

***SPECIAL ARRANGEMENT* between the Department of Transport of Canada's Civil Aviation Directorate and the Civil Aviation Administration of China concerning the split State of Design and State of Manufacture for Diamond Aircraft Industries Inc. model DA 40 series aeroplanes**

The Department of Transport of Canada's Civil Aviation Directorate (TCCA) and the Civil Aviation Administration of China (CAAC), hereinafter referred to as the "Authorities",

Wishing to coordinate their roles in managing the initial and continuing airworthiness associated with Diamond Aircraft Industries Inc. (Diamond Aircraft) model DA 40 series aeroplanes for which Canada is the State of Design and the People's Republic of China (P.R.C.) is the State of Manufacture,

Considering that Diamond Aircraft and Binzhou Wanfeng Diamond Aircraft Manufacturing Co., Ltd. (Binzhou Wanfeng) are both subsidiaries of the China-based company, Wanfeng Aviation Industry Co., Ltd. (Wanfeng Aviation). Diamond Aircraft is based in London, Ontario, Canada and Binzhou Wanfeng is located in Dagao Town, Zhanhua County, Binzhou City, Shandong province, P.R.C.,

Wishing to enable the CAAC to approve production of Diamond Aircraft model DA 40 series aeroplanes by Binzhou Wanfeng under a CAAC production certificate pursuant to the approved type design data associated with Transport Canada Type Certificate No. A-224,

Recognizing that, with respect to a split State of Design and State of Manufacture, pursuant to *Chinese Civil Aviation Regulations* (CCAR), Part 21, Certification Procedures for Civil Aviation Products and Parts, paragraph 21.133(a)(4), Binzhou Wanfeng is eligible for a CAAC production certificate if it holds the rights to the benefits of the current type certificate under a licensing agreement with Diamond Aircraft, the type certificate holder,

Considering that this Special Arrangement is contingent upon the establishment of a licensing agreement between Diamond Aircraft as the type certificate holder and Binzhou Wanfeng as the production certificate holder for certain aeroplane models,

Have come to the following understanding:

1. Definitions

For the purpose of this Special Arrangement, the definitions provided in Chapter 1 of the Bilateral Aviation Technical Arrangement (BATA) between TCCA and the CAAC, dated 22 September 2016, together with its annexes, apply together with the following:

"TC/PC Split" means an aeronautical product for which the State having jurisdiction

over the Authority having regulatory responsibility for the type design and continuing airworthiness of the civil aeronautical product is different from the State having jurisdiction over the Authority having regulatory responsibility for the production and airworthiness of an aeronautical product.

2. Purpose and Scope

The object of this Special Arrangement is to define working procedures, supplementary to those of the BATA, for the Authorities with respect to the following:

- (i) The split State of Design (SoD) and State of Manufacture (SoM) project between Diamond Aircraft and Binzhou Wanfeng for the model DA 40 series normal and utility category aeroplanes (including the DA 40, DA 40 D, DA 40 F and DA 40 NG);
- (ii) The role of TCCA as State of Design for Diamond Aircraft;
- (iii) The role of the CAAC as State of Manufacture for Binzhou Wanfeng; and
- (iv) Their mutual cooperation and assistance for continuing airworthiness for the model DA 40 series aeroplanes.

3. General Roles

Each Authority will:

- (i) Notify the other Authority of any changes in regulations, policy, or personnel, relevant to the activity performed under this Special Arrangement;
- (ii) As appropriate, provide information to the other Authority on any significant facility or organizational changes for either Diamond Aircraft or Binzhou Wanfeng that could affect SoD or SoM roles;
- (iii) Provide all documents and correspondence relating to this Special Arrangement in the English language;
- (iv) Ensure that the approval holders in respect of the TC/PC Split comply with all applicable regulatory requirements.

4. Roles of TCCA for the State of Design

TCCA will:

- (i) Recognize, on its type certificate data sheet, the production certificate issued by the CAAC for the Binzhou Wanfeng manufactured model DA 40 series aeroplanes

and their eligibility for import into Canada after export from China with an Export Airworthiness Certificate. Update the type certificate data sheet to indicate the Chinese Production Certificate and associated serial numbers in the production basis;

- (ii) Require that the written licensing agreement between Diamond Aircraft, as the type certificate holder, and Binzhou Wanfeng, as the production certificate holder, be current and acceptable to TCCA. The licensing agreement is expected to include, but not be limited to, provisions for cooperation by Binzhou Wanfeng with Diamond Aircraft in assessing information received on experience with design, manufacture and operation of the model DA 40 series aeroplane, per ICAO Annex 8, Part II, Chapter 4, section 4.2.1.4. [13th Ed., Corr. 1];
- (iii) Be in charge of the approval of all design changes submitted by Binzhou Wanfeng through Diamond Aircraft including:
 - A. Changes to processes, materials and/or design for replacement parts;
 - B. Modification and repair designs; and
 - C. Changes to support the manufacturing process upon detection of non-conforming materials and/or parts (material review board);
- (iv) Ensure that Diamond Aircraft fulfills the type certificate holder responsibilities of Division VIII of Subpart 521 of the *Canadian Aviation Regulations* (CARs) for the continuing airworthiness of the type design; and
- (v) Continue to fulfill the applicable continuing airworthiness obligations assigned to ICAO Contracting States under Annex 8 to the *Convention on International Civil Aviation*, as further elaborated and understood between the Authorities in Annex A to the BATA.

5. Roles of the CAAC for the State of Manufacture

The CAAC will:

- (i) Ensure that, for those Diamond Aircraft aeroplanes manufactured in the P.R.C., Binzhou Wanfeng produces aeroplanes that conform to the TCCA-approved type design and that they are in a condition for safe operation;
- (ii) Ensure that Binzhou Wanfeng complies with all relevant CAAC regulatory requirements associated with the CAAC production certificate for the model DA 40 series aeroplane;
- (iii) Require that the written licensing agreement between Diamond Aircraft, as the type certificate holder, and Binzhou Wanfeng, as the production certificate holder, be current and acceptable to the CAAC. The licensing agreement is expected to include, but not be limited to, provisions for cooperation by Binzhou Wanfeng with

Diamond Aircraft in assessing information received on experience with the design, manufacture and operation of the model DA 40 series aeroplane, per ICAO Annex 8, Part II, Chapter 4, section 4.2.3. [13th Ed., Corr. 1];

- (iv) Ensure that each model DA 40 series aeroplane manufactured by Binzhou Wanfeng has the appropriate operating placards and markings, a current weight and balance report, and a list of installed equipment, as required by the intended first State of Registry and/or by CCAR parts 21 and 45 for aircraft to be registered in the P.R.C., as appropriate. Aircraft identification plates for model DA 40 series aeroplanes manufactured by Binzhou Wanfeng to clearly show Binzhou Wanfeng as the manufacturer, the aircraft model as a Diamond Aircraft Model, "TCCA TC No. A-224", "CAAC PC No. PC 【XXXX】", and the distinctive serial number assigned in accordance with the Diamond Aircraft/Binzhou Wanfeng licensing agreement;
- (v) Require Binzhou Wanfeng to have procedures in place to ensure that any changes introduced into the design before the original airworthiness is established and conferred, are approved by Diamond Aircraft, as the type certificate holder, and TCCA as the SoD Authority;
- (vi) Have the appropriate CAAC office perform surveillance and oversight using their respective procedures under Subpart F to CCAR-21 to verify compliance with the above paragraphs. This surveillance and oversight is to determine compliance with the CAAC production certificate, which is to assure production control of the design, conformity to the TCCA-approved type design, and to assure that the product manufactured is in a condition for safe operation;
- (vii) Inform TCCA of any changes to the CAAC production certificate issued to Binzhou Wanfeng for the model DA 40 series aeroplane;
- (viii) Investigate suspected regulatory violations in accordance with CAAC procedures, and to notify TCCA; and
- (ix) Take appropriate compliance and enforcement action against Binzhou Wanfeng for any non-compliance detected at Binzhou Wanfeng or at their approved suppliers, as applicable, and notify TCCA.

6. Roles in Continuing Airworthiness

- (a) The CAAC role in continuing airworthiness includes the following:
 - (i) Publish corresponding mandatory continuing airworthiness information (MCAI) when notified by TCCA of its own airworthiness directive issuance; and
 - (ii) Maintain accountability for the corrective action arising from service difficulties or accidents attributed to manufacturing problems within Binzhou Wanfeng.

(b) The TCCA role in continuing airworthiness includes the following:

- (i) Review service difficulty information and take mandatory and other remedial action as necessary in order to execute its role relative to the continuing airworthiness of the type design;
- (ii) Notify the CAAC of mandatory action taken on service difficulties; and
- (iii) Maintain accountability for the corrective action arising from service difficulties or accidents attributed to design problems.

7. Program Review

The Authorities will conduct a periodic review to assess the effectiveness of the activities performed under this Special Arrangement, as they jointly decide upon, at regular intervals or following any issue that may arise.

8. Difference in Interpretation and Application

- (a) The Authorities will resolve any difference in the interpretation or application of this Special Arrangement by consultations.
- (b) The Authorities will make every effort to resolve differences at the technical level. Issues that cannot be satisfactorily resolved at the technical level are expected to be expeditiously raised for resolution to the attention of the responsible contact points of the Authorities.

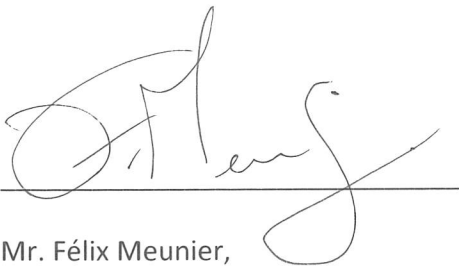
9. Final Dispositions

- (i) This Special Arrangement will take effect on the date of the last signature of its English version by the Authorities;
- (ii) The Authorities may revise this Special Arrangement upon their mutual written consent and after consultations;
- (iii) This Special Arrangement is specific to Diamond Aircraft licensing the type design of the model DA 40 series aeroplanes, as defined on Transport Canada Type Certificate Data Sheet No. A-224, to Binzhou Wanfeng for manufacturing in the P.R.C. (location(s) to be specified on the CAAC production certificate issued to Binzhou Wanfeng, as well as on the Transport Canada Type Certificate Data Sheet No. A-224 issued to Diamond Aircraft) under a CAAC production certificate. If at any point the licensing agreement or business relationship changes between these two companies, the Authorities will notify each other, re-evaluate the continued

applicability of this Special Arrangement, and revise it or void it as appropriate; and

- (iv) Either Authority may, at any time, give written notice to the other Authority of its decision to terminate or suspend this Special Arrangement. The Special Arrangement will terminate three months following the date of receipt of the notice by the Authority, unless the said notice of termination has been withdrawn by mutual consent before the expiry of this period.

Signed in duplicate at Ottawa, on 29 AUG 2025, and
at Beijing, on 25.10.11, in the English language. The Authorities will
sign the French and Chinese versions within 60 days, each version being equally valid.



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APPENDIX A - Points of Contact

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