8130-3 or dual releases) includes certification of all repairs done per active revision of CFM56-7B Engine Shop Manual CFM56-TP.SM.10;
- Compliance all Manufacturer Requirements Storage statement for the LLP offered if part was stored more than 3 months since the last certification or period when part was not operable more than 4 months neither it was installed in an engine or was stored separately from engine.

All used offered HPT blades must ultimately meet following requirements:

- the approved soft life limit for the HPT blade offered is verified per the last revisions CFMI technical publication materials and must not be more than 50% of designated soft time limit;
- ii) there is a proof of origin for HPT blade offered, also known as birth certificate (EASA Form 1, or FAA Form 8130-3 or engine data submittal);
- iii) the part number and serial number, total hours and cycles since new, and the times and cycles since last Overhaul or refurbishment on the installation and removal information from all operators and shop visits are true, accurate, and verifiable by supporting data;
- iv) non-incident / non-accident statements (NIS) from the last operator and EVERY operator of the donor engine(s) or individual HPT blade are included in the traceability package;
- v) Non-Harsh Environment Operation Statement from the last operator and EVERY operator of the donor engine(s) or individual HPT blade is included in the traceability package;
- vi) the latest certificate of serviceability (EASA Form 1 and FAA 8130-3 or dual releases) includes certification of all repairs done per active revision of CFM56-7B Engine Shop Manual CFM56-TP.SM.10;
- vii) remaining cycles per applicable soft time limit announced by engine manufacture shall not be less 9000 flight cycles or shall be matched with the first LLP limiter, which is greater.

A-7.5.3. Exchange Engine Parts conditions

Any exchange serviceable Engine Part shall be of equivalent or higher modification standard. All parts proposed (other than new) for installation shall follow a minimum requirements for the paperwork package as mentioned in the A-7.5.2. In case removed unserviceable ex Customer Engine Parts 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 except Expendable and Consumable 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 without any additional charge 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-7.6.4. Engine certification

Engine certification shall be issued with dual release EASA and FAA without any on-watch or deferred items or any reduced interval inspections. Engine Maintenance Provider provides all reporting documentation in accordance with EASA and FAA requirements which includes EASA Form 1 and FAA Form 8130 and shop report refer to timeframe and content mentioned in **C-1.5 herein**.

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. Terms of material delivery shall be specified in Purchase Order.

A-8.2 Engine Storage

30 days storage period at Engine Maintenance Provider Facility after engine Release date is to be included in the NTE.

A-8.3 Spare Engines 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 shipments under this Agreement must be carried out on the basis of Incoterms 2010.

For each Engines, modules, engine accessories, engine components and parts on its CFM56-7B26 engines, the terms of shipment from the Customer to the Contractor shall be Incoterms DAP Contractor's shop, and the terms of redelivery from the Contractor to the Customer shall be Incoterms FCA Customer's freight forwarder.

If the spare parts and materials supplied by the Customer were not in demand or removed after performing the Shop visit, the Contractor is obliged to return these spare parts and materials to the Customer after completion of the repair within 90 days in accordance with Incoterms 2010 EXW, Contractor's facility.

Any transportation to and from the Contractor's shop location shall coordinated with between the Customer's and Contractor's Logistics at least 1 (one) week in advance. The Contractor shall send information on the day of shipment by e-mail no later than 1 week before items are ready for shipment to: logistics-VKO@rossiya-airlines.com, ld-vko@rossiya-airlines.com

Engine, modules, engine accessories, engine components and parts transportation to and from the Engine Maintenance Provider's shop location _____ shall coordinated with Customer's Logistics Department in advance of Engine dispatch.

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

The customer on a free-of-charge basis will send to the repair organization (and back) the equipment (transportation stand), which is available from the Customer.

The Engine maintenance provider can sent on a free-of-charge basis to the Customer (and back) the equipment (transportation stand), which is available from its stock.

Customer and Engine Maintenance Provider before shipment shall ensure that Engine 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 Engine 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.

Signatures

Made and executed this _____ [MM/DD/YYYY]

ROSSIYA Airlines JSC

Engine Maintenance Provider.

Name :
Title:

Name
Title:

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	\$65	per man hour
Engine's QEC LRU repair/overhaul/modification	\$70	per man hour
Engineering labor rate	\$110	per man hour

B-1.2 Material replacement handling charges

Following handling charges for replaced Engine Parts shall be charged:

Table 5

No	Rate and Condition
1	Scrap replacement with new part: OEM list price plus fee % of OEM list price Fee % of OEM list price 2% Max handling charge per part \$1850 Max handling charge per line item \$2400
2	Scrap replacement of non-LLP part with OVH part 60% of OEM list price or Both parties agreed price based on the best available market price plus fee % of agreed price Fee % of agreed price 2% Max handling charge per part \$1850 Max handling charge per line item \$2400
3	Scrap replacement of LLP part with new part, fee % of OEM list OEM list price plus fee % of OEM list price Fee % of OEM list price 2% Max handling charge per part \$1850
4	Scrap replacement of LLP part with OVH part: Both parties agreed price plus fee % of agreed price Fee % of agreed price 3% Max handling charge per part \$2400

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 of Engine Parts shall be applied:

Table 6

No	Rate and Condition	
1	Exchange of non-LLP parts with OVH part:	
	Repair cost plus fee % of OEM list price	
	Fee % of OEM list price	3%
	Max handling charge per part	\$1850
	Max handling charge per line item	\$2400
2	Exchange of used non-LLP parts with New part:	
	Repair cost plus fee % of OEM list price	
	Fee % of OEM list price	25%
3	Exchange of used LLP parts:	
	Difference of pro-rata values (Stublife rate is equal to 1,0) plus fee % of OEM list	
	Fee % of OEM list price	3%
	Max handling charge per part	\$2400

B-1.4 Subcontracting

Following handling charge for subcontracted services shall apply:

Table 7

No	Rate and Condition	
1	Subcontracting repairs of parts:	
	Vendor cost including transportation plus fee % of vendor invoice	
	fee % of vendor invoice	2%
	Max handling charge per part	\$1850
	Max handling charge per line item	\$2400

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, fee % of OEM list	0%
	For parts over 4000\$ of OEM list price, fee % of OEM list	1%
	Cap per item	\$1850
	Cap per line item	\$2400

B-2 Not to exceed prices

B-2.1. The following NTE price will be fixed for engines:

Table 9

#	Engine Model	ESN	NTE Price, USD
1	CFM56-7B26		

It is agreed that above mentioned NTE price is a maximum amount paid by the Customer to the Maintenance Provider for certain engine shop visit in accordance section B-2.2 .Over and above charges shall apply for exclusion section B-2.3. In frame of the requested engine workscope if actual repair price, based on Time and Material Rates is lower than NTE price for a certain engine the invoice for this engine shop visit shall be issued using Time and Material option. Final invoice (or credit memo) shall be issued taking into account invoices previously paid and final shop visit cost based on Time and Material option. In case if actual

repair price, calculated based Time and Material Rates is higher than NTE price for certain engine the invoice for this engine shop visit shall be issued based on NTE price proposed by the Engine Maintenance Provider.

B-2.2. NTE Included services

Not To Exceed must meet without any exception and exclusion following conditions per the requested Workscope:

- Labor and engineering support of Engine Maintenance Provider for requested WS;
- 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 required in accordance with Workscope 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;
- Labor for LLP replacement;
- Scrap replacement of Engine Parts and applicable handling fees if not specified;
- Airfoils scrap replacement per rates mentioned below for all Blades, Vanes, Nozzles installed in LPC, HPC, HPT, LPT engine modules, including new materials if used materials are not available, this scrap replacement is applicable for the parts requested for overhaul or piece part level inspection per defined engine workscope:

Table 10

Description	Scrap rate
Fan blades	10%
Booster blades stg 2-5*	0%
Fan OGV	10%
HPC Blades*	50%
HPC Stator Vanes stg IGV-1-2-3*	25%
HPC Stator Vanes Sector stg 4-5-6-7-8*	15%
HPT NGV	20%
HPT Blades	50%
LPT NGV Stg 1	20%
LPT blades*	20%
LPT NGV stg 2-4*	20%

*For the total quantity of blades, vanes, vanes sectors, NGVs installed at mentioned stages

- Engine Components repairs according to Workscope defined in Table 11;
- Exchange of the parts required to be in compliance with target Engine Total Ground Time;
- Exchanged Engine Parts applicable fees;
- Consumable and Expendable material;
- All additional works and materials, which are required to rectify all findings per special instructions from manufacturer (OEM) including cost of requests to OEM, if applicable;
- 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;
- The following component (LRU&QEC) maintenance shall be included in NTE price, including labor and materials:

Table 11

#	Description	Workscope
1	IDG	Visual Check
2	IDG AIR/OIL COOLER	Overhaul per CMM
3	ELECTRICAL HARNESSSES	Test per CMM
4	EGT HARNESSSES	Overhaul per CMM
5	LEFT CORE FIRE DETECTOR	Test per CMM
6	RIGHT CORE FIRE DETECTOR	Test per CMM
7	UPPER FAN FIRE DETECTOR	Test per CMM
8	LOWER FAN FIRE DETECTOR	Test per CMM
9	HYDRAULIC PUMP	Visual Check
10	CTAI VALVE	Visual Check
11	OIL TEMP TRANSMITTER	Visual Check
12	FUEL FLOW TRANSMITTER	Overhaul per CMM
13	FUEL NOZZLE FILTER	Overhaul per CMM
14	FUEL NOZZLES	Overhaul per CMM
15	FUEL MANIFOLD	Clean
16	STARTER VALVE	Test per CMM
17	N2 SPEED SENSOR	Test per CMM
18	EEC ALTERNATOR STATOR	Visual Check
19	EEC ALTERNATOR ROTOR	Visual Check
20	AIR STARTER	Test per CMM
21	SERVO FUEL HEATER	Overhaul per CMM
22	OIL/FUEL HEAT EXCHANGER	Overhaul per CMM
23	MAIN FUEL PUMP	Overhaul per CMM
24	HMU	Overhaul per CMM
25	FDPS	NEW
26	OIL CLOGGING INDICATOR	NEW
27	OIL SCAVENGE FILTER	Visual Check
28	IDG FUEL/OIL COOLER	Overhaul per CMM
29	LUBRICATION UNIT	Overhaul per CMM
30	STATIC ANTI-LEAK	Visual Check
31	LOWER IGNITION EXCITER	Test per CMM
32	UPPER IGNITION EXCITER	Test per CMM
33	IGNITION LEAD	Overhaul per CMM
34	IGNITION LEAD	Overhaul per CMM
35	N1 SPEED SENSOR	Test per CMM
36	OIL TANK	Visual Check
37	OIL QUANTITY TRANSMITTER	Visual Check
38	SENSOR OIL PRESSURE	Test per CMM
39	T12	Visual Check
40	ELECTRONIC CONTROL UNIT	Visual Check
41	IDENTIFICATION PLUG	Visual Check

42	TAI PRESSURE SWITCH	Visual Check
43	PRECOOLER CONTROL VALVE	Visual Check
44	T3 SENSOR	Visual Check
45	VSV ACTUATOR L/H	Overhaul per CMM
46	VSV ACTUATOR R/H	Overhaul per CMM
47	HPTCC VALVE	Overhaul per CMM
48	LPTCC VALVE	Test per CMM
49	TRANSIENT BLEED VALVE	Overhaul per CMM
50	HIGH STAGE VALVE	Visual Check
51	BLEED AIR CHECK VALVE	Visual Check
52	PRESS REG & SHUTOFF VALVE	Visual Check
53	HIGH STAGE REGULATOR	Visual Check
54	BLEED AIR REGULATOR	Visual Check
55	TAI WING SOLENOID VALVE	Visual Check
56	VBV ACTUATOR L/H	Overhaul per CMM
57	VBV ACTUATOR R/H	Overhaul per CMM
58	VBV DOORS	Overhaul per CMM
59	N1 VIB SENSOR	Test per CMM
60	VIBRATION SENSOR (FFCCV)	Test per CMM
61	T5 TEMP SENSOR	Visual Check
62	EXHAUST PLUG	Visual Check
63	EXHAUST SLEEVE	Visual Check
64	FORWARD MOUNT	Overhaul per CMM
65	REAR MOUNT	Overhaul per CMM
66	FRONT SPINNER CONE	Recondition
67	REAR CONE	Visual check

* For the harnesses (positions 3-4) the highest repair level shall be included.

B-2.3. NTE Excluded services

NTE does not cover following:

- FOD event;
- DOD event.
- Cost of Life Limited Parts.
- Scrap replacement of Engine casings, housings and major stationary parts of engine.

FOD influence on the NTE:

In case of FOD event, the NTE 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 NTE for the engine modules impacted due to FOD is applicable if they are initially included in the NTE offered.

DOD influence on the NTE:

In case of DOD event, the NTE 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 NTE for the engine modules impacted due to FOD is applicable if they are initially included in the NTE offered.

Price of extra services (PES) – all extra services which are excluded from NTE, but could be deemed necessary due to the actual declared workscope and engine condition. Such PES could not exceed US\$1 940 000.00 and shall be given with the list of such extra services the Contractor considers as necessary, and as stipulated in Exhibit B-1.

B-2.4. Routine labor fixed prices for disassembly and reassembly of an Engine

The following fixed prices cover labor associated with works for 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.

All labor required to perform the requested workscope according to the Annex D shall be covered by NTE.

The Customer shall pay all additional works performed beyond the requested workscope in the Annex D according to rates prices shown in the Table 12 – Engine Major Module Disassembly/Assembly Routine Labor Prices and Table 13 – Engine Module Level Workscope Routine Labor Prices as over and above of NTE.

Note: All services related to Engine Part repairs within the Shop Visit shall be charged in accordance with the CPC, where Engine Maintenance Provider has in-house capabilities, or in accordance with B-1.4 if repair of Engine Parts is subcontracted. For sake clarity: all Engine Part repairs related to the requested workscope according to Annex D shall be covered by NTE or otherwise Engine Part repairs shall be paid by Customer as over and above of NTE per Engine Maintenance Provider CPC or per B-1.4 for subcontracting.

Engine Major Module Disassembly/Assembly Routine Labor Prices:

Table 12

“To be determined per Engine Maintenance Provider applicable internal system”

Engine Module Level Workscope Routine Labor Prices:

Table 13

“To be determined per Engine Maintenance Provider applicable internal system”

B-2.5. Special processes fixed price

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

Table 14

Task description	Fixed price in USD
Video borescope inspection together with incoming / outgoing inspection (per inspection)	\$5000/per inspection
MPD tasks (C-Check item clearance)	\$0
Other Special Procedures and Processes	Per Quote

B-2.6. Engine test run

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

Table 15

Service	Rate and condition
Engine test run:	\$21000 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-2.7 Engine Component Maintenance services

The Engine Component (LRU&QEC) Maintenance services shall be paid by Customer on the base of CPC, if Engine Maintenance Provider has in-house capabilities, or in accordance with B-1.4 if Engine component repair is subcontracted.

Note: Engine Component Maintenance services related to the requested workscope in the table 11 of B-2.2 shall be covered by NTE or otherwise Engine Component Maintenance services shall be paid by Customer as over and above of NTE per Engine Maintenance Provider CPC or per B-1.4 for subcontracting

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.

If further support is necessary, the Customer shall issue a purchase order for the continuance of the service. Such continuance of service (labor and spare part support) shall be quoted by Engine Maintenance Provider on a case-by-case basis. Terms of spare parts delivery shall be specified into purchase order.

B-4 Incentives

B-4.1 Incentive on CPC

Engine Maintenance Provider agrees to grant a discount of 15% on prices published in the CPC to the Customer, exclusively for the services performed under this Agreement.

B-5 Definition of workscope

Engine Maintenance Provider shall perform the workscope as described in Attachment D of this Agreement.

B-6 Adjustment of Not To Exceed Prices

Any escalation factor shall be the part of the NTE price and shall not be calculated extra. Any adjustment or yearly escalation of NTE price for each engine is not allowed. If Customer supplies materials included in the NTE then initial NTE value must be reduced accordingly at cost of supplied materials to obtain a comparable value for final invoice estimation.

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 31st of October 2021. With effect from this date the rates and charges of this Agreement shall be adjusted each year as per the 1st 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 B-2.1 and Annex B-2.2 excluding NTE price shall be adjusted 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_{new} Average NCPI over the last twelve (12) months as per end of October.
- NCPI_{old} Average NCPI of the twelve (12) months period prior to the

period applied for $NCPI_{new}$

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 B-1.2 and Annex 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-7.5 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.

Signatures

Made and executed this _____ [MM/DD/YYYY]

ROSSIYA Airlines JSC

Engine Maintenance Provider.

Name :
Title:

Name
Title:

Annex C Documentation

Legend:

HC	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 16

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 SV 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 17

Required information	Format	Date of delivery
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 18

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	
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	Latest 5 days after delivery of the Engine

C-1.4 Reports to be provided to the Customer during shop visit

These reports are to be provided during shop visit:

Table 19

Report name	Format	Point/frequency of delivery
Incoming inspection report	XLS / PDF	After engine arrival to Engine Maintenance Provider's facility
Finding report	XLS / PDF	After engine disassembly or after Table Inspection
Weekly report	XLS /	On weekly basis until

	PDF	shop visit is not completed
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C-1.5 Documentation to be provided to the Customer after shop visit performed

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 20

Description of documents delivered by Engine Maintenance Provider	Form at	Date of delivery
Certificate (original) of release to service (EASA Form 1) and FAA 8130-3	HC, TIFF/ PDF	With the serviceable declared Engine
Engine preservation and serviceable tag		
Engine Component and accessory list for respective Engine		
Missing part list		
LLP time and cycle assignment	HC, TIFF/ PDF	Within three (3) Business Days after Engine has been declared serviceable
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		
On-log of Engine, module and parts inventory including HPT Blades, HPT Nozzles, LPT stg 1 Nozzles installation sheet		
Fan blade distribution sheet		
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.		
ETOPS (Extended-range Twin-engine Operational Performance Standards) status if operated under such requirement (if applicable)		
Engine test summary log		
Borescope inspection and filters inspection results after outbound		

test		
Engine Shop Visit report	HC, TIFF/ PDF	Within thirty (30) days after Engine redelivery
Review meeting sheet (workscope description)		
CDR/DICA listing for installed parts		
PMA – DER statement		
Dirty Finger Prints for each engine module after Shop Visit. Dirty Finger Prints should be provided. Dirty Fingers Prints shall contain all records for engine and LRU&QEC.	HC, TIFF/ PDF	Within sixty (60)days after engine delivery
Scrap report		
Minipack of Shop visit	HC, TIFF/ PDF	TIFF/PDF within 10 days after shop visit, HC (Hard Copy) within 30 days
MPD Last Done/Next Due status		

Any errors, typos, or other inconsistencies in the reporting documents must be corrected by the Engine Maintenance Provider within reasonable timeframe but not more than 10 business days after notification from Customer in writing.

Signatures

Made and executed this _____ [MM/DD/YYYY]

ROSSIYA Airlines JSC

Engine Maintenance Provider.

Name :
 Title:

Name
 Title:

Name :
 Title:

Name
 Title:

Annex D Engine WorkScope

Engine Workscope for each engine – see Appendix 1 of the RFP.

Annex E 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

Name: _____

Title: _____

Signature: _____

Date: _____

Provider

Name: _____

Title: _____

Signature: _____

Date: _____

Engine Listing and Induction Schedule

#	Engine Model	ESN	Induction date
1	CFM56-7B26		

Basic Workscope

Basic Workscope: Core Performance Restoration + LLP Replacement.			
ATA	Modules	Workscope	Comments
Fan Major Module			
21X	Fan & Booster	FULL	<ul style="list-style-type: none"> - Replace Fan Disk and Booster Spool, CR TBD. - Comply with AD 2018-26-01 (EASA AD 2019-0018). SB 72-1033. - Fan Blades OH and remapping. - Fan Blade Platforms OH. - Recondition of Front and Rear Spinner Cone - Comply with SB 72-0369, 72-996
22X	No. 1 & 2 Bearing Support	FULL	Replace Fan Shaft, CR TBD.
23X	Fan Frame	MIN	Visual inspect exposed areas. Fan Abradable Liner recondition. Recondition of OGV coaiting. Comply with SB 72-996
Core Major Module			
31X	HPC Rotor Assembly	PERF	Remove and Route all HPC blades for overhaul. Keep HPC Rotor Stack assembled.
32X	HPC Forward Stator	FULL	<ul style="list-style-type: none"> - Comply with SB 72-0811. - Replace Inner bushings, shrouds, outer bushings and washers to comply with SB 72-0958 and all concurrent SBs with SB 72-0958 and all concurrent SBs 72-0581 and 72-0665 if required. - Remove rear stator and inspect exposed areas. Blend / replace vanes as inspected. - Replace honeycomb seals with overhauled/new ones
33X	HPC Rear Stator	FULL	<ul style="list-style-type: none"> - Full overhaul WS level - All Fuel nozzles overhaul.
41X	Combustion Case Assembly	FULL	<ul style="list-style-type: none"> - Full overhaul WS level - All Fuel nozzles overhaul.
42X	Combustor Chamber Assembly	FULL	<ul style="list-style-type: none"> - Full overhaul WS level
51X	HPT Nozzle Assembly	FULL	Route all HPT NGV to OH, apply SB 72-0899, 72-0916 if necessary.
52X	HPT Rotor Assembly	PERF	Keep HPT Rotor Stack assembled. Inspect per Modular ESM. Route for overhaul HPT blades and replace all scrapped HPT blades iaw SB 72-0818 or 72-0968

			modification standard.
53X	HPT Shroud / LPT Stage 1 NGV	FULL	Route HPT Shrouds to OH. Comply with SB 72-0735. Route for overhaul LPT stg 1 NGVs and replace all scrapped LPT stg 1 NGVs iaw SB 72-0734 or 72-1017 modification standard.
LPT Major Module			
54X	LPT Rotor / Stator Assembly	FULL	Replace LPT stg 1-4 Disks, LPT Rotor Conical Support, CR TBD. Comply with SB 72-0718, 72-0626, 72-0764.
55X	LPT Shaft Assembly	FULL	Replace LPT Shaft, CR TBD. Replace #4&5 bearings. Comply with SB 72-0881, 72-0921, 72-0727, 72-0904
56X	LPT Rear Frame Assembly	MIN	Visually Inspect exposed areas. Comply with AD 2008-03-09 .
Gearbox Assemblies			
61X	IGB & No.3 BRG	FULL	Replace Ball Thrust Bearing SB 72-0812 if found unserviceable
62X	Transfer Gearbox	MIN	
63X	Accessories Gearbox	MIN	Comply with SB 72-0617, 72-1032

- **Replace No 4 & No 5 Bearings.**
- **Perform AD 2011-18-10, check all AD.**
- **Provide MPD Task Card Status**
- **Preservation up to 365 days**
- **Upload New EEC/ECU Software 7.B.X P/N 1853M78P40 iaw SB 73-0233**

Signatures

Made and executed this _____ [MM/DD/YYYY]

ROSSIYA Airlines JSC

Engine Maintenance Provider.

Name :

Title:

Name

Title:

Appendix 5
to Procurement Documentation

**Basis of the initial (maximum) price of the agreement (lot)
or the price of a unit of goods, work, or services**

Rendering of Shop Visit services for CFM56-7B26 with serial numbers 894428,894235
(specify the subject of the purchase)

n / a	Key indicators	Information to fill in
1.	The method (methods) used to determine the IMC and the justification for its application	Market analysis method for calculating the maximum price (NTE) for the implementation of a planned capital engine Another method for the price of additional services (PES) is the difference between the budgeted limit for the performance of work and the commercial offer of the winner of the purchase.
2.	The calculated value of the IMP	1. NTE for engine 894428 – 3 784 143,00 USD PES for the engine 894428 – 1 940 000, 00 USD 2. NTE for engine 894235 – 3 784 143,00 USD PES for the engine 894235 – 1 940 000, 00 USD
3.	Specify the details of commercial offers	1. Offer 1 (email) dated 09.04.21 2. Offer 2 (pdf) dated 07.04.21 3. Offer 3 (email) dated 05.04.21 4. Offer 4 (pdf) dated 31.03.21 5. Offer 5 (email) dated 01.04.21 6. Offer 6 (email) dated 01.04.21 7. Offer 7 (email) dated 30.03.21
4.	List of applications	Appendix 1 Calculation of the contract price

№ п/ п	The name of each unit of goods, work, services	Units of Measurement	Quantity (Scope)	VAT, %	Information about the offer in comparable units, USD (excluding VAT)								Arithmetic mean, USD (excluding VAT)	Total cost, USD (excluding VAT)
					offer No. 1 / Supplier 1	offer No. 2 / Supplier 2	offer No. 3 / Supplier 3	offer No.4 / Supplier 4	offer No. 5 / Supplier 5	offer No. 6/ Supplier 6	offer No. 7 / Supplier 7	... [all sources of information used are given]		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	16
1.	Rendering of Shop Visit services for CFM56-7B26 Engine ESN 894428.	Set	1	-	3 400 000,00	3 190 000,00	4 045 000,00	3 054 000,00	4 900 000,00	4 450 000,00	3 450 000,00	Based on the received commercial offers	3 784 143,00	3 784 143,00
2.	Additional expenses that may arise during the repair of the CFM56-7B 894428 engine	unit of exchange	N/A	-								at the stage of placement, the TK is calculated as the difference between the budgeted limit for the performance of works and the NTC (NTE), and in the future it will be calculated as the difference between the budgeted limit for the performance of works and the commercial offer of the winner of the purchase (in part of the amount of NTE)		1 940 000,00
3.	Rendering of Shop Visit services for	Set	1	-	3 400 000,00	3 190 000,00	4 045 000,00	3 054 000,00	4 900 000,00	4 450 000,00	3 450 000,00	Based on the received commercial offers	3 784 143,00	3 784 143,00

	CFM56-7B26 Engine 894235 Basic Workscope.												
4.	Additional expenses that may arise during the repair of the CFM56-7B 89423 engine	unit of exchange	N/A	-								at the stage of placement, the TK is calculated as the difference between the budgeted limit for the performance of works and the NTC (NTE), and in the future it will be calculated as the difference between the budgeted limit for the performance of works and the commercial offer of the winner of the purchase (in part of the amount of NTE)	1 940 000, 00

