

Technical Arrangement on

Pipistrel

Product Validation

between

The Civil Aviation Administration of China (CAAC)

and

Civil Aviation Agency of the Republic of Slovenia (CAA)

1. PURPOSE

This Technical Arrangement defines the working relationship between Civil Aviation Agency of the Republic of Slovenia (CAA) and the Civil Aviation Administration of China (CAAC) hereafter called the "Authorities", to facilitate and accomplish the CAAC type validation of the Pipistrel d. o. o. Ajdovščina aircraft models and of subsequent type design changes as well as to define the declaration of compliance for Export and continued airworthiness activities.

2. OBJECTIVES

This Technical Arrangement is intended to accomplish the following objectives:

2.1 To define the working procedures under the respective responsibilities of each Authority:

- a) for the type validation process;
- b) for subsequent post type validation activities;
- c) for the acceptance of new and used products produced by the manufacturer as mentioned in the CAAC validation data sheet and for which the CAAC has issued the Validation of Type Certificate;
- d) for parts and appliances for these products.

2.2 To minimize redundant inspections, tests, demonstration, evaluations, and approvals.

2.3 To assist on continued airworthiness for aircraft models.

3. SCOPE

This Technical Arrangement covers under the provisions set forth in the following paragraphs:

- a) Type Sinus (Model Sinus 912, CAA TCDS No.: TC99/001 - AT/ULN 01);
- b) Type Virus (Model Virus 912, CAA TCDS No.: TC 99/002 – AT/ULN 02);
- c) Type Virus SW (Models Virus SW 80 and Virus SW 100, CAA TCDS No.: TC 09/001 – AT/ULN 13);
- d) Type Taurus (Model Taurus, CAA TCDS No.: TC 02/002 – AT/ULN 04);
- e) Type Apis Bee (Model Apis Bee (CAA TCDS No.: TC 09/001 – AT/ULN 12).

4. REQUIREMENTS AND BASIS

The requirement for this Technical Arrangement results from paragraphs 21.29 of China Civil Aviation Regulation (CCAR) 21R3 dated April 14, 2007 (English version), Certification Procedures for Civil Aviation Products and Parts.

5. COMMUNICATION

5.1 The Aircraft Airworthiness Certification Department (CAAC-AAD) of CAAC and CAA Airworthiness Division will be responsible for the implementation of this Technical Arrangement.

5.2 A project manager will be assigned by each Authority to facilitate the implementation of this Technical Arrangement. All routine communication related to the activities of this Technical Arrangement will formally take place between these two project managers. (See Appendix 1 for contact listing).

5.3 Pipistrel will be the primary source for providing the technical support to CAAC-AAD. When requested, CAA will provide the necessary assistance and support within its regulatory functions, which will be initiated through and coordinated by the designated project managers of the respective Authority.

5.4 All communications between CAAC and CAA related to the activities of this Technical Arrangement will be made in the English language.

5.5 Unless otherwise specified, CAA shall be copied with all correspondence between Pipistrel and CAAC related to the activities of this Technical Arrangement in order for CAA to support Pipistrel and CAAC in the future.

6. TYPE VALIDATION ACTIVITIES

6.1 General

a) Pipistrel is responsible for showing and verifying the compliance with the CAAC validation basis and for demonstrating this compliance to both Authorities. Subject to paragraph 6.2(c)(ii), any compliance documents provided to CAAC shall be approved by CAA.

b) The CAAC type validation of affected products as listed above must be accomplished in respect of all laws and regulation governing both Authorities.

6.2 Validation basis

a) The validation basis for the aircraft models are the following:

i) For CAA:

As defined in Type Certificate Data Sheets (TCDS) at the latest applicable issue, and

ii) For CAAC:

CAAC accept the CAA certification basis for the aircraft models as validation basis plus Additional Technical Conditions (ATC).

b) CAAC will notify in writing both CAA and Pipistrel of any ATC necessary for the CAAC type validation.

c) CAA will review the ATC to ensure its understanding thereof. As necessary, CAAC will provide CAA in writing with any interpretative material or any data regarding the means of compliance pertaining to those ATC.

- i) CAA, upon request from CAAC, will initiate the process of finding compliance referred to in paragraph 6.4 once the necessary understanding of the particular CAAC ATC has been acquired.
- ii) CAAC will perform its own findings of compliance on ATC for which CAA has not acquired sufficient understanding.

6.3 Process of finding compliance

For the CAAC type validation activities, CAAC will define its involvement taking into account paragraph 2.2 of this Technical Arrangement.

6.4 Process of finding compliance to the ATC

Provided that CAAC has not already made findings of compliance with its own ATC according to paragraph 6.2(c)(ii), CAA, upon request, will make the findings of compliance with the ATC on behalf of CAAC. CAA will make the findings of compliance in accordance with the interpretative material and the means of compliance provided by CAAC. In the absence of such interpretative material, CAA will use its own interpretation for the specific ATC.

6.5 Formalization of the findings of compliance

- a) For the purpose of finding compliance with the CAAC validation basis, CAAC may raise Issue Papers (IP) and Action Items (AI).
- b) An IP is normally opened to document the ATC:
 - i) to document any controversial technical issue; and
 - ii) to document differences in interpretative material of the means of compliance.
- c) AI are normally opened to record any non-controversial action to be performed by Pipistrel d. o. o. Ajdovščina;
- d) CAAC will notify CAA and Pipistrel of the status of each IP. All IP and AI must be closed before the issuance of the CAAC type certificate.

6.6 Final statement

At the end of the process CAA will provide, upon request, a formal statement attesting that CAA has found compliance with CAAC validation basis. The CAAC approved type design will be identified in a CAAC VTCDS to be produced Pipistrel and to be approved by CAA.

7. POST TYPE VALIDATION ACTIVITIES

Design change approval

- a) Upon request, CAA will verify that design changes affecting the CAA type design which have been introduced after CAAC type validation an embodied on products to be delivered to China, comply with the CAAC validation basis using the information gained during the type validation activities (see paragraph 6 above). If the change is approved via a

Supplemental Type Certificate (STC), it will be validated by CAAC who will notify its approval.

b) Prior to each product delivery or at a frequency to be determined between CAA and CAAC, a formal statement of compliance with CAAC validation basis will be provided by CAA to CAAC for major design changes not previously approved by CAAC. CAAC will make a technical validation on those major design changes that affect the CAA TCDS or CAAC VTCDS and will notify CAA and Pipistrel d. o. o. Ajdovščina of their approval. For other major design changes that not affect the CAA TCDS or CAAC VTCDS, they will normally be accepted by CAAC on the basis of the CAA statement of compliance without technical validation and CAAC will not notify the acceptance. However, CAAC reserves the right to make a technical investigation on major design changes and will inform CAA and Pipistrel d. o. o. Ajdovščina accordingly.

c) The statement of compliance in b) above is considered sufficient to cover other changes, which are not considered as significantly affecting the approved type design.

8. AIRWORTHINESS SUPPORT ACTIVITIES

8.1 Individual product deliveries

a) Individual product deliveries should follow the CAAC procedure "Procedure of Airworthiness Certification for Civil Aircraft and its Related Products" (AP-21-05R2) or its later approved revisions.

b) For each airplane to be delivered to China, CAA will issue a CAA declaration of compliance for Export, based on the individual CAA Form ULN-001 issued in accordance with the PAH/POA granted by CAA under Slovenian Regulation, stating that the airplane complies with the CAAC approved type design and CAAC special requirements which are identified in VTCDS.

c) Each part and appliance will be delivered to China with an individual Pipistrel Form issued in accordance with the PHA/POA granted by CAA under Slovenian Regulation.

d) An Airplane Flight Manual (AFM) in the English language will be provided for each aircraft to be delivered to China. The AFM will be in accordance to the CAAC approved type design, and will be approved by CAA on behalf of the CAAC.

8.2 Continued Airworthiness

a) In accordance with ICAO Annex 8, CAA will promptly inform CAAC of all mandatory airworthiness modifications, special inspections, special operating limitations or other actions necessary for maintaining the continuing airworthiness of the products.

b) CAAC will promptly notify CAA and Pipistrel d. o. o. Ajdovščina of any unsafe condition associated with the design, manufacturing or maintenance of the products that are in service in China.

c) CAA will notify CAAC, where appropriate, of any action it deems necessary to correct any unsafe condition. In the type design that may be discovered after the type validation, including any actions in respect of components designed or manufactured by a supplier under contract to Pipistrel d. o. o. Ajdovščina.

d) CAA, upon request, will assist CAAC in establishing procedures deemed necessary by CAAC for maintaining the continuing airworthiness of aircraft models.

9. ENTRY INTO FORCE

This Technical Arrangement shall enter into force at the date of signature by the Authorities.

10. AMENDMENT

This Technical Arrangement may be amended by mutual consent between the CAA and the CAAC. Such amendments will be written and made effective by the signatures of the duly authorized representatives or their designees.

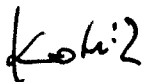
11. DURATION AND TERMINATION

Either Authority may at any time give written notice to other Authority of its decision to terminate this Technical Arrangement. This Technical Arrangement shall terminate twelve months following the date of receipt of the notice by the other Authority, unless the said notice of termination has been withdrawn by mutual agreement before the expire of this period.

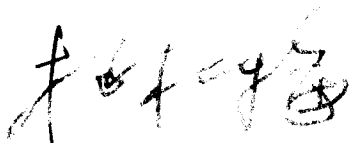
12. AUTHORITIES

The Authorities agree to the provisions of this Technical Arrangement as indicated by the signature of their authorized representatives or executive agents.

Signed in Ajdovščina on 18th July 2012 on behalf of:
Civil Aviation Agency of the Republic of Slovenia (CAA)
Žiga B. Kotnik, Managing Director



Signed in Ajdovščina on 18th July 2012 on behalf of:
Aircraft Airworthiness Certification Department,
Civil Aviation Administration of China (CAAC)
Yang Zhenmei, Director of Aircraft Certification Division



APPENDIX 1

FOR CAA

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FOR CAAC

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