Docket #2971 Date Filed: 12/03/2025

IN THE UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF TEXAS HOUSTON DIVISION

In re **WESCO AIRCRAFT HOLDINGS, INC.**[1] Reorganized Debtor.	Case No. 23-90611 (MI) Chapter 11 (Jointly Administered)

REORGANIZED DEBTOR'S REPLY IN SUPPORT OF OBJECTION TO (I) PROOFS OF CLAIM AND (II) ADMINISTRATIVE EXPENSE APPLICATION, EACH FILED BY ROLLS-ROYCE PLC, ROLLS-ROYCE DEUTSCHLAND & CO KG, AND ROLLS-ROYCE SINGAPORE (PTE) LTD.

(RELATED TO DOCKET NOS. 2697, 2957 AND 2968)

[1] The captioned Reorganized Debtor is Incora Intermediate II LLC, the successor by merger to Wesco Aircraft Holdings, Inc. Its employer identification number is 33-2921953. Its principal office address and service address in this case is 2601 Meacham Blvd., Ste. 400, Fort Worth, TX 76137.

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The above-captioned reorganized debtor (the "***Reorganized Debtor***" and, together with its affiliated former debtors, their successors, and non-debtor subsidiaries, as applicable, the "***Reorganized Debtors***" or "***Incora***") respectfully states as follows.[2]

PRELIMINARY STATEMENT

1. Rolls-Royce's Response[3] peddles a version of reality that does not exist. In its telling, Incora for years has withheld information it is contractually required to share with Rolls-Royce and, despite an ongoing commercial relationship, simply refuses to engage with Rolls-Royce on vitally important performance metrics. And it follows, in Rolls-Royce's view, that it is entitled to collect a laundry list of increasingly attenuated "damages" from Incora for Incora's alleged breaches and delays—all based on Rolls-Royce's say-so.

2. Unsurprisingly, the reality is different. In fact, each category of Rolls-Royce's claimed administrative expenses suffers from critical flaws.

3. *First*, Rolls-Royce touts that it "provided over 1,900 pages of documents in support of [its] claims" within a week of Incora filing the Objection. Response ¶ 2. But all those pages amount to remarkably little evidence. Instead, as described more thoroughly below, Rolls-Royce's own submissions show that its stalled production lines and delayed deliveries largely stemmed from root causes that Incora's and Rolls-Royce's agreement expressly assigns as Rolls-Royce's responsibility (such as late deliveries by Rolls-Royce's own mandated suppliers).

4. Faced with this reality, Rolls-Royce falls back on the refrain that "Incora has refused to provide further information to evidence the Order Success Rate from February 2022 onward, despite the repeated requests from Rolls-Royce." Response ¶ 61. But Incora has

[2] Capitalized terms not otherwise defined herein have the meanings ascribed to them in the *Reorganized Debtor's Objection to (I) Proofs of Claim and (II) Administrative Expense Application, Each Filed by Rolls-Royce PLC, Rolls-Royce Deutschland & Co KG, and Rolls-Royce Singapore (PTE) Ltd.* [Dkt. No. 2957] (the "***Objection***").

[3] *Rolls-Royce PLC, Rolls-Royce Deutschland & Co KG, and Rolls-Royce Singapore (PTE) Ltd's Response In Opposition to the Reorganized Debtor's Objection to (I) Proofs of Claim, and (II) Administrative Expense Application filed by Rolls-Royce PLC, Rolls-Royce Deutschland & Co KG, and Rolls-Royce Singapore (PTE) Ltd* [Dkt. No. 2968] (the "***Response***").

consistently provided Rolls-Royce with more than enough information—and indeed all of the information it is contractually required to provide—to evaluate Incora's calculated monthly Order Success Rates during that period. Moreover, Incora has consistently sought to engage with Rolls-Royce to settle outstanding Order Success Rate calculations and has provided further information to substantiate Incora's positions. Rolls-Royce has rebuffed those efforts.

5. *Second*, as to Order Fulfillment Fees, Rolls-Royce does not meaningfully contest Incora's calculation of the Order Success Rates (the key data point for calculating the Order Fulfillment Fees). Instead, it recycles the same arguments concerning Incora's failure to share required data and information. Rolls-Royce has no response to the substance of Incora's calculations, which accurately reflect the Order Success Rates from February 2022 onward and which entitle Incora to nearly $12 million in Order Fulfillment Fees from Rolls-Royce.

6. *Third*, Rolls-Royce attempts to pass off its own liability for its Customer Penalties onto Incora because, in Rolls-Royce's view, the relevant delays were caused by Incora alone. But that argument is wrong on both the law and the facts. For one thing, the Customer Penalties are indirect or consequential damages that are unrecoverable under section 20.2 of the LSP Agreement and pursuant to English law. Notably, Rolls-Royce has *never* tried to recover Customer Penalties from Incora until now. Moreover, Rolls-Royce bargained for a finely tuned liquidated damages scheme in the LSP Agreement in the event that Incora's performance caused production delays, and it should not be allowed to recover its own knock-on damages on top of the contractual liquidated damages. On the facts, Rolls-Royce's own evidence shows that it seeks Customer Penalties from Incora for delays that *Rolls-Royce* caused. For example, Rolls-Royce allegedly owed $245,755.58 of penalties to one customer on account of a ***19-day*** delay by Rolls-Royce in delivering an engine—all of which Rolls-Royce absurdly ascribes to a purported ***one-day*** delivery delay by Incora.

7. *Fourth*, Rolls-Royce's claim for Consultant Fees is even more far afield. As with other categories of supposed administrative expenses, the Consultant Fees are indirect or consequential damages excluded by the LSP Agreement and that a plaintiff may not recover under

English law. And as with other categories of supposed administrative expenses, Rolls-Royce has failed to prove its claim was an actual, necessary expense of preserving the Debtor's estate. Rolls-Royce has not even provided the underlying consulting agreement(s), making it impossible for Incora or this Court to ascertain whether these consultants were engaged specifically to mitigate post-petition underperformance by Incora or whether these consultants advised more generally on Rolls-Royce's apparently pervasive production delays, as it has represented to its supplier partners. Moreover, Rolls-Royce cannot point to specific, tangible benefits provided to the estate by its third-party consultants and therefore has failed to show that those services (if compensable at all under English law) are entitled to administrative status under American bankruptcy law.

8. *Finally*, Rolls-Royce through its Response has added new amounts to its Administrative Expense Application for AOG penalties (a species of customer penalties for "aircraft on ground") and fulfillment wages (wages of Rolls-Royce employees deployed to Incora as part of an "intervention team"). But those claims are just more of the same—they are either indirect damages unrecoverable under the LSP Agreement and English law or are accompanied by such little evidence that Rolls-Royce has not met its burden to show entitlement to administrative expense priority.

9. Simply put, Rolls-Royce has failed to meet its burden of proof on its claim. It falls short on the law and the facts for each category of the Administrative Expenses. For these reasons and those explained more fully below, this Court should deny the Administrative Expense Application and disallow the Proofs of Claim or, in the alternative, fix Rolls-Royce's allowed administrative claim at $0.00.

REPLY

I. THIS COURT HAS JURISDICTION TO DETERMINE POST-EFFECTIVE DATE AMOUNTS OWED.

10. Rolls-Royce half-heartedly "disputes this Court's jurisdiction to determine claims related to the LSP Agreement arising after the Effective Date." Response ¶ 15. Tellingly, it does not cite any authority for this proposition. As the Fifth Circuit has repeatedly held, bankruptcy

courts' post-confirmation jurisdiction extends to "matters pertaining to the implementation or execution of the plan." *In re GenOn Mid-Atlantic Dev., L.L.C.*, 42 F.4th 523, 534 (5th Cir. 2022) (quoting *In re Craig's Stores of Tex., Inc.*, 266 F.3d 388, 390 (5th Cir. 2001)).

11. This case plainly passes that test. This dispute arises between a reorganized debtor (whose bankruptcy case remains open) and a creditor seeking allowance of an unsecured claim and an administrative expense (a process dictated by, and thus pertaining to implementation of, the *Further Modified Second Amended Joint Chapter 11 Plan of Wesco Aircraft Holdings, Inc. et al.* [Dkt. No. 2517] (the "***Plan***")). Rolls-Royce seeks administrative expense priority for certain post-petition amounts it maintains Incora owes it under the LSP Agreement and that constitute "actual, necessary costs and expenses of preserving the estate." 11 U.S.C. § 503(b)(1)(A). The Plan provides—and the Bankruptcy Code demands—that allowed administrative expenses shall be paid in full in cash. *See* Plan art. II.A; 11 U.S.C. § 1129(a)(9)(A). Incora disputes the amounts to which Rolls-Royce is entitled on its unsecured claim and as administrative expenses based in part on post-petition and post-effective date performance under the same contract (the LSP Agreement) that Rolls-Royce claims entitles it to priority treatment.[4] Thus, this Court plainly possesses jurisdiction to resolve disputes concerning post-effective date amounts owed under the LSP Agreement and to consider offsetting those amounts against Rolls-Royce's Administrative Expense Application to determine amounts (if any) owed by Incora as administrative expenses under the Plan and the Bankruptcy Code as part of the claims-allowance process.[5] *See, e.g.*, *Katchen v. Landy*, 382 U.S. 323, 329–30 (1966).

[4] Rolls-Royce does not dispute that Incora may assert defenses of setoff or recoupment in objecting to Rolls-Royce's Administrative Expense Application. Instead, it maintains only, as a factual matter, that Incora's performance does not entitle it to payment from Rolls-Royce. *See* Response ¶ 69 ("[I]t is Rolls-Royce's position that (i) Rolls-Royce does not owe any Order Fulfillment Fees to Incora; and (ii) Incora owes Rolls-Royce substantial Order Fulfillment Fees."). For the reasons explained in the Objection and below, Rolls-Royce is mistaken.

[5] Recognizing as much, this Court "retain[ed] exclusive jurisdiction over all matters arising out of, or related to, the Chapter 11 Cases and the Plan . . . including jurisdiction to . . . allow, disallow, determine, liquidate, classify, estimate, or establish the priority . . . of any request for payment of any Administrative Expense." Plan art. XI.1. And that is hardly surprising, as bankruptcy courts possess jurisdiction to resolve post-confirmation disputes long after the effective date. *See, e.g.*, *In re Congoleum Corp.*, 149 F.4th 318, 329 (3d Cir. 2025) (confirming that the bankruptcy court had jurisdiction over a dispute *15 years* after entry of the confirmation order).

12. Rolls-Royce's suggestion that the occurrence of the effective date divests this Court of jurisdiction is as novel as it is wrong. After a reorganization plan becomes effective, a bankruptcy court's jurisdiction "narrows," *In re GenOn*, 42 F.4th at 534, but it "does not disappear entirely," *In re Resorts Int'l, Inc.*, 372 F.3d 154, 165 (3d Cir. 2004); *see also* 11 U.S.C. § 1142(b). The relevant inquiry, then, is whether the dispute "pertain[s] to the implementation or execution of the plan." *In re GenOn*, 42 F.4th at 534. Whatever disputes might lie at the periphery, the post-confirmation claims allowance and reconciliation process that accompanies virtually every chapter 11 case is standard fare and falls comfortably within the heartland of this Court's post-effective date jurisdiction. *Cf. Stern v. Marshall*, 564 U.S. 462, 499 (2011) (whether a bankruptcy court has authority turns on "whether the action at issue stems from the bankruptcy itself or would necessarily be resolved in the *claims allowance process*" (emphasis added)); *In re EP Energy E&P Co., L.P.*, No. 19-35647, 2021 WL 5917771, at *10 (Bankr. S.D. Tex. Dec. 14, 2021) (similar).

II. ROLLS-ROYCE HAS FAILED TO MEET ITS EVIDENTIARY BURDEN.

13. Rolls-Royce next maintains that it has offered sufficient evidence to carry its burden of demonstrating entitlement to administrative priority. *In re Whistler Energy II, L.L.C.,* 931 F.3d 432, 441 (5th Cir. 2019). It plainly has not.

14. For starters, Rolls-Royce takes issue with Incora raising an evidentiary objection in the first place. In its view, because Rolls-Royce and Incora were negotiating a nondisclosure agreement to facilitate the exchange of commercially sensitive information concerning Rolls-Royce's claim, "Incora knew, or should have known, when the Objection was filed that it would shortly sign the NDA, and that Rolls-Royce would then be able to provide evidence to support its claims." Response ¶ 44. True, Rolls-Royce and Incora were close to executing a nondisclosure agreement when Incora filed the Objection, but that fact does not alter the ordinary rules of litigation where, in order to preserve an argument, a party must raise it in its opening papers. Nor did Incora know—as it could not—what information Rolls-Royce might provide. So rather than evincing gamesmanship, Incora's challenge to the evidentiary basis of Rolls-Royce's claims was

necessary to preserve Incora's rights—and it turns out that challenge was warranted.[6] *See infra* ¶¶ 30, 33, 36–37.

15. After Incora filed its Objection, it and Rolls-Royce entered into a nondisclosure agreement on October 30, 2025, permitting the parties to share commercially sensitive information relating to the Administrative Expense Application. Thereafter, Rolls-Royce supplied Incora with documents purporting to substantiate the amounts in the Administrative Expense Application. But those documents leave more questions than answers and, notably, do not include a line-by-line breakdown of Rolls-Royce's calculation of Order Success Rates—a substantial portion of Rolls-Royce's Administrative Expense Application. *Supplemental Declaration of David Fawcett in Support of the Reorganized Debtor's Reply in Support of Objection to (I) Proofs of Claim and (II) Administrative Expense Application, Each Filed by Rolls-Royce PLC, Rolls-Royce Deutschland & Co KG, and Rolls-Royce Singapore (PTE) Ltd.* (the "***Supplemental Fawcett Declaration***") (attached hereto as **Exhibit A**) ¶ 11. Incora is now also in receipt of Rolls-Royce's requests for production of documents served contemporaneously with the Response. *See* Response ¶ 47. Incora intends to cooperate with Rolls-Royce to exchange the information necessary to resolve Rolls-Royce's claims, as Incora has worked to do for months.

16. In any event, Rolls-Royce has little evidence to offer. Instead, as explained in the Supplemental Fawcett Declaration and as detailed below with respect to each category of alleged expenses, Rolls-Royce's analysis reflects fundamental errors in allocating liability to Incora.

[6] Rolls-Royce suggests that Incora "opted to file the Objection over one month prior to any filing deadline" as part of some sort of strategy to avoid signing the nondisclosure agreement earlier. Response ¶ 2. But that's wrong as well. Because Incora objects to Rolls-Royce's prepetition proofs of claim in addition to its application for administrative expenses, Incora had "270 days following the Effective Date" to object. Plan arts. I.A.59 ("'*Claim Objection Deadline*' means the date that is 270 days following the Effective Date, or such later date that is approved by order of the Bankruptcy Court for cause upon motion by the Reorganized Debtors."); VI.A ("The Reorganized Debtors shall file any objections to Claims (including any omnibus objections) no later than the Claim Objection Deadline (as it may be extended)."). The Effective Date occurred on January 31, 2025, *see* Dkt. No. 2615, meaning the Claim Objection Deadline was October 28, 2025—the date on which Incora filed its Objection. So while Incora and Rolls-Royce had indeed agreed to an extension for Incora to object to Rolls-Royce's Administrative Expense Application, *see* Dkt. No. 2943, no such extension was agreed for Incora's deadline to object to prepetition claims, necessitating filing the Objection on October 28. Incora is also eager to resolve all remaining issues in its Chapter 11 Cases, including Rolls-Royce's Administrative Expense Application, so that its chapter 11 cases can be closed.

Indeed, it is clear that, notwithstanding Incora's historical and consistent provision of data to Rolls-Royce, Rolls-Royce has simply failed to timely and discerningly review the data Incora provided. Rolls-Royce's Response is rife with conclusory amounts and designations of Incora liability, demonstrating that Rolls-Royce has not reviewed the data provided by Incora—*nor* Rolls-Royce's *own* documents, which in numerous instances make clear that delays were caused not by Incora but by matters solely within Rolls-Royce's control—in appropriate detail prior to filing its Administrative Expense Application. Supp. Fawcett Decl. ¶ 11. Instead of determining the root cause of Rolls-Royce's expenses and candidly acknowledging its own shortcomings, Rolls-Royce has instead chalked them all up to Incora.

17. There is more. Rolls-Royce asserts unequivocally that "Incora has refused to provide further information to evidence the Order Success Rate from February 2022 onward, despite . . . repeated requests" and "only Incora, and not Rolls-Royce, has the detailed information required to substantiate the Order Success Rate." Response ¶¶ 61–62. In reality, the opposite is true. At all times, Incora has made available to Rolls-Royce the information that the LSP Agreement requires to substantiate Incora's calculation of the Order Success Rate, Supp. Fawcett Decl. ¶ 8; Fawcett Decl. ¶¶ 15–16, and it has done so through multiple channels. Incora reports its data to Rolls-Royce through daily 28-day risk files (which report parts due to be late into Rolls-Royce over the next 28-day period that could potentially cause disruption), through regular management KPI reviews (which include information about supplier performance, critical parts, order placement status, and safety stock coverage), and through monthly reports detailing part consumption and delivery forecasts—all *in addition to* Incora's month-end calculations of the Order Success Rate, which are submitted to Rolls-Royce. Supp. Fawcett Decl. ¶ 8. What's more, Incora met with Rolls-Royce on a regular basis throughout the spring of 2024 concerning prepetition Order Fulfillment Fees to further explain its classification of "Buyer Liable" events and its calculation of the relevant Order Success Rate. Supp. Fawcett Decl. ¶ 9. Incora continued to engage with Rolls-Royce on the proper classification of Buyer Liable events and Order Success Rates, including as recently as August 2025, when Incora provided additional explanation to

substantiate its position that most delays should be attributed to Rolls-Royce. Supp. Fawcett Decl. ¶ 9.

18. In sum, Rolls-Royce misrepresents the process that Incora has undertaken to make data available to Rolls-Royce and to substantiate its calculation of Order Success Rates as required under the LSP Agreement. And on substance—as explained below and in the Supplemental Fawcett Declaration—Rolls-Royce's calculations suffer from fundamental flaws that render them unreliable and that contradict previously agreed Order Success Rates. Those failures to carry its evidentiary burden alone preclude awarding Rolls-Royce those sought expenses.

III. ROLLS-ROYCE OWES ORDER FULFILLMENT FEES TO INCORA.

19. Tellingly, Rolls-Royce does not contest Incora's calculation of Order Fulfillment Fees. Instead, it admits that it has merely "estimate[d]" amounts it believes it may be owed as Order Fulfillment Fees, Response ¶ 68, and insists that it needs "further information to evidence the Order Success Rate from February 2022 onward," *id.* ¶ 61. And it cries foul that Incora, in 2022, stopped providing supplementary work product that the LSP Agreement does not require. *See id.* ¶ 55 ("In 2022, Incora, without explanation, began providing much more limited information to Rolls-Royce to substantiate Incora's position on the Order Success Rates."). The first contention is wrong, and the second is irrelevant.

20. *First*, Incora has consistently supplied Rolls-Royce with more than enough information needed (and contractually required) for the parties to agree on Incora's calculations of the Order Success Rate.[7] Incora provides Rolls-Royce with access to the raw data necessary to calculate the Order Success Rate through several channels, ranging from daily files to monthly reports. Supp. Fawcett Decl. ¶ 8. This all comes in addition to Incora's monthly submissions that evidence its Order Success Rate calculation and positions on Buyer Liable events. Supp. Fawcett

[7] As described more thoroughly in the Objection and Fawcett Declaration, Incora calculates the Order Success Rate in the first instance for each month, after which it shares that calculation and supporting data and information (on a line-by-line basis) with Rolls-Royce by the tenth day of the following month. Rolls-Royce has until the end of the month in which Incora first reported its calculation to raise any queries regarding the Order Success Rate. Fawcett Decl. ¶ 15. Incora has consistently met its contractual obligations; Rolls-Royce has not.

Decl. ¶ 8. Incora has provided all the information that Rolls-Royce needs and all that the LSP Agreement requires.

21. *Second*, Rolls-Royce harps on the irrelevant point that Incora formerly provided Narratives (explanations of Incora's position as to Buyer Liable events) to Rolls-Royce along with the monthly data submissions. The LSP Agreement does not require such Narratives. In fact, Incora ceased providing the Narratives to Rolls-Royce because experience had shown that the Narratives only slowed Rolls-Royce's review process and routinely prevented it from closing out monthly calculations under the LSP Agreement. Fawcett Decl. ¶ 13. Indeed, even *with* the Narratives in hand, Rolls-Royce had failed to agree or raise queries with Incora's calculations by the LSP Agreement's deadline to do so. Fawcett Decl. ¶ 13. Nonetheless, Rolls-Royce has continued its pattern of delaying reviews. Supp. Fawcett Decl. ¶ 10.

22. Rolls-Royce's approach of ignoring available data has apparently continued into its Response. For instance, as described in the Supplemental Fawcett Declaration, in numerous instances Rolls-Royce ascribes fault to Incora even though the contemporaneous monthly reporting indicates that the root cause for a failed delivery was not within Incora's control, and in some instances was firmly within Rolls-Royce's control. Supp. Fawcett Decl. ¶ 11. The bottom line is that Incora has at all times provided Rolls-Royce with the information required under the LSP Agreement, Fawcett Decl. ¶¶ 15–16, and Rolls-Royce has simply failed to engage with the available data.

23. Accordingly, it appears that Rolls-Royce's failure to agree to Incora's calculated Order Success Rates is caused by its own failure to diligently inspect the voluminous data Incora has provided to substantiate its calculations. Incora has never changed its root cause methodology nor the means of calculating the Order Success Rate; it has used the same methodology since the beginning of the parties' contracting, including the seven-plus years in which the Order Success Rate was consistently agreed between the parties. Fawcett Decl. ¶ 17. And Incora's core personnel managing its commercial relationship with Rolls-Royce have remained the same. *See* Fawcett Decl. ¶ 18. What has changed is Rolls-Royce's attentiveness to the data Incora provides. Incora

has seen a reduction in engagement from Rolls-Royce concerning agreement of Order Success Rates and the timely review of submitted data. Supp. Fawcett Decl. ¶ 10. As a result of this decline in engagement, Incora has resorted to affirmatively soliciting engagement on Order Success Rates from Rolls-Royce. Supp. Fawcett Decl. ¶ 9. To date, these efforts have proven unsuccessful. Supp. Fawcett Decl. ¶ 10.

24. As detailed in the Fawcett Declaration accompanying the Objection, Incora has conducted its own review of the data underlying the Order Success Rate and, consistent with its monthly submissions to Rolls-Royce, concluded that through September 2025 Rolls-Royce owes Incora a total of $2,009,145 in prepetition Order Fulfillment Fees, and a total of $9,980,312 in postpetition Order Fulfillment Fees, totaling $11,989,457 in outstanding Order Fulfillment Fees owed by Rolls-Royce to Incora. Fawcett Decl. ¶ 19. That calculation is based in part on Incora's classification of Buyer Liable events under the LSP Agreement, to which Rolls-Royce only belatedly objected. Fawcett Decl. ¶ 12. Those events include "Buyer supplier issue[s]," LSP Agreement Part 5 Table 2, such as when an Incora delivery is delayed due to a Rolls-Royce-designated supplier failing to timely deliver parts due to raw material supply issues or having insufficient capacity to perform under the Buyer terms. Supp. Fawcett Decl. ¶ 11. Moreover, the LSP Agreement provides that Incora is not liable to Rolls-Royce "in all instances where excess usage to forecast is due to an overhaul/repair program not communicated in a timely fashion (lead time of parts)." LSP Agreement § 1.10.6. Incora's root cause analysis of unsuccessful deliveries during the relevant periods—which methodology has remained unchanged during the life of the LSP Agreement, *see* Fawcett Decl. ¶ 17—reveals that Incora's performance, coupled with Buyer Liable events, yields Order Success Rates above the required thresholds, meaning Rolls-Royce owes Order Fulfillment Fees *to* Incora. Fawcett Decl. ¶ 19.

25. Incora expects that a full evidentiary hearing will demonstrate the accuracy of its calculations. Because Rolls-Royce's debt to Incora exceeds any amounts that may be owed as Administrative Expenses or as a Prepetition Claim, the Administrative Expenses Application

should be denied and the Proofs of Claim disallowed, or, alternatively, this Court should offset the amounts owed between the parties and fix Rolls-Royce's Administrative Expenses at $0.00.

IV. ROLLS-ROYCE CANNOT RECOVER CUSTOMER PENALTIES.

26. Rolls-Royce's attempt to recover from Incora Customer Penalties that it paid as a result of its own contracts with its customers—expenses Rolls-Royce has never before tried to recover from Incora—should be rejected. As Incora explained in its Objection, Rolls-Royce cannot recover Customer Penalties in this scenario because it would vitiate the LSP Agreement's liquidated damages provisions. *See* LSP Agreement §§ 1.10.15–1.10.23; LSP Agreement Amendment No. 9 § 1.5. And English courts have consistently interpreted liquidated damages clauses, absent contrary contractual language, to provide an exhaustive remedy for breaches of the contractual provisions to which they apply. *E.g.*, *Temloc Ltd. v Errill Props. Ltd.*, [1988] 1 WLUK 627; *Biffa Waste Servs. Ltd. v Maschinenfabrik Ernst Hese GmbH*, [2008] EWHC 6 (TCC); *K Line Pte Ltd. v Priminds Shipping (HK) Co. Ltd.*, [2021] EWCA Civ 1712.

27. Rolls-Royce protests that "[i]f the Court were to adopt Incora's argument, the Court would effectively render Clause 1.10.24 to be mere surplusage and void." Response ¶ 7. Wrong again. Incora's reading of the LSP Agreement harmonizes the heavily negotiated and intricate liquidated damages regime for delay-related breaches with Clause 1.10.24's reservation of *other* rights and remedies for non-delay-related breaches. In other words, where a breach is caused by Incora's delay in delivering parts, Clauses 1.10.15–1.10.23 dictate the amounts Rolls-Royce can recover. And where a breach is attributable to something other than delay, Rolls-Royce can avail itself of common law damages remedies. Indeed, it is Rolls-Royce's reading that would render provisions of the LSP Agreement superfluous and irrelevant. Why have a liquidated damages scheme—especially one as detailed as Clauses 1.10.15–1.10.23 in the LSP Agreement—if Clause 1.10.24 always permits a party to recover actual damages duplicative of the liquidated damages under the agreement?

28. Additionally, the Customer Penalties do not fall into either limb of *Hadley v Baxendale*, [1854] 9 Exch 341, and thus are not recoverable under English law. That test permits

recovery of damages that (i) "may fairly and reasonably be considered [as] arising naturally, i.e., according to the usual course of things, from such breach of contract itself," or (ii) "may reasonably be supposed to have been in the contemplation of both parties, at the time they made the contract, as the probable result of the breach of it." *Id.* After properly applying this test, the Customer Penalties do not fit the bill. They do not arise naturally from Incora's purported breach (they are founded in wholly separate contracts between Rolls-Royce and other parties and in no way involve Incora). Nor were they contemplated by both parties when they entered the LSP Agreement. English law is clear that a party can be held liable for consequential damages only when it has assumed responsibility for those losses, even if they would otherwise arise in the ordinary course. *The Achilleas*, [2008] UKHL 48. Crucially, Rolls-Royce has *never* before asserted that Incora was liable for Customer Penalties or attempted to pass on such penalties to Incora until now. Fawcett Decl. ¶ 20. That is a powerful tell and belies any notion that Incora assumed responsibility for Customer Penalties.

29. Even if Customer Penalties were recoverable under English law in this case, Rolls-Royce has (again) failed to prove that Incora's actions caused it to incur the Customer Penalties. In its Objection, Incora objected to Rolls-Royce's lack of evidentiary support for Customer Penalties, noting Rolls-Royce's "failure [to provide evidence] is even more glaring given the multitude of factors leading to and potential causes of the purported Customer Penalties, and Rolls-Royce's failure to provide any evidence to demonstrate that parts supplied by Incora were responsible for each Customer Penalty." Objection ¶ 36. That objection turned out to be prescient. The information that has now been provided to Incora by Rolls-Royce plainly *disproves* the claim that Incora caused the Customer Penalties solely through its delays, and instead it shows that *Rolls-Royce* is at fault for the Customer Penalties.

30. Again and again, Rolls-Royce's own documents show that it seeks to pass along to Incora Customer Penalties Rolls-Royce incurred when it delivered engines to customers ***weeks*** after the respective deadlines. But those documents evidence that Incora may have been responsible for, at most, a few ***days*** or, in some cases, mere ***hours*** of delay in Rolls-Royce's

production process. For instance, on one occasion, Rolls-Royce declared 16 build-stop hours[8] against Incora, but Rolls-Royce ended up delivering the engine to the customer 19 days late. Supp. Fawcett Decl. ¶ 13. Through its Administrative Expense Application, Rolls-Royce wrongly attributes all 19 days of Customer Penalties to Incora. Supp. Fawcett Decl. ¶ 13. On another occasion, Rolls-Royce delivered an engine 64 days late, and only 3 days were declared against Incora. Supp. Fawcett Decl. ¶ 14. But yet again, Rolls-Royce is seeking damages from Incora for all 64 days of Customer Penalties. Supp. Fawcett Decl. ¶ 14. Other examples demonstrate more of the same: A one-day delay by Incora and an 11-day late delivery by Rolls-Royce; a one-day delay by Incora and a 23-day-late delivery by Rolls-Royce; a 3-day delay by Incora and a 33-day-late delivery by Rolls-Royce; and an 11-day delay followed by a 150-day-late delivery by Rolls-Royce. Supp. Fawcett Decl. ¶¶ 15–18. Perhaps most egregiously, in one instance, Rolls-Royce declared a total of 8 build-stop hours against Incora, but Rolls-Royce ended up delivering the engine to the end customer *98 days late*. Supp. Fawcett Decl. ¶ 19. In each of these cases, Rolls-Royce seeks Customer Penalties from Incora either for *all* Customer Penalties arising from Rolls-Royce's late delivery or an amount disproportionate to the delay Rolls-Royce attributes to Incora. Compounding this absurdity, Rolls-Royce frequently attributes to Incora delays that were in fact caused by the late supply of parts from Rolls-Royce's designated suppliers. For example, Rolls-Royce apparently seeks expenses from Incora for part delays where the parts were destroyed or delayed by a fire at the plant of a Rolls-Royce-designated subcontractor (Praxair), and that were delayed by the closure of a third-party supplier (Aeroforma)—delays for which Rolls-Royce had previously admitted Incora was not liable.[9] Supp. Fawcett Decl. ¶ 20.

31. Under English law, a plaintiff can recover damages only when there is a causal connection between the defendant's breach and the plaintiff's loss. *Monarch Steamship Co Ltd v*

[8] "Build-stop hours" refer to hours of delay to Rolls-Royce's production on account of Incora's late delivery of parts.

[9] The LSP Agreement prohibits Incora from "alter[ing] any Buyer Terms or other commercial agreements with the Third Party Suppliers"—those terms are dictated exclusively by Rolls-Royce. LSP Agreement Part 2 § 1. Thus, even if Incora wanted to engage with another supplier to procure parts to cover deliveries, it could not.

Karlshamns Oljefabriker (A/B), [1949] A.C. 196, 225. This causation requirement resembles the principle of proximate cause in American law and requires the plaintiff to show that a defendant's breach was the "effective" or "dominant" cause of that loss. *Galoo Ltd. v Bright Grahame Murray*, [1994] 1 WLR 1360, 1374–75. Rolls-Royce's own submission belies the notion that its alleged Customer Penalties were caused predominantly by Incora. It is inconceivable that an 8-hour delay on Incora's part could have caused Rolls-Royce to deliver an engine 98 days late, and the same can be said for any of the other examples described above. Accordingly, Rolls-Royce has hardly proved that Incora was the "effective" or "dominant" cause of the Customer Penalties.

V. ROLLS-ROYCE CANNOT RECOVER CONSULTANT FEES.

32. Just like the Customer Penalties, Rolls-Royce cannot recover from Incora its spending on third-party consultants whose scope of work is murky at best. Whatever these consultants might have been hired for, Rolls-Royce's decision to hire and pay them was far beyond the "usual course of things" or the "contemplation of both parties." *Hadley v Baxendale*, (1854) 9 Exch 341. Importantly, Rolls-Royce never informed Incora that it was hiring consultants specifically to mitigate Incora's temporary delivery challenges, the consultants never contacted Incora representatives to coordinate with Incora, and Rolls-Royce never took the position that it could recover the fees of its own third-party consultants under the LSP Agreement. Supp. Fawcett Decl. ¶ 21. Rolls-Royce's decision to hire consultants was not necessary to mitigate any damages it suffered and, therefore, is unrecoverable under governing English law. *Sharp Corp Ltd v Viterra BV*, [2024] UKSC 14 at [85]. Indeed, Rolls-Royce cites no authority awarding consultant fees as damages from a breach of contract. *See* Response ¶¶ 87–90.

33. Rolls-Royce has not provided Incora with the underlying agreements with its third-party consultants,[10] and Incora was never consulted as to the scope of the consultants' engagements. Supp. Fawcett Decl. ¶ 21. For all Incora can tell, Rolls-Royce hired a slew of

[10] Indeed, Rolls-Royce has not even confirmed whether it hired one or several consultants. Its Response suggests both possibilities. *See* Response ¶¶ 87, 89 (noting Rolls-Royce engaged "third-party consultants" but only identifying "Porsche Consulting").

consultants to help address the numerous operational and logistical deficits that plagued Rolls-Royce's operations from 2022 onward. From Rolls-Royce's submission, it appears that many of the consultants' "insights" affecting Incora's delivery performance replicated points that Incora had ***already*** raised to Rolls-Royce, including that strained global supply chains, raw material shortages, and commercial disputes led to delivery delays—***not*** simply failures by Incora to timely supply parts. Supp. Fawcett Decl. ¶ 22. Rolls-Royce also relies, purportedly as evidence of the consultants' value, on several KPI presentations that Incora itself delivers to Rolls-Royce on a weekly basis. Supp. Fawcett Decl. ¶ 22. But those presentations do not evidence improved efficiencies at Incora from Rolls-Royce's consultants; instead, they merely incorporate new formats to display existing data. Supp. Fawcett Decl. ¶ 22.

34. Rolls-Royce has once again failed to prove that the Consultant Fees should be administrative expenses. For that reason, the Consultant Fees should meet the same fate as Rolls-Royce's other claims. This Court should deny the Administrative Expense Application for Customer Penalties.

VI. ROLLS-ROYCE IS NOT ENTITLED TO ADMINISTRATIVE PRIORITY FOR ITS NEWLY ADDED CLAIMS.

35. Rolls-Royce's claim for AOG penalties fares no better and evidences the same inconsistencies and flaws as its claim for Customer Penalties. Rolls-Royce purportedly "has identified fifteen (15) engines for which Rolls-Royce paid penalties in the aggregate of at least $10,715,855.20 . . . to customers because the customers' engines were delayed at overhaul by the nonavailability of parts that Incora should have provided in accordance with Incora's contractual obligations under the LSP Agreement." Response ¶ 93. To prove these expenses, "Rolls-Royce provided Incora with information and details to support the calculation of the AOG Penalties." *Id.* ¶ 94. But Rolls-Royce's information reflects the same deficient analysis and conclusory allocations of fault that infect Rolls-Royce's calculation of the Customer Penalties.

36. Rolls-Royce's 15 claims for AOG penalties cannot plausibly be attributed to Incora. Because a grounded aircraft is such a costly outcome for Rolls-Royce's customers, Rolls-Royce

and Incora have established a protocol of escalating communications to be followed whenever a customer's aircraft is grounded due to a missing part. That process requires Rolls-Royce to notify Incora by telephone and email, and to provide an engine tail number so that Incora can confirm the aircraft-on-ground status. Supp. Fawcett Decl. ¶ 23. Once Incora has confirmed that an aircraft is grounded due to a missing part, Incora can scramble its resources to deliver the part to Rolls-Royce's facility more quickly than the usual supply process. Supp. Fawcett Decl. ¶ 23. For all 15 incidents, Rolls-Royce seemingly failed to notify Incora through this established process. Supp. Fawcett Decl. ¶ 23. Accordingly, Incora was not aware of the grounded aircraft and did not have a fair opportunity to resolve Rolls-Royce's logistical problems. Incora cannot be liable for AOG penalties under these circumstances.

37. But more fundamentally, Rolls-Royce improperly attempts to foist AOG penalties onto Incora for its own failures. Incora's review of the data shows that, of the incidents Rolls-Royce has claimed as causing it to incur AOG penalties, (a) numerous orders were escalated through the same-day delivery process, which is a *different* and *lower-level* escalation than an AOG event, *see* LSP Agreement § 1(h); (b) numerous orders were raised and shipped twice, indicating that the relevant part was likely lost by Rolls-Royce after Incora successfully delivered the part the first time; or (c) many purported incidents were not incidents at all, as Incora successfully delivered within the agreed service-level agreement period. Supp. Fawcett Decl. ¶ 24. Thus, Rolls-Royce's evidence suffers from the same flaws as its evidence purporting to substantiate its claim for Customer Penalties. Rolls-Royce has failed to take a serious look at the data and instead attempts to attribute all of its expenses to Incora. This Court should not be fooled. Rolls-Royce's claim for AOG penalties should be rejected.[11]

[11] To the extent that Rolls-Royce (again) "reserves the right to further amend and revise the amount of AOG Penalties to a higher amount," it cannot. Response ¶ 93 n.9. Administrative claims do not exist in perpetuity. Rather, they are subject to the same rules of discharge as prepetition claims. *Ellis v. Westinghouse Elec. Co., LLC*, 11 F.4th 221, 233 (3d Cir. 2021). Rolls-Royce has had its opportunity to "timely file a request for payment of an administrative expense," 11 U.S.C. § 503(a), and any administrative expense it has not timely claimed has been discharged, Plan art. II.A.

38. Likewise, Rolls-Royce's newfound claim for $1,856,954.10 in "wages of Rolls-Royce employees that worked at Incora's facilities" falls short. Response ¶ 98. Rolls-Royce asserts (without authority) that these "Fulfillment Wages" are "recoverable as a matter of English law as a direct consequence of Incora's breaches." Response ¶ 100. But just as with Customer Penalties and Consultant Fees, Fulfillment Wages are not direct damages that a reasonable person would foresee as naturally resulting from a breach of the LSP Agreement. In the ordinary course, commercial counterparties would not expect, in the instance of a breach, that the nonbreaching party would seize control of the other party's operations through an "intervention team" of its own employees. So rather than reasonable and foreseeable, Rolls-Royce's actions were unusual and extraordinary, and not recoverable as a matter of law.[12]

CONCLUSION

For the foregoing reasons, the Reorganized Debtor respectfully requests that the Court (a) sustain the Objection, and (b) enter an order disallowing the Prepetition Claim and the Administrative Expense Application in their entirety, or, in the alternative, fixing the Administrative Expenses at $0.00.

[12] Even when English courts have awarded damages akin to the Fulfillment Wages, they have required substantial evidence to support the damages figure, such as time records and a showing of significant disruption to the claimant's business. *See Aerospace Publishing Ltd v Thames Water Utilities Ltd*, [2007] Bus LR 726.

Dated: December 3, 2025

Respectfully submitted,

/s/ Charles A. Beckham, Jr.

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CERTIFICATE OF SERVICE

I certify that, on December 3, 2025, a true and correct copy of the foregoing document was served through the Electronic Case Filing system of the United States Bankruptcy Court for the Southern District of Texas and will be served as set forth in the Affidavit of Service to be filed by the Reorganized Debtors' noticing agent.

/s/ Charles A. Beckham, Jr.

Charles A. Beckham, Jr.

EXHIBIT A

SUPPLEMENTAL FAWCETT DECLARATION

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re **WESCO AIRCRAFT HOLDINGS, INC.**[1] Reorganized Debtor.	Case No. 23-90611 (MI) Chapter 11 (Jointly Administered)

SUPPLEMENTAL DECLARATION OF DAVID FAWCETT IN SUPPORT OF REORGANIZED DEBTOR'S REPLY IN SUPPORT OF OBJECTION TO (I) PROOFS OF CLAIM AND (II) ADMINISTRATIVE EXPENSE APPLICATION, EACH FILED BY ROLLS-ROYCE PLC, ROLLS-ROYCE DEUTSCHLAND & CO KG, AND ROLLS-ROYCE SINGAPORE (PTE) LTD.

[1] The captioned Reorganized Debtor is Incora Intermediate II LLC, the successor by merger to Wesco Aircraft Holdings, Inc. Its employer identification number is 33-2921953. Its principal office address and service address in this case is 2601 Meacham Blvd., Ste. 400, Fort Worth, TX 76137.

I, David Fawcett, declare under penalty of perjury as follows:

1. I am the Chief Commercial Officer at Incora.

2. I submit this supplemental declaration (this "***Supplemental Declaration***") in support of the Reorganized Debtor's *Reply in Support of Objection to (I) Proofs of Claim and (II) Administrative Expense Application, Each Filed by Rolls-Royce PLC, Rolls-Royce Deutschland & Co KG, and Rolls-Royce Singapore (PTE) Ltd.* (the "***Reply***").[2]

3. Except as otherwise indicated, all statements in this Supplemental Declaration are based on (a) my personal knowledge of the Reorganized Debtors' contracts and contract renegotiations, (b) my review of relevant business record documents, (c) information and business records provided to me by the Reorganized Debtors' employees working with me or under my supervision, and/or (d) my opinion based upon my extensive experience as a supply chain and logistics management professional. If called upon to testify, I could and would testify to the statements set forth herein. I am over the age of 18 years and authorized to submit this Supplemental Declaration.

BACKGROUND & QUALIFICATIONS

4. I have worked in sales, supply chain, and logistics management for 38 years. My focus is and has been on bids and negotiating commercial terms of customer renewals and expansion, particularly in the aircraft industry.

5. I have been the Chief Commercial Officer at Incora since 2012. In this role, I lead Incora's sales and business development teams. I lead all bids, as well as commercial negotiations with customers. Through this position, I have developed relationships with Incora's largest customers and suppliers, including Rolls-Royce PLC, Rolls-Royce Deutschland & Co KG, and Rolls-Royce Singapore (PTE) Ltd. (collectively, "***Rolls-Royce***").

[2] Capitalized terms used but not defined herein have the meanings ascribed to them in the Reply.

6. Before joining Incora, I spent 25 years at Wincanton PLC, where I served in multiple roles including Group Development Director.

7. I received a bachelor's degree in Politics and Public Administration from Leeds University, graduating in 1986.

ORDER FULFILLMENT FEES

8. At all times during the life of the LSP Agreement, Incora has made available to Rolls-Royce the information necessary to substantiate Incora's calculation of the Order Success Rate as required under the LSP Agreement. Incora supplies necessary data to Rolls-Royce through, among other means, daily correspondence on critical parts, 28-day risk files, regular management KPI reviews as required by Rolls-Royce (which may occur as often as each week), and monthly data reporting on topics such as forecasting and consumption and commercial and technical issues. Incora also supplies Rolls-Royce with line-by-line information for each month's Order Success Rate, including an allocation of responsibility for late deliveries as between Incora and Rolls-Royce, as required under the LSP Agreement.

9. In addition to these data-sharing measures, my team and I have made ourselves available to Rolls-Royce and solicited Rolls-Royce's engagement to discuss Order Success Rates and related topics on a regular basis. Specifically, my team and I engaged with Rolls-Royce throughout the spring of 2024 concerning prepetition Order Fulfillment Fees to further explain Incora's classification of Buyer Liable events and its calculation of the relevant Order Success Rate. My team and I have continued to engage with Rolls-Royce via email and virtual and in-person meetings on the classification of Buyer Liable events and Order Success Rates, including as recently as August 2025, at which time Incora provided Rolls-Royce with a comprehensive presentation concerning the calculation of outstanding Order Success Rates and root cause analyses for Buyer Liable events.

10. Despite these efforts, my team and I have seen a reduction in engagement from Rolls-Royce concerning meaningful discussions about Order Success Rates. Additionally, my

team and I have seen an increase in delay by Rolls-Royce in reviewing the data provided to it by Incora as it relates to Order Success Rates. As of the date of this Supplemental Declaration, my and my team's efforts to productively discuss and settle Order Success Rates for outstanding months (February 2022 onward) with Rolls-Royce have been unsuccessful.

11. My team and I are in receipt of the documents provided by counsel to Rolls-Royce to counsel for Incora on November 6, 2025, which I understand constitute Rolls-Royce's evidence in support of the disputed amounts sought in its Administrative Expense Application (the "***Produced Documents***"). While we continue to review and analyze the Produced Documents, preliminary analyses reveal substantial discrepancies between liability attributable to Incora and "Buyer Liable" events attributable to Rolls-Royce. The Produced Documents do not include a line-by-line breakdown of Rolls-Royce's calculation of Order Success Rates, but it appears that Rolls-Royce's calculation depends on incorrect classifications of "Supplier Liable" events. In numerous instances, Rolls-Royce's apparent classification of unsuccessful deliveries as Supplier Liable events is mistaken because Incora believes, based on a review of the Produced Documents, that the unsuccessful delivery had a root cause in a Rolls-Royce-designated supplier failure, such as the late delivery of parts due to raw material supply issues or having insufficient capacity to perform under the Buyer terms. Deliveries that are unsuccessful due to such failures constitute "Buyer supplier issue[s]" and, therefore, Buyer Liable events under Table 2 of Part 5 of the LSP Agreement. From Incora's own review of the Produced Documents, on numerous occasions Incora is not at fault and it is evident that issues solely within Rolls-Royce's control (i.e., "Buyer supplier issues") were the root cause of the end customer delay.

THE CUSTOMER PENALTIES

12. My team and I see similar discrepancies and errors with Rolls-Royce's position as to Customer Penalties based on our review of the Produced Documents with respect to the Customer Penalties. While we continue to review and analyze the Produced Documents, a

representative selection of claimed Customer Penalties shows Rolls-Royce's allocation of liability to Incora far exceeds actual delays in the delivery of parts by Incora.

13. Our review of the Produced Documents reveals several fundamental flaws and miscalculations in the amounts Rolls-Royce seeks here. On one occasion, Rolls-Royce declared 16 build-stop hours against Incora. Rolls-Royce delivered the engine to the end customer 19 days late. Rolls-Royce nonetheless attributes 100% of those Customer Penalties to Incora.

14. On another occasion, the Produced Documents show me and my team that Rolls-Royce declared 3 days of build-stop hours against Incora. Rolls-Royce delivered the engine to the end customer 64 days late. Rolls-Royce nonetheless attributes 100% of those Customer Penalties to Incora.

15. On another occasion, the Produced Documents show me and my team that Rolls-Royce declared 1 day of build-stop hours against Incora. Rolls-Royce delivered the engine to the end customer 23 days late. Rolls-Royce nonetheless attributes 89% of those Customer Penalties to Incora.

16. On another occasion, the Produced Documents show me and my team that Rolls-Royce declared 3 days of build-stop hours against Incora. Rolls-Royce delivered the engine to the end customer 33 days late. Rolls-Royce nonetheless attributes 69% of those Customer Penalties to Incora.

17. On another occasion, the Produced Documents show me and my team that Rolls-Royce declared 11 days of build-stop hours against Incora. Rolls-Royce delivered the engine to the end customer 150 days late. Rolls-Royce nonetheless attributes 100% of those Customer Penalties to Incora.

18. On another occasion, the Produced Documents show me and my team that Rolls-Royce declared 1 day of build-stop hours against Incora. Rolls-Royce delivered the engine to the end customer 11 days late. Rolls-Royce nonetheless attributes 100% of those Customer Penalties to Incora.

19. On another occasion, the Produced Documents show me and my team that Rolls-Royce declared 8 hours of build-stop hours against Incora. Rolls-Royce delivered the engine to the end customer 98 days late. Rolls-Royce nonetheless attributes 40% of those Customer Penalties to Incora.

20. Preliminary analysis of the Produced Documents also reveals that many instances of claimed late deliveries by Incora in fact had a root cause of third-party suppliers failing to operate according to the Buyer terms that Rolls-Royce has contractually imposed on Incora. One such example is Rolls-Royce's claim that Incora is liable for part delays where the delay was in fact caused by a fire at the plant of a Rolls-Royce-designated subcontractor (Praxair). Another example is Rolls-Royce's claim that Incora is liable for part delays where the delay was in fact caused by the closure of a third-party supplier (Aeroforma). Despite Rolls-Royce having previously conceded that Incora is not liable for those delays, Rolls-Royce through its Administrative Expense Application attributes those delays to Incora.

THE CONSULTANT FEES

21. The Produced Documents with respect to the Consultant Fees do not include Rolls-Royce's underlying agreements with the third-party consultants or other sufficient detail regarding the services provided and charges made. Incora has no responsibility for, and has never paid, such reimbursement expenses. Rolls-Royce never informed Incora that it was hiring consultants specifically to mitigate Incora's temporary delivery challenges, the consultants never contacted

Incora representatives to coordinate with Incora, and Rolls-Royce never took the position that it could recover the fees of its own third-party consultants under the LSP Agreement. As Incora was never consulted as to whether consultants should be engaged or as to the scope of the consultants' engagement, the Produced Documents do not permit Incora to ascertain the scope of Rolls-Royce's consultants' engagement and whether the consultants were engaged solely to review Incora's performance.

22. The Produced Documents include several proposals by one of Rolls-Royce's consultants that identify issues contributing to the untimely delivery of parts by Incora. Many of these identified issues replicate issues that Incora had previously raised to Rolls-Royce, including that strained global supply chains, raw material shortages, and commercial disputes contributed to delivery delays. Incora made the Rolls-Royce management team aware of these issues and their effect on Incora's delivery performance prior to, I believe, the consultants' engagement. The Produced Documents also include several KPI presentations of the kind that Incora delivers to Rolls-Royce on a weekly basis. These presentations incorporate new formatting and metrics, but the substance of the presentations (such as underlying conclusions and data) was collected and developed by Incora without the assistance of Rolls-Royce's consultants.

AOG Penalties

23. My team and I have reviewed the Produced Documents with respect to Rolls-Royce's claims for AOG penalties. While we continue to review and analyze the Produced Documents, preliminary analyses reveal that for all purported AOG incidents, Rolls-Royce failed to notify Incora of an AOG incident through the parties' agreed process, which includes communication to Incora through telephone and email alerting Incora of the AOG incident and providing an engine tail number to confirm the AOG status. Once Incora has confirmed that an

aircraft is grounded due to a missing part, Incora can scramble its resources to deliver the part to Rolls-Royce's facility more quickly than the usual supply process.

24. Preliminary analyses of the Produced Documents also reveal that incidents Rolls-Royce claims as causing it to incur AOG penalties suffer from one or more flaws that undermine or contradict the asserted claim for damages, including (i) escalation through the same-day delivery process, which is a different and lower-level escalation than an AOG event, instead of the AOG process; (ii) being raised and shipped twice which, in my and my team's experience, is indicative of the original delivery being lost by the recipient after successful delivery by Incora; or (iii) Incora successfully fulfilled the delivery within the agreed service-level agreement period.

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Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing statements are true and correct to the best of my knowledge, information, and belief.

Dated: December 3, 2025

/s/ David Fawcett

David Fawcett
Chief Commercial Officer
Incora