

Standard Terms and Conditions for the Sale of Products on the basis of the EPAR catalog



Lufthansa Technik

The following standard terms and conditions for Maintenance Services Performed by Lufthansa Technik AG on the basis of the EPAR Catalog (hereinafter "Standard Terms and Conditions") apply to every Maintenance Service on the basis of the EPAR Catalog performed by Lufthansa Technik AG under a Customer Agreement concluded with a Customer.

1. DEFINITIONS AND ABBREVIATIONS

The following terms, expressions and abbreviations used in these Standard Terms and Conditions shall have the following meanings:

- Affiliates** Any companies or entities (i) directly or indirectly controlled by LHT, for which purpose control means either ownership of more than fifty per cent (50%) of the voting rights and/or share capital (or equivalent right of ownership) of such companies or entities, or power to direct its policies and management, whether by contract or otherwise; or (ii) by which LHT is controlled in the aforementioned manner; or (iii) which are controlled by companies or entities in the aforementioned manner while LHT is controlled in the aforementioned manner by the same company or entity.
- ATA 300** Air Transport Association specification 300.
- BER** Beyond Economic Repair.
- Component** Devices, modules or parts of an aircraft or of an Engine and identified by a part number.
- Customer** A person or legal entity who or which, when entering into a Customer Agreement with LHT, acts in exercise of his or its trade, business or profession.
- Customer Agreement** A contract between LHT and the Customer under which LHT agrees to perform Maintenance Services provided in the EPAR Catalog in return for payment by the Customer (including these Standard Terms and Conditions).
- Customer's Working Equipment** Any technical equipment for use by LHT to perform the Maintenance Services which the Customer shall provide to LHT as specified in the Customer Agreement.
- Electronic Form** Any declaration made on a storable electronic medium such as, but not limited to, an e-mail or pdf copy and for which a hand-written signature of a person making such declaration is not required. The Electronic Form also comprises a declaration made in Written Form.
- Encumbrances** Any mortgage, charge, pledge, lien or other security interest or third party right of any kind, and any right of set-off, assignment by way of security, trust or other agreement or arrangement whatsoever for the purpose of providing security or having similar effect to the provision of security.
- Engine** A basic aircraft engine assembly and its accessories including modules, creating a propulsion system.
- Engine Part** Devices, modules or individual parts of an Engine. Engine Parts are always identified by a part number in the maintenance or operational documents issued by the respective OEM.
- EPAR Catalog** The currently valid and from time to time amended catalog of LHT for providing EPAR services available on LHT's homepage, www.lufthansa-technik.com/epar
- Exportation** The movement of goods from inside the European customs territory outside of the European customs territory.
- Flight Hour** Each hour that the aircraft, Engine or Engine Part is airborne.
- Foreign Object Damage (FOD)** Any damage to an Engine that is caused by any object not belonging to the damaged Engine and/or external impact such as lightning.
- Importation** The movement of goods from outside the European customs territory to inside of the European customs territory.
- IP Rights** All intellectual property rights, including, but not limited to patents, utility models, designs, copyrights (including, but not limited to, software), trademarks, trade names, know-how (including, but not limited to, documents, sketches, data and other information) and trade secrets.
- LHT** Lufthansa Technik AG.
- Maintenance Object** Any Engine Part and/or Component delivered to LHT by the Customer for Maintenance Services to be performed by LHT.
- Maintenance Services** One or a combination of the following actions: overhaul, repair, inspection, testing, replacement, modification or rectification of discrepancies on a Component and/or Engine Part to be performed by LHT as agreed in the Customer Agreement.
- OEM** Original Equipment Manufacturer.
- Parties** The parties of the Customer Agreement, meaning LHT and the Customer.
- Place of Performance** Has the meaning set forth in Article 5.
- PMA** All non-OEM parts, such as, but not limited to parts manufactured under the Parts Manufacturing Approval of the FAA and/or parts manufactured under European Parts Approval (EPA) of the EASA.
- Subcontractor** Any person, legal or natural (other than employees of LHT and Suppliers), engaged by LHT to support LHT in the performance of its obligations under the Customer Agreement.
- Supplier** Any person, legal or natural, supplying material to LHT, the manufacturing of which is not LHT's own contractual obligation vis-à-vis the Customer under the Customer Agreement, e.g. off-the-shelf-parts or OEM parts and documentation.
- Turnaround Time (TAT)** Has the meaning set forth in Article 8.
- Vicarious Agents** LHT's, directors, officers, personnel and other persons, e.g. Subcontractors used by LHT to support LHT in the performance of its obligations under the Customer Agreement.
- Written Form** Any declaration signed by the issuer with its name in its own hand in original.

2. SCOPE AND EXCLUSIVE VALIDITY OF THESE TERMS AND CONDITIONS

- 2.1 These Standard Terms and Conditions shall exclusively apply to all Customer Agreements and their conclusion, unless either (i) LHT expressly waives their applicability in Written Form, or (ii) LHT and the Customer have expressly agreed on any other terms and conditions.
- 2.2 The Customer's standard terms and conditions shall not become part of the Customer Agreement, even if LHT has not expressly rejected their applicability. Further, if LHT replies to any communication of the Customer that refers to the Customer's standard terms and conditions or any other set of terms and conditions (each being "Other Terms and Conditions"), such reply shall not constitute an acceptance of such Other Terms and Conditions, nor shall it result in the acceptance of such Other Terms and Conditions.
3. **CONCLUSION OF CUSTOMER AGREEMENT**
- 3.1 Any offer submitted by LHT in the EPAR Catalog or otherwise shall be non-binding.
- 3.2 Orders submitted by the Customer are binding for the Customer for a period of 14 days.
- 3.3 The Customer Agreement is concluded once LHT has started the Maintenance Services or has submitted an order confirmation to the Customer in Electronic Form.
4. **SCOPE OF MAINTENANCE SERVICES**
- 4.1 LHT only offers the services as specified in the current EPAR Catalog and the scope of Maintenance Services requested shall be stated in the order submitted by the Customer.
- 4.2 LHT is entitled, without the prior consent of the Customer but at the Customer's expense, to perform additional services that LHT considers necessary for the proper performance of the Maintenance Services if (i) the Customer's prior consent cannot be obtained without causing a delay in the completion of the Maintenance Services and (ii) the price for the additional services does not exceed ten percent (10%) of the value of the original order.
- 4.3 The Maintenance Services shall be performed by LHT in accordance with the LHT quality manual and procedures as approved by the competent authority, unless otherwise agreed in Written Form between the Customer and LHT. LHT reserves the right to use qualified electronic signatures for signing airworthiness release certificates, such as but not limited to EASA Form 1, and the Customer acknowledges and accepts this practice.

- 4.4 LHT's Maintenance Services are based on the OEM's repair manuals but include wherever possible the use of FAA DER repairs or the equivalent to EASA Part- 21. Should the Customer not accept the use of such repairs, the Customer shall express any such disapproval with such repair in the order and LHT shall be entitled to refuse the order or to make a cost estimate for the requested repair without using FAA DER repairs or the equivalent to EASA Part - 21. LHT will use manufactured material provided by OEM but whenever possible LHT shall be entitled to use PMA material. Should Customer not accept the use of PMA material Customer must notify its disapproval with such material in the order and LHT shall be entitled to refuse the order or to make a cost estimate for the required repair without using PMA material.
- 4.5 If a Maintenance Object fails the incoming inspection by LHT or the Maintenance Object is determined to be BER, LHT shall be released from the fulfillment of the contractual obligations and may charge the Customer for cleaning and inspection as per the current EPAR Catalog.
- 4.6 Notwithstanding this Customer Agreement, the Customer shall bear the overall maintenance, engineering and airworthiness responsibility for the aircraft towards its competent aviation authority for having the Maintenance Services in compliance with the applicable aviation and airworthiness laws, regulations and directives. Any entries in the technical log book of an aircraft by LHT do not constitute any indication with respect to the airworthiness of the aircraft as a whole. However, the entry in the technical log with the signature does constitute a Release to Service with regard to the respective Maintenance Services performed by LHT.
5. **PLACE OF PERFORMANCE**
The Place of Performance shall be the LHT service facility at which LHT offers the Maintenance Services according to the EPAR Catalog. Should the EPAR Catalog specify no particular LHT service facility, Place of Performance shall be the LHT facility at which LHT received the Maintenance Object.
6. **CUSTOMER'S OBLIGATIONS**
- 6.1 The Customer shall supply LHT with the Customer's Working Equipment and with all documents on the operation, maintenance and repair history of the Maintenance Object necessary for completing the Maintenance Service (including without limitation all relevant instruction manuals and special documentation not at LHT's disposal).
- 6.2 If the Customer fails to supply LHT with the documents as per Article 6.1 above or if such documents are incomprehensible, incorrect or incomplete, LHT may request that the Customer supplies any such documents, and any relevant undocumented information, within a reasonable period of time. For the purposes of this Article 6 "documents" include both printed documents and data in all other formats, including without limitation electronic formats.
- 6.3 If the Customer does not comply with the request according to Article 6.2 in due time, LHT is entitled to terminate the Customer Agreement with immediate effect. In such case, LHT shall be entitled to claim payment for the Maintenance Services to the extent they were performed prior to the date of termination.
- 6.4 Articles 6.1, 6.2 and 6.3 do not in any way limit LHT's legal and contractual rights or claims.
- 6.5 The Customer shall treat any information disclosed by LHT under or in connection with the Customer Agreement as strictly confidential, including the Customer Agreement itself as well as individual provisions contained therein ("Confidential Information"). Confidential Information shall include, but not be limited to, the contents of the negotiations leading up to the Customer Agreement, any business, technical and strategic data disclosed by LHT or its Subcontractors at any time for any reason, comprising any and all such information in oral or visual form and including but not limited to prices for materials and Maintenance Services, the scope of Maintenance Services offered, legal provisions, TAT and man-hours needed.
7. **PRICES/FEES**
- 7.1 All prices are quoted as net prices. Any tax (including, but not limited to value added tax and withholding taxes), duty, fee or other public charges whatsoever imposed on the invoiced prices shall be borne by the Customer or shall be refunded by the Customer to LHT. Customer shall provide LHT with the necessary evidence that any such taxes have been paid as well as a transfer sheet (in the form specified by LHT) showing the amounts paid in taxes corresponding to the amounts invoiced by LHT pursuant to this Customer Agreement. If this Customer Agreement results in recurring services over the course of more than one calendar quarter, then Customer shall provide such evidence and transfer sheet quarterly. LHT shall have the right to cease any ongoing Maintenance Services without notice, and claim prepayment for any future Maintenance Services, until any default under this Article 7.1 is cured.
- 7.2 All prices are exclusive of duties, levies, fees, tariffs or other sums imposed by a government or any authority in relation to the import or export of products. LHT shall be entitled to charge Customer any such costs, to the extent incurred, as a surcharge on any invoice.
- 7.3 All prices and/or fees in the EPAR Catalog refer to labor only. All prices and/or fees are applicable during the period defined in the relevant data sheet of the current EPAR Catalog. If prices/fees are not available in the current EPAR Catalog, then such prices and/or fees shall be individually quoted by LHT after receipt of the Customer's order. Material as well as third party services beyond the scope of the EPAR Catalog shall be quoted and charged separately by LHT subject to the provisions of Article 7.5 below. LHT reserves the right to adjust any prices and/or fees in the EPAR Catalog at any time and such adjusted price shall apply to the products requested by Customer effective from the date of such change.
- 7.4 Should repairs be required in order to achieve serviceability of a Maintenance Object and if LHT has such capability, but the repair is not part of the Maintenance Services offered in the current EPAR Catalog, then LHT shall provide the Customer with a cost estimate for the required repair.
- 7.5 The fixed prices and/or fees for labor costs offered in the EPAR Catalog are not applicable for Engine Parts and/or Components with abnormal wear and tear and excessively damaged Engine Parts and/or Components (such as but not limited to Foreign Object Damage). In such cases, neither Article 7.3 nor the TAT stated in the EPAR Catalog applies, but the Parties shall agree on individual pricing and Redelivery Dates. In case the Parties will not be able to agree within ten (10) days after LHT informed the Customer of such circumstances as described in sentence 1, LHT may return the Engine Parts and/or Components to the Customer in "as is" condition at Customer's cost and expense or scrap locally upon Customer's request and the Customer shall pay for the Maintenance Services to the extent it was performed by LHT prior to that moment. If Engine Parts and/or Components are determined unreparable in accordance with the applicable OEM repair manual during Maintenance Services, or if the Customer elects not to continue the respective Maintenance Services because of adjusted pricing, the Customer shall pay for such Maintenance Services to the extent it was performed by LHT prior to the determination of Engine Parts and/or Components being unreparable or prior to the introduction of adjusted pricing.
- 7.6 If, for any reason, circumstances occur that increase LHT's cost of carrying out Maintenance Services, LHT reserves the right to adjust any prices or fees applicable to Maintenance Services upon notice in writing to Customer.
- 7.7 **COSTS FOR MATERIALS / THIRD PARTY SERVICES**
- 7.7.1 1:1 Exchange
In case of a 1:1 exchange of the Maintenance Object the applicable prices shall be quoted individually by LHT after receipt of the Customer's order.
- 7.7.2 Use of New Material
Material supplied by LHT and not being exchanged on a 1:1 basis shall be charged according to OEM current list price plus a handling charge of sixteen percent (16 %) on the net price.
- 7.7.3 Replacement with Used and/or Serviceable Parts
Replacement with used and/or serviceable Engine Parts and/or Components supplied by LHT shall be quoted according to the prices and/or fees in the EPAR Catalog and charged individually.
- 7.7.4 Services Performed by third parties
Should it become necessary to employ third parties to perform services that are beyond the scope of the EPAR Catalog and are not provided by LHT, such services shall be charged by LHT at cost plus ten percent (10 %) handling charge.

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8. TURNAROUND TIME

8.1 The TAT for each Maintenance Object stated in the EPAR Catalog shall serve as general information only, unless they have been explicitly and in Written Form declared by LHT as being binding.

8.2 In case the Customer requests LHT to return a Maintenance Object before the end of the TAT stated in the EPAR Catalog, LHT shall use reasonable efforts, without being under the obligation, to comply with such a request.

9. DELIVERY

The delivery of each Maintenance Object to the Place of Performance of the Maintenance Services shall be at the Customer's risk and expense, unless otherwise agreed in the Customer Agreement. Notwithstanding anything to the contrary in the Customer Agreement, the Customer shall reimburse LHT the cost of any duties, levies, fees, tariffs or other sums imposed by a government or any authority in relation to the import or export of products in connection with these terms or a Customer Agreement. The Customer shall, upon request, provide LHT with all information and documents requested to evidence its compliance with laws and regulations relevant to the import or export of goods or services. The Customer shall ensure that all shipments made hereunder shall be performed using shipping containers which are in compliance with then current requirements, such as but not limited to ATA 300. In case the shipping containers cannot be used by LHT for the redelivery, the Customer shall bear the cost for new or other shipping containers.

10. REDELIVERY DATES

10.1 Redelivery dates indicated by LHT are provisional, non-binding, and shall serve as general information only, unless they have been agreed between the Parties or explicitly declared by LHT as binding in Electronic Form.

10.2 If LHT becomes aware that it is likely to miss the redelivery date, LHT will notify the Customer without undue delay.

11. REDELIVERY

11.1 Redelivery of the Maintenance Object shall be effected Free Carrier (FCA, Incoterms 2020) at the Place of Performance excluding packing material.

11.2 No later than one (1) week after (i) LHT has notified the Customer that the Maintenance Services have been completed or (ii) the date of termination of the Customer Agreement, whichever may occur first, the Customer shall exercise best efforts to immediately collect the Maintenance Object at the Place of Repair.

11.3 If the Customer fails to comply with Article 11.2, the Customer shall compensate LHT for any costs and expenses it incurs in connection with the storage of the Maintenance Object according to LHT's then current price list.

11.4 The Customer may request that LHT supports the Customer in arranging for shipment of the Maintenance Object to another place as the one specified in Article 11.1. Any shipment arrangements made by LHT shall be in the name and on behalf of the Customer. The Customer shall bear the risk of such shipment and all shipping cost including the cost for packing material.

11.5 The Customer shall reimburse LHT the cost of any duties, levies, fees, tariffs or other sums imposed by a government or any authority in relation to the import or export of products in connection with these terms or a Customer Agreement. The Customer shall, upon request, provide LHT with all information and documents requested to evidence its compliance with laws and regulations relevant to the import or export of goods or services.

12. WARRANTY

12.1 If not otherwise stated in the EPAR Catalog, the warranty period for the Maintenance Services is twelve months or within one thousand (1.000) Flight Hours, whichever may occur first, starting from redelivery of the Maintenance Object or, if an acceptance is agreed or required by law, from acceptance.

12.2 A warranty claim must be raised by Customer within thirty (30) days after the defect has or could have become reasonably apparent and the Customer shall at LHT's request provide LHT at the Place of Performance with the defective part for inspection and Subsequent Performance (as defined in Article 12.6) within an additional thirty (30) days from such request. If a defect arises on a non-removable part of an Engine the Parties shall agree how to remedy such defect in a way convenient for the Customer and reasonably acceptable for LHT.

12.3 LHT's warranty shall be excluded, unless a defect was present at the time of the transfer of risk after performance of the Maintenance Services. LHT's warranty is particularly excluded (i) if the defect has been caused because the Maintenance Object has been altered, overhauled or repaired during the warranty period by any party other than LHT, or (ii) if the defect has been caused by the Customer's Working Equipment or any material supplied by Customer, or (iii) if the Customer has not taken all reasonable precautions to prevent an aggravation of the defect or damage, or (iv) if the defect has been caused because the Customer did not comply with operating instructions provided by LHT or the respective aircraft, Engine or Component design authorization or Component manufacturer. As long as the Customer is in default with its payment obligations, LHT may exercise its right of retention and may therefore refuse to meet warranty claims until full payment has been made.

12.4 LHT's warranty shall further be excluded for any defects caused because parts or materials have been tampered with by others than LHT or its Vicarious Agents, because parts or materials have suffered a Foreign Object Damage or were damaged by weather or similar external influences.

12.5 If upon the Customer's special request LHT or its Subcontractors perform a provisional repair, the materials used and the Maintenance Services performed during such repair are only subject to a limited warranty reflecting the temporary nature of the specific provisional repair.

12.6 In the event of a defect covered by this warranty, LHT shall first have the opportunity to correct any defect at its own cost and expense at LHT's choice by means of rectification of the defect or renewed service provision ("Subsequent Performance"). If such Subsequent Performance has failed or if a reasonable time limit for the Subsequent Performance to be set by the Customer has expired without a result or is superfluous, the Customer may request (i) a reduction in price or may (ii) withdraw from the contract and (iii) claim damages. The Customer, however, is only entitled to claim damages subject to Article 6 of these Standard Terms and Conditions.

12.7 Subsequent Performance shall take place at the Place of Performance or at any other place the Customer and LHT may agree upon. If the Customer requests LHT to correct the defect of an Engine Part and/or Component at another location as the Place of Performance, the Customer shall arrange at its own risk and expense for the removal and transport of the defective Components to and from the location where the repair shall be made and for the reinstallation of the respective Component.

12.8 The warranty set forth in this Article 12 shall be the exclusive and sole remedy for the Customer in case of any defect.

12.9 The warranty period of Article 12.1 shall also apply to a possible claim for damages, which are based on a defect in the Maintenance Services. However, if LHT is liable for damages in accordance with Article 13.1, the statutory limitation period shall apply.

13. LIMITATION OF LIABILITY FOR DAMAGES

13.1 LHT's liability for willful misconduct and gross negligence is governed by the statutory provisions. The same applies for loss or damage arising from injury to life, limb or health culpably caused by LHT, a violation of a guarantee or a breach of the German Product Liability Act.

13.2 If there is no event which falls within Article 13.1, LHT's liability for loss or damage, regardless of the legal grounds, is excluded in the event of simple negligence (so-called "einfache Fahrlässigkeit") of LHT and its Vicarious Agents, unless such liability results from the violation of any material contractual obligation (so-called "wesentliche Vertragspflichten"). Material contractual obligations are those obligations, (i) the performance of which make the fulfillment of the contract in accordance with its terms at all possible, and (ii) the compliance with which the Customer is entitled to rely on and regularly does so rely.

13.3 If LHT is liable in accordance with Article 13.2 due to a simple negligent breach of material contractual obligations, LHT's liability shall be further limited as follows: LHT shall not be liable for non-foreseeable damages which are not typical for Maintenance Services of the kind constituting the Maintenance Service under the relevant Customer Agreement.

13.4 The liability of LHT set forth in this Article 13 is exclusive and the Customer explicitly waives any other rights to claim damages it may have at law or otherwise.

14. THIRD PARTY CLAIMS

The Customer shall indemnify and hold LHT and its Vicarious Agents harmless from and against

all claims of third parties to the extent that LHT would not be directly liable to the Customer for such claims under this Customer Agreement.

15. INSURANCE

15.1 If Customer is an airline/aircraft operator:

The Customer agrees to maintain the following insurances:

- Hull All Risks/Hull War/Spares All Risks Insurance including a waiver of subrogation in favour of LHT and its Vicarious Agents except in case they are liable according to Article 13.

- Aviation Legal Liability Insurance in line with industry practice including aircraft third party, passenger, products and war and allied perils with a combined single limit in accordance with Article 7 Regulation (EC) No. 785/2004 naming LHT and its Vicarious Agents as additional insureds to the extent of indemnity agreed upon according to Article 14.

Upon request, Customer will provide LHT with a certificate of insurance (reinsurance if applicable).

15.2 If Customer is not an airline/aircraft operator:

The Customer agrees to maintain the following insurances:

- Aviation Legal Liability Insurance in line with industry practice including third party, products and war and allied perils with a combined single limit as would be carried by prudent companies engaged in the Customer's industry naming LHT and its Vicarious Agents as additional insureds to the extent of indemnity agreed upon according to Article 14.

- and provided the Customer takes out Spares All Risks insurance, such insurance to include a waiver of subrogation in favour of LHT and its Vicarious Agents except in case they are liable according to Article 13.

Upon request, Customer will provide LHT with a certificate of insurance (reinsurance if applicable).

16. INVOICING AND PAYMENTS

16.1 LHT shall issue a preliminary invoice on the basis of the cost estimate as per Customer Agreement and Customer shall pay such amount latest upon delivery of the Maintenance Object to LHT. Any difference between the preliminary invoice and the invoice issued after Redelivery of the Maintenance Object to the Customer shall be reimbursed by LHT or paid by Customer – as the case may be. Any payment of such difference shall be made by Customer to LHT no later than 7 days from receipt of the invoice issued after redelivery.

16.2 LHT may dispatch all invoices electronically (e-billing), as long as this is agreed for the entire contractual relationship between LHT and the Customer. The Customer shall supply the necessary details in a form provided by LHT. Special requirements concerning e-billing in the Customer's country (e.g. verification, archiving) have to be fulfilled by the Customer.

16.3 All payments are due and immediately payable upon receipt of the invoice(s) without any deduction or set-off.

16.4 The Customer agrees that any dispute with regard to a payment obligation and any claim for reimbursement shall be made within six (6) months after receipt of the invoice as per Article 16.1. After this period has lapsed, the Customer shall not be entitled to assert any such claims. LHT undertakes to inform the Customer about this preclusion when invoicing the respective Maintenance Services.

16.5 Either Party shall make all payments in the agreed currency. Any payment made in any other currency shall be converted at the European Central Bank exchange rate applicable on its value date. Any shortfall resulting from such conversion has to be borne by the Party making such transfer. The receiving Party may retain any surplus resulting from such conversion.

16.6 The Customer is not entitled to set off any counter-claims against LHT's claims or exercise a right of retention, unless the Customer's counter-claims or right of retention are determined by the final decision of a court or are undisputed. The Customer is free to assert his claims in court.

16.7 If the Customer is a member of IATA, the Customer herewith irrevocably authorizes LHT to collect payments via IATA Clearing House ("ICH") by the last ICH clearance preceding the respective invoice due date. If a payment default is notified by the ICH, LHT shall be entitled to suspend the Services with immediate effect until payment is effected otherwise.

16.8 Payments by bank transfer to LHT shall be made to the bank account of LHT stated in the respective invoice.

16.9 LHT shall always be entitled to assign its payments claims against the Customer to third parties.

17. TRANSFER OF TITLE AND IP RIGHTS

17.1 Title to all material supplied by LHT under the Customer Agreement shall remain with LHT until complete payment of all amounts due under the Customer Agreement has been affected.

17.2 The Customer hereby consents and agrees that if material is removed from the Maintenance Object during Maintenance Services ("Removed Material"), and the Customer has not requested return of such material with redelivery of the Maintenance Object (any such request to be made no later than five (5) business days prior to the scheduled redelivery date), then LHT shall not be obliged to return the Removed Material to the Customer and upon redelivery of the Maintenance Object, title in and to the Removed Material shall transfer to LHT free and clear of any Encumbrances. The Customer warrants, represents and undertakes to LHT that the Customer has full authority to transfer title in and to the Removed Material to LHT as set out in this Article 16.2.

17.3 Title to all IP Rights disclosed in documents or data (including but not limited to plans, drawings, patterns or designs) supplied by LHT to the Customer under the Customer Agreement or created during the Maintenance Services, shall remain with LHT or any third party which is entitled to such IP Rights.

18. LIEN, AUTHORITY TO SALE AND RIGHT OF RETENTION; SET-OFF RIGHTS

18.1 Provided that the German statute on rights in aircraft (Gesetz über Rechte an Luftfahrzeugen) does not apply, LHT has by virtue of the Maintenance Services performed a contractual lien with respect to the Maintenance Object in its custody as well as with respect to other items of the Customer in LHT's custody to secure any claims of LHT against the Customer out of or in connection with the Customer Agreement as well as to secure any claims of Affiliates against the Customer. Such right may also be asserted for services previously performed or materials previously. The contractual lien shall entitle LHT and/or any of its Affiliates to publicly offer the Maintenance Object and/or other items in LHT's custody for sale no earlier than one (1) month after advising the Customer of its intent to do so. To effect such sale LHT shall not be required to obtain an enforceable title or to comply with the regulations governing forced sale.

18.2 Further, LHT has by virtue of the Maintenance Services performed a right of retention with respect to the Maintenance Object in its custody as well as with respect to other items of the Customer in LHT's custody to secure any claims of LHT against the Customer out of or in connection with the Customer Agreement as well as to secure any claims of Affiliates against the Customer. Such right as well as a set-off right may also be asserted for services previously performed or material previously supplied.

18.3 LHT shall also have the right to cease any ongoing Maintenance Services without notice until all payments due under the Customer Agreement or any other contractual relationship between the Customer and LHT or the Customer and any Affiliate have been made.

19. CUSTOMS CLEARANCE

The Customer shall be responsible to perform the customs clearance for Importation and Exportation of any aircraft (or parts thereof), any Engine and any other goods. The Customer shall comply with all existing import and export prohibitions and restrictions of the European Union. If assigned and agreed in Written Form, LHT shall perform the necessary customs clearance in the name and on behalf of the Customer or on behalf of LHT. In these cases, the Customer shall provide LHT with all necessary information and documentation (especially any required licenses regarding prohibitions and restrictions). LHT shall not be liable for any delay due to the late delivery of information and documentation by the Customer or due to delays in the customs clearance process. All duties and taxes that may occur due to the Importation or Exportation have to be borne by the Customer or shall be charged by LHT to the Customer.

20. ASSIGNMENT

In addition to any other statutory or contractual right of assignment, LHT may assign its rights and obligations under the Customer Agreement in total or in part to Deutsche Lufthansa AG or a company directly or indirectly controlled by Deutsche Lufthansa AG. The Customer shall be informed about such assignment duly in advance. The assignee shall perform the Maintenance Services under the Customer Agreement in the quality and standards and in accordance with the terms and conditions laid down in these Standard Terms and Conditions. Any other assignment of rights or obligations arising from the Customer Agreement shall require the prior



approval in Written Form of the other Party.

21. TRADE CONTROL COMPLIANCE

21.1 GENERAL COMPLIANCE

The Customer undertakes to conduct any activities under or in connection with the Customer Agreement in compliance with applicable export, import and sanction laws and regulations (in their most current version), including but not limited to those of, the United States (as stipulated in the U.S. Export Administration Regulations (EAR), 15 CFR Parts 730-774, or in the International Traffic in Arms Regulations (ITAR), 22 CFR Parts 120-130), the United Nations (as stipulated the United Nations Security Council Consolidated List), and those of other relevant foreign jurisdictions (collectively referred to as "Trade Control Laws"). The Customer represents and warrants that neither itself nor any of its affiliates are listed on any applicable sanctioned party list or controlled by a sanctioned person. If at any time following the entry into force of the Customer Agreement the Customer or any of its affiliates becomes a sanctioned person, or a sanctioned person acquires control of the Customer or its affiliates, the Customer shall promptly notify LHT. The Customer acknowledges that performance by LHT of its obligations under this Agreement shall remain subject to obtaining, and to the terms of, any export license required under Trade Control Laws. Upon LHT's request, the Customer shall promptly provide LHT with appropriate documents or certifications as required by or to comply with Trade Control Laws. LHT reserves the right to not execute shipment until the Customer has provided necessary documents or certifications to enable LHT to use existing export licenses such as acknowledgement of LHT's license conditions. LHT further shall be released from its obligations if Trade Control Laws prevent LHT from fulfilling its obligations.

21.2 RUSSIA-RELATED COMPLIANCE

21.2.1 Purchase and Import Restrictions

Customer acknowledges that LHT is required to provide evidence of compliance with Council Regulation (EU) 833/2014 as of 31 July 2014 (in its most current form, defined as the "Regulation") to the competent authorities. Therefore, the Customer represents and warrants that all products provided to LHT conform with the Regulation and any corresponding FAQs as published by the EU Commission (in their most current form), including but not limited to,

1. products listed in relation to purchase and direct import restrictions in the Regulation which are provided to LHT do not originate and have not been exported from the Russian Federation and/or
2. all products listed in relation to purchase and indirect import restrictions in the Regulation and which are provided to LHT do not incorporate any products as listed in the Regulation originating in the Russian Federation when having been processed in any third country.

For the avoidance of doubt, this shall include the listed products incorporated into any items during repair in any third country by the Customer or any of its service providers.

Customer shall provide any information or documentation requested by LHT or relevant authorities to ensure compliance with the Regulation at no cost to LHT.

21.2.2 No Re-Export

(i) The Customer shall not sell, export or re-export, directly or indirectly any goods or technology supplied by LHT in connection with the Customer Agreement which fall under the scope of (1) Article 12g of the Regulation (as amended from time to time) to the Russian Federation or for use in the Russian Federation and/or (2) Article 8g of Council Regulation (EU) No 765/2006 (as amended from time to time) to Belarus or for use in Belarus.

(ii) The Customer shall use all necessary efforts to implement adequate measures to prevent any direct or indirect sale, export or re-export of any goods or technology supplied by LHT in connection with the Customer Agreement that fall under the scope of (1) Article 12g of the Regulation (as amended from time to time) by third parties to the Russian Federation and/or (2) Article 8g of Council Regulation (EU) No 765/2006 (as amended from time to time) by third parties to Belarus.

(iii) The Customer shall inform LHT about any relevant activities by third parties that could be in conflict with the purpose of Article 21.2.2(i).

The Customer shall provide LHT any information requested concerning compliance with the obligations under this Article 21.2.2 at no cost to LHT.

In case of any breach of the obligations as set out in this Article 21.2.2 by the Customer, LHT shall be entitled to terminate the Customer Agreement upon written notice and with immediate effect.

22. FORCE MAJEURE

All events or circumstances, the prevention of which is beyond the power of the Parties, such as, but not limited to, acts of the public enemy, terrorism, war, insurrections or riots, blockades, fires, floods, explosions, earthquakes, storms, serious accidents, epidemics, pandemics, endemics or quarantine, any act or omission of government or governmental authority (such as, but not limited to, delays with any customs clearance despite LHT having properly applied for it in due time or as a result of clarifications with customs authorities), strikes or labor troubles causing cessation, slowdown or interruption of work, general hindrance in transportation, general supply shortages and interruptions, shall release LHT from its obligation of providing the Maintenance Services for the duration and to the extent of such events or circumstances.

23. LAW AND JURISDICTION

23.1 The Customer Agreement and these Standard Terms and Conditions and any legal relationship with the Customer that may arise therefrom shall be exclusively subject to and construed exclusively in accordance with the laws of the Federal Republic of Germany excluding their conflict of laws rules. The United Nations Convention on the International Sale of Goods (CISG) shall not apply. In the event of a conflict between the English and the German meaning of any expressions used in these Standard Terms and Conditions or any part thereof the German legal meaning shall prevail.

23.2 The courts of Hamburg, Germany, shall have jurisdiction. In case of any claims asserted against LHT this jurisdiction shall be exclusive.

24. WAIVER OF SOVEREIGN IMMUNITY AND SEVERABILITY

24.1 LHT and the Customer hereby agree that the Customer Agreement and any legal relationship that may arise therefrom are commercial transactions and the Customer undertakes not to claim any immunity from suit, execution, pre-judgment or post-judgment attachment or other legal process in any jurisdiction.

24.2 Nothing contained in these Standard Terms and Conditions shall require either Party to take any action contrary to the law or to any order or regulation of any government or contrary to any permit or authorization granted to either Party by any governmental authority. If any of the provisions of these Standard Terms and Conditions are held unlawful or otherwise ineffective by any court of competent jurisdiction, the remainder of these Standard Terms and Conditions shall remain in full force and the unlawful or otherwise ineffective provision shall be substituted by a new provision reflecting the intent of the provision so substituted.

25. AMENDMENTS

Any amendments to the Customer Agreement (including this Article 25 of the Standard Terms and Conditions) need to be agreed upon between LHT and the Customer in Written Form.