



## PURCHASING TERMS AND CONDITIONS

These terms and conditions (the "Terms") apply to the purchase and/or sales order ("Order") to which they are appended and are by and between Lufthansa Technik Engine Services a company incorporated under the laws of the state of Oklahoma with office address at 3515 N. Sheridan Rd, Tulsa, OK 74115, USA ("Buyer") and the counter-party identified with its legal name and address on the Order to which these Terms are appended and incorporated by reference ("Seller"). Each of Buyer and Seller a "Party," and together the "Parties".

### 1.0 ACCEPTANCE

The Order for the purchase of products ("Products") and/or services ("Services") to which these Terms are appended, and any specifications, drawings, requirements or other attachments hereto, together form a binding legal document and constitute the sole and entire agreement between the Parties, jointly referred to as the "Contract". All references herein to "this Order" include the ordering documentation constituting a purchase and sale arrangement signed and effective as between the Parties, whether initially presented as a purchase order by Buyer or as a sales order by Seller, as supplemented by these Terms and by any specifications, drawings, requirements or other attachments which are part of the Contract. The Contract may be, from time to time, amended or supplemented by other specifications, drawings, requirements or other modifications and agreements, provided that these are in writing, specifically indicate that they are an amendment to the Contract, and are signed by each of Seller and Buyer. Except as reflected in a writing accepted and signed by each of Buyer and Seller, any terms or conditions contained in a Seller bid, quotation or sale order that are in conflict with these Terms or the Order are hereby rejected and are not part of the Contract. Terms and conditions in any Order, with respect to which these Terms are silent, are incorporated in and made a part of the Order solely to the extent of specifying the nature and description and the pricing and payment terms, of Products or Services ordered/purchased and then only to the extent that such terms are not inconsistent with the other legal provisions set forth in these Terms.

### 2.0 CHANGES AND TERMINATIONS

Buyer may issue written change orders to modify specifications, drawings, requirements, shipment methods, and delivery times and locations. If any change affects the cost or time required for performance, an equitable adjustment will be made to the purchase price or other relevant terms. Buyer may terminate or cancel an Order at any time before delivery by providing written notice to Seller. Upon receipt of such notice, Seller must immediately cease all work, except as otherwise directed by Buyer. Seller claims for termination costs are limited to reasonable expenses directly incurred for work performed prior to receiving the termination notice, reduced by any refunds or salvage values, and previous payments made by Buyer. Total payments to Seller shall not exceed the Order's total price. Buyer is not liable for costs of materials ordered more than sixty (60) days in advance unless expressly authorized in writing. Seller must request any price adjustments within thirty (30) days of receiving a change order.

### 3.0 DELIVERY AND PACKING

All Products are to be packed in suitable containers for protection in shipment and storage. Any highly polished, highly finished or precision parts are to be properly preserved and packed in containers which will afford protection against handling damage and/or atmospheric deterioration. Seller shall be responsible for goods until delivered at the designated delivery point regardless of the point of inspection, and Seller shall bear all risks as to rejected Products after notice of rejection. Seller shall mark Buyer's order number on all invoices, packages, bills of lading and shipping orders. Unless otherwise provided herein, title in Products, including tooling, here under vests in Buyer only upon final inspection and acceptance at Buyer's designated facility. All international orders must reflect the applicable Incoterms 2020. The Seller must supply the Products as agreed in the Order, together with such evidence of conformity as may be required by the Contract.

### 4.0 PAYMENTS AND DISCOUNT

Within ninety (90) days after submission of proper invoices, and subject to the terms of the Order, Seller shall be paid the prices specified in the Order for Products delivered and accepted or Services rendered and accepted. No C.O.D. shipments shall be made unless previously approved in writing by Buyer. Buyer may set off any of its claims against payments otherwise due to Seller. Discounts shall be calculated from the latter of the date of receipt of supplies or the date of receipt of a proper invoice.

### 5.0 WARRANTIES



Seller warrants that the Products to be supplied under this Order are fit and sufficient for the purpose intended, that they are merchantable, of good quality, and free from defects, whether patent or latent, in material and workmanship, and conform to all specifications, drawings, requirements or samples of Buyer applicable to said Products. Seller agrees, at its own expense and whenever and as often as requested by Buyer, to furnish and deliver to Buyer evidence, in form and substance satisfactory to Buyer, showing that each and all of said specifications, drawings, requirements and samples have been fully and completely met and that the Products supplied hereunder fully and completely conform to such specifications, drawings, requirements and samples. Seller warrants that it has good title to the Products to be supplied and that such Products shall be delivered free and clear from all liens and encumbrances. Seller agrees that it shall hold Buyer harmless from any claim asserted by any third party, on any legal theory, arising from any defect in material or workmanship of the Products purchased hereunder. As to Services, all work shall be performed in a professional and workmanlike manner and in accordance with the best standards of care and diligence normally practiced by persons performing similar services. Seller warrants that it possesses the requisite expertise, facilities, and equipment necessary and appropriate to perform the Services. Seller warrants that the Products and Services are free of any third-party claim, including but not limited to any claims that the Products or Services, or the use thereof, will in any way infringe or contribute to the infringement of any intellectual property right in the United States or elsewhere, and no claim, action or suit alleging any such infringement or contribution to infringement is pending or threatened against Seller, its affiliates or their employees, agents, suppliers or contractors. These warranties are in addition to and not exclusive of any others which may be implied by law or custom.

## **6.0 COMPLIANCE**

Seller warrants that all Products and Services sold hereunder shall have been produced, sold, delivered and furnished in strict compliance with all terms and conditions listed on all parts of the Order, all applicable laws and regulations including, but not limited to, the Federal Aviation Administration rules and regulations, the Federal Occupational Safety and Health Act as amended, and any other applicable statutes, rules, regulations, and orders of the United States and of any state or political subdivision thereof. Seller certifies that it will conduct all operations involving the sale of Products and/or the provision of Services to Buyer in full compliance with all applicable laws, including applicable anti-corruption laws, and that no portion of any payment received from Buyer will be used to violate any law or will be corruptly provided on Buyer's behalf to any government official.

## **7.0 DELAYS**

Time is of the essence. If Seller does not ship as ordered on or before the shipping date shown on this Order, Buyer may terminate this Order or the undelivered part thereof. Such cancellation shall be without prejudice to, or waiver of, Buyer's right to recover damages. If Buyer does not receive Products and paperwork on the agreed upon delivery date, and the delay was not caused by a Force Majeure event, Buyer may charge a USD \$250 late delivery fee to the Seller.

## **8.0 DATA AND MATERIALS**

In addition to its Confidentiality obligations under Section 19.0 below, Seller agrees not to use or disclose any data, designs or other information furnished by or belonging to Buyer ("Buyer's Property"), except in performance of this Order. Buyer shall be and remain the owner of Buyer's Property. Upon Buyer's request such Buyer's Property, data, designs or other information, and any copy thereof, shall be returned to Buyer. If Buyer furnishes or specifies any materials or processes for fabrication hereunder, Seller agrees to provide certification copies for specified materials or processes and agrees not to use any other material or process in such fabrication without Buyer's written consent. Buyer agrees not to use or disclose any data, designs or other information furnished by or belonging to Seller, except in connection with Buyer's use of the Products that are the subject of this Order.

Any intellectual property first made or conceived by Seller in performance of any Order that was (i) made or conceived in connection with Products or Services created specifically for Buyer or pursuant to Buyer's unique specifications, or (ii) derived from or based on the use of or that otherwise incorporates information supplied by Buyer or Buyer's Property, shall be considered to be the property of Buyer, and Seller shall execute such documents necessary to perfect Buyer's title thereto (such intellectual property being referred to herein as "Work Product"). Seller shall not otherwise make use of any Work Product (including, but not limited to, drawings, designs, computer software and all copyright, patent, trade secret, and trademark rights, and any other forms of intellectual property protection which may be available), and title in such Work Product shall belong to Buyer. Seller may not sell Products to other customers of Seller if such Products incorporate Work Product, without Buyer's prior written approval. All Work Product consisting of copyrightable subject matter is "work made for hire" as defined in the Copyright Act of 1976 (17 U.S.C. § 101), and such copyrights are therefore owned by Buyer. To the extent that the foregoing does not apply, Seller hereby irrevocably assigns to Buyer for no additional consideration, Seller's entire right, title, and interest in and to all Work Product, including the right to sue, counterclaim, and recover for all past, present, and future infringement, misappropriation, or dilution thereof, and all rights corresponding thereto



throughout the world. If any Product sold hereunder incorporates or embeds software or firmware that is not Work Product, Seller grants to Buyer a perpetual, non-exclusive, non-revocable, worldwide fully paid-up license, to use any such software and/or firmware embedded in connection with Buyer's use and ownership of the Product.

## **9.0 INSPECTION AND QUALITY CONTROL**

Seller shall ensure that its personnel are competent and possess the necessary skills, qualifications and training that are reasonably necessary to perform the Services and/or to fabricate or provide the Products specified in the Order. Seller and all its suppliers shall maintain a quality management system that ensures all supplies, Products, and Services comply with Buyer requirements. Seller shall ensure that its quality management system and other records systems include procedures for identifying, tracking, reporting and auditing the identification and revision status of all specifications, drawings, process requirements, inspection/verification instructions and other relevant technical data related to this Order. Seller is required to provide physical and chemical analysis test data for any material or Product supplied under this Order, along with a certified statement confirming that the test results meet specified limits. The test data shall provide objective evidence that the material or Product meets the chemical and physical requirements of the applicable Order or relevant specification/drawing. When applicable, test specimens (e.g. production method, number, storage conditions) for design approval, inspection, verification (including production process verification) use of statistical techniques for product acceptance, and related instructions for acceptance by Buyer and, as applicable, critical items including key characteristics, investigation or auditing documentation traceable to the Products on this Order must be submitted with each shipment. Seller shall implement procedures to ensure that any Product not conforming to specified requirements is prevented from unauthorized shipment to Buyer. If Seller has reason to believe that nonconforming material or Product may have been inadvertently shipped, Seller shall immediately notify Buyer. If Seller believes a deviation from the requirements of this Order is in order, Seller shall provide notice of the contemplated deviation to Buyer, and such deviation shall be subject to the prior written approval of Buyer. Seller must obtain Buyer's written approval for nonconforming Product disposition. Seller must provide advance written notice to Buyer of any significant changes (pertaining to what is required on Buyer's Order) to Seller's product and/or process, method, material, manufacturing facilities changes, changes of Seller's suppliers, and Seller shall obtain Buyer's written approval of such changes as it may affect the Products or Services subject to Buyer's Order, where required. Seller and its suppliers must allow Buyer, Buyer's customers (and such customer representatives, and all relevant governmental/regulatory authorities) on-site verification of Seller's and its suppliers' quality management system, manufacturing process and product. Seller shall allow Buyer and such other persons access to the applicable areas of all facilities, at any level of the supply chain involved in the order and to all applicable records; provided that Buyer's inspection or other verification of such matters shall not be cited by the Seller or its suppliers as evidence or approval of effective control of quality and shall not absolve Seller or its suppliers of its or their responsibilities to provide acceptable product and to comply with all relevant requirements.

Seller and its suppliers, including dealers and distributors, are responsible for ensuring that the applicable requirements (including customer requirements) of this Order flow down to lower tier suppliers of the supply chain who provide raw materials, components or process services used in the Product or Service provided. Seller must ensure that applicable records relating to this Order and the Products and Services supplied hereunder are retained for a minimum of 7 years, or for such longer time as that may be required under applicable law.

All governmental or other authority/regulatory approval requirements must be met prior to shipment of any item of this Order. The format and content of release documentation and quality records will include, when applicable, but not be limited to, the following: Approval Certificates of Conformity, Test Reports, Material Certification, Chemical Analysis, Travelers, non-conformance documentation/rejection tags, FAA 8130-3 tags, Statement of Non-Incident, last certified operator, MSDS, and, for life limited parts, full back to birth traceability including all readiness log information and or the respective Folio12 information. Any deviations must be specified explicitly in this Order. Seller must have a system for reporting defects and un-airworthy conditions. All work and Services shall be subject to inspection and test by Buyer and/or Buyer's customer, including, but not limited to, the United States Government. All materials, Products, or articles ordered may be subject to: (i) inspection during the period of manufacture; (ii) inspection prior to shipment; and (iii) final inspection and acceptance at destination, notwithstanding any prior payment or inspection and acceptance. Seller shall inspect and document all work, and Services performed hereunder pursuant to high standards of quality control. Any material failing to meet Buyer's or its customer's standards may be rejected by Buyer, who may, at its option, and at Seller's risk and expense: (i) rework or repair rejected Products or Services; (ii) return rejected Products or Services to Seller, for which Seller shall refund the price and pay to Buyer the costs incurred by Buyer (iii) require Seller to repair or replace any such rejected Products or Services. Buyer's inspection shall not constitute a waiver or alteration of any warranties, including those set forth in Section 5. If this Order is for elastomeric material, then Seller shall package parts individually in accordance with applicable specification and/or drawing requirements. Each package will be labeled with: Quantity, Part Number, Description, Cure Date, Shelf Life/Applicable MIL-SPEC of material, Manufacturer, Batch/Lot Number, Supplier Name, and P.O. Number.



## **10.0 TOOLING AND MATERIAL**

Title to, and the right of immediate possession of all tooling and material furnished by Buyer to Seller shall remain with Buyer. Seller shall confirm to its own satisfaction that such tooling or materials is suitable for its performance under this Contract. If this Order is for tooling or parts, such tooling or parts shall become the property of Buyer upon acceptance thereof by Buyer, at Buyer's facility, or as evidenced by written acceptance by Buyer. Invoices shall be submitted for tooling after acceptance by Buyer of sample (first article) or a sample of production parts for which tooling was ordered. Payment by Buyer of invoices for tooling will be made following receipt of documentation (i) showing Buyer's part number and tool code number, other identifying data Buyer may reasonably require, and the unit price of each tool for which payment is sought, and (ii) bearing Seller's certification that each tool listed is complete and satisfactory for the use for which it is intended. Buyer's tooling in the possession of Seller shall be maintained in good condition and must be permanently identified (a) showing the name of Buyer; (b) the part number; and (c) tool code number. All tooling ordered, and all tooling and material furnished by Buyer shall be used solely in the performance of work ordered by Buyer and such tooling and material shall be disposed of at any time and in the manner as Buyer may direct. Seller shall maintain inventory control of all such tooling and material and furnish inventories as required by Buyer. Such tooling and material shall not be co-mingled with property belonging to Seller or others, except as much material as may be incorporated into or attached to supplies consumed or expanded in the performance of this order. The provisions of this clause apply to tooling ordered by Seller from its subcontractors under the Order, and to tooling and material furnished by Buyer to Seller which is furnished by Seller to such subcontractors. Seller shall carry term and extended coverage insurance on items covered by this Section in an amount equal to the full replacement cost thereof. If Buyer requests proof of this insurance, Seller needs to be able to provide such evidence of coverage.

## **11.0 INDEMNITIES**

Seller hereby agrees to indemnify, defend and hold harmless Buyer and its respective officers, directors, agents, subcontractors and employees (the "**Buyer Indemnitees**"), and each of them, from and against any and all third party claims, demands, suits, actions, causes of action, proceedings, assessments, fines, penalties, assessments, liability and/or judgements (including all interest, fees, costs and expenses incident thereto) (collectively "**Claims**") whether for the death of or injury to any person (including without limitation the indemnitor's employees) or for the loss of, damage to or destruction of any real or tangible property, howsoever caused by Seller, its respective officers, directors, agents, subcontractors and employees, and each of them.

To the extent that Products are manufactured to detailed designs not originated and furnished by Buyer or by a process or method, the use of which is specifically directed by Buyer, Buyer shall have no responsibility to Seller for intellectual property infringement, and Seller guarantees that the sale or use of such supplies, or the use of such process or method hereunder, will not infringe upon any United States or foreign patents, trademarks, or copyrights and Seller shall indemnify, defend and hold the Buyer Indemnitees and its customers harmless from any expenses, loss, cost, damage, or liability which may be incurred on account of any infringement or alleged infringement of patent rights, trademarks, or copyrights with respect to such supplies, and defend, at its own expense, any action or claim in which such infringement is alleged.

## **12.0 INSURANCE AND RISK OF LOSS**

All tools, designs, patterns, drawings and other property, if any, belonging to Buyer, shall while in Seller's possession, be at Seller's sole risk from loss or damage from all hazards; likewise, all materials until delivered and accepted at Buyer's premises shall be at Seller's sole risk from loss or damage from all hazards. In the event that Seller is required to come upon Buyer's premises, during delivery or installation of the materials herein specified, or for the performance of Services required to be furnished by the Seller, Seller agrees that it will, before coming upon Buyer's premises, obtain insurance coverage indemnifying and holding harmless the Buyer, its officers and employees from any property damage or personal injury of whatsoever kind or nature during such delivery, installation or performance of Service. Such insurance shall be in standard form for property damage, public liability and aviation general legal liability if applicable, in amounts and with such deductibles and limits as are prudently and reasonably carried by providers of materials, Products and Services in the business and industry in which Seller is engaged, and in all cases reasonably satisfactory to Buyer. Seller agrees to furnish Buyer on demand, with a certificate or other satisfactory evidence of such insurance coverage. Seller further agrees to carry group worker's compensation insurance for their own employees.

## **13.0 PRICES**

The prices to be charged for the Products and Services ordered shall not be higher than those last quoted or charged by Seller, unless a different price is specified and agreed on the Order.

## **14.0 GOVERNMENT CONTRACTS**



If this Order indicates that it is placed under a government contract, it is subject to all applicable government laws and regulations, including those attached hereto. All documentation (i.e., Order, packing list, etc.) must reflect the government contract number.

## **15.0 EXPORT AND IMPORT CONTROLS POLICIES AND PROCEDURES**

The Parties hereby acknowledge that the execution of the Contract and the performance due under the Contract may be subject to export control laws of the United States, including compliance requirements set forth under the U.S. Export Administration Regulations (EAR), 15 CFR Parts 730-774, International Traffic in Arms Regulations (ITAR), 22 CFR Parts 120-130, and U.S. economic sanctions regulations (OFAC regulations), 31 CFR Parts 500-598 and any other applicable export control laws and regulations ("Export Control Laws"). Each party acknowledges its respective obligation to comply fully with applicable Export Control Laws in connection with the performance of the Contract. As part of such obligation, the Seller agrees to ensure that the execution and the performance due under the Contract is in full compliance with applicable Export Control Laws. Seller agrees to provide to Buyer prior to the performance due under the Contract the correct export classification of an item, e. g., the relevant category in the United States Munitions List (USML) or the Export Control Classification Number (ECCN) under the Export Administration Rules (EAR), and to provide to Buyer all necessary information related thereto, and shall otherwise provide to Buyer any reasonable assistance requested by Buyer to ensure full compliance with the Export Control Laws. As part of such assistance, Seller shall inform Buyer if the performance due under the Contract will require an export license or other authorization under applicable Export Control Regulations, as well as any document that Buyer must complete or submit in connection with obtaining such export license or authorization. Seller agrees that, whenever the performance due under the Contract requires an export license or other authorization under applicable Export Control Laws, it will obtain such license or authorization at no cost to Buyer and in a manner that permits delivery of the item by the time for delivery. The Seller shall indemnify Buyer from and against any claim, proceeding, action, fine, loss, cost and damage arising out of or relating to any noncompliance with Export Control Laws by the Seller. This includes, but is not limited to, costs, fees and expenses, unless such noncompliance was not negligently or intentionally caused by the Seller. This provision does not imply a change in the burden of proof.

Both Parties shall comply with all U.S. customs laws and regulations (e.g. 19 CFR) and all other applicable U.S. government regulations pertaining to importations of goods and materials into the United States. For international Orders (Orders issued to entities addressed in foreign countries) specifically, without excluding any other applicable regulations, Seller will comply with and adhere to the commercial invoice requirements detailed in 19 CFR 141 subpart F of the U.S Customs and Border Protection (the CBP) regulations and provide additional information as requested by the Buyer. Seller shall provide Buyer with any documentation that is necessary for Buyer to comply with any applicable import regulations including U.S. Customs and Border Protection regulations and other Partner Government Agency (PGAs) related to any required import licenses, certifications, declarations etc. Seller shall immediately upon discovery notify Buyer of any change to the shipment data related to product valuation, quantities shipped, country of origin, port of export and any additional information directed by the Buyer. Seller will timely provide pre-alert shipping information and documentation prior to shipment arrival to the U.S. Buyer will direct Seller where to send pre-alert shipping information and documentation. Pre-alert shipping documentation includes, but is not limited to, a commercial invoice, airway bill, bill of lading, and any other required documentation as directed by the U.S. regulations and Buyer. For domestic Orders (Orders issued to entities addressed in the United States) Seller shall assume all U.S. import responsibilities to include designation as your Importer of Record, Custom clearance, duty, taxes, and fees for goods entering the United States. Unless otherwise agreed in writing, Buyer will not assume any import liabilities for goods procured through a domestic Order.

All Orders must reflect the applicable Incoterms 2020. Incoterms included in the corresponding contracts, Orders clarify which Party is responsible for customs clearance, duties, and tariffs. In case of Delivery Duty Paid (DDP) imports, Seller shall comply with all U.S. Customs and Border Protection laws and regulations (e.g., 19 C.F.R.) and all other applicable U.S. Government regulations pertaining to importations of products and materials into the United States under this Contract. Seller shall assume all U.S. import responsibilities, including designation as U.S. Importer of Record, customs clearance, duty, permits, licenses, taxes, and fees for products entering the United States under this Contract. Unless otherwise agreed in writing, Buyer will not assume any import liabilities for products and materials procured under the incoterm DDP. Seller shall obtain the written consent of Buyer prior to causing goods and/or materials to be shipped directly (i.e. "drop shipped") from the premises of any other non-U.S. supplier of the Seller to Buyer's facility.

The Seller shall provide the accurate Country of Origin for each product and/or component thereof in all customs invoices, packing lists, and Certificates of Origin if required in compliance with the applicable rules of origin under all relevant customs laws and international trade agreements.

**Buyer reserves the right to audit or request documentation from the Seller supporting the declared country of origin, including Seller's sourcing and manufacturing records.16.0**



## **DEFAULT**

Should Seller fail to provide the Products or Services ordered hereunder in the quantities and at the time and price specified herein, Buyer may elect to hold Seller in default, on reasonable notice not to exceed ten (10) days. Buyer may thereupon proceed to acquire the items to have been purchased hereunder from other sources upon Buyer's election, and Seller shall be liable to Buyer for any increased costs incurred by Buyer as a result of Seller's default. Furthermore, such action shall incur no liability on the part of Buyer. If Seller shall default in any material respect hereunder, or become insolvent, or if a receiver or trustee or assignee for the benefit of creditors is appointed to control any part of Seller's business, Buyer may terminate this Order or the undelivered part thereof. Such cancellation shall be without prejudice to, or waiver of, Buyer's right to recover damages. If Buyer defaults in any material respect hereunder, or become insolvent, or if a receiver or trustee or assignee for the benefit of creditors is appointed to control any part of Buyer's business, Seller may terminate this Order or the undelivered part thereof. Such cancellation shall be without prejudice to, or waiver of, Seller's right to recover damages.

## **17.0 CHOICE OF LAW**

This Agreement shall be construed in accordance with and governed by the substantive laws of the State of New York. The United Nations Convention on the International Sale of Goods shall not apply. Each of Buyer and Seller irrevocably and unconditionally submits to the jurisdiction and rules of the American Arbitration Association in New York for the resolution of any dispute arising under or related to this Agreement; provided that, the decision of any arbitrator or panel of arbitrators convened under such rules shall be final and binding on the Parties and shall be enforceable in the state or federal courts located in the State of New York or in any other court with jurisdiction over the parties and capable of enforcing the arbitrator(s) decision, and each of Buyer and Seller waives any objection relating to the basis for personal or in rem jurisdiction or to venue which it may now or hereafter have in any such arbitration, suit, action or proceedings.

## **18.0 CORPORATE SOCIAL RESPONSIBILITY**

The Seller undertakes to comply with the ten principles of the UN Global Compact, the five basic principles of the International Labor Organization (ILO) and the following precepts and prohibitions:

- (a) prohibition of child labor; prohibition of forced labor and all forms of slavery, exploitation, humiliation and abuse; prohibition of disregard for occupational safety and health and protection from work-related health hazards; disregard for freedom of association and the right to collective bargaining; prohibition of unequal treatment in employment; prohibition of the withholding of an adequate living wage; prohibition of the destruction of natural resources through environmental pollution; prohibition of unlawful infringement of land rights; prohibition of the commission or use of private or public security forces which, due to a lack of instruction or control, may lead to harm to life and limb; prohibition of any act or omission in breach of duty to act that goes beyond the foregoing and which is directly likely to impair, in a particularly serious manner, a protected legal position within the meaning of Section 2, paragraph 2 of the German "Act on Corporate Due Diligence Obligations in Supply Chains" (Lieferkettensorgfaltspflichtengesetz) and the unlawfulness of which is obvious upon reasonable assessment of all the circumstances in question; prohibition of the production, use and/or disposal of mercury pursuant to the Minamata Convention; prohibition of the production and/or use of substances within the scope of the Stockholm Convention (persistent organic pollutants - POPs) as well as the non-environmentally sound handling of wastes containing POPs; prohibition of the import or export of hazardous wastes within the meaning of the Basel Convention.
- (b) The Seller undertakes to provide human rights or environment-related training for employees who are responsible for minimizing or exposed to relevant risks. Buyer may require the Seller to provide evidence of the performance of and participation in relevant training courses or to ensure that the relevant employees of the Seller participate in any relevant training courses offered by Buyer.
- (c) If Buyer requests information from the Seller in context of its risk analysis to be carried out under the Supply Chain Act to identify or assess human rights or environment-related risks, the Seller shall provide Buyer adequately with the required information to the extent permitted by applicable law or contractual obligations. The Seller agrees that for the purposes of its risk analysis, Buyer transfers relevant information on the contractual relationship with the Seller to a third party specialized on risk analysis that processes the information on behalf of Buyer.
- (d) If the Seller discovers or otherwise becomes aware of a potential violation of human rights or environment-related obligations in its own business operations in relation to the provision of services to Buyer, it shall be obliged to inform Buyer thereof and the measures it has taken consequently.
- (e) The Seller shall cooperate with Buyer and support Buyer with best efforts to implement the measures required by the Supply Chain Act with a view to terminating, preventing, and minimizing human rights and environment-related risks and violations, particularly the implementation of required preventive and remedial measures.



(f) The Seller undertakes, upon Buyer's request, to inform its employees about the possibility of using Buyer's complaint procedure. Information about the complaint procedure as well as access to it are available at <https://investor-relations.lufthansagroup.com/en/corporate-governance/compliance/whistleblowing-system.html>

(g) Once a year or on occasion-related, Buyer is entitled to conduct an audit on the Seller's business and industrial premises and within its business operations to identify and assess human rights and environment-related risks or violations and to assess and determine whether the Seller complies with its obligations pursuant to this Section 18 (an "**Audit**"). Buyer may mandate a third party, which is bound to professional objectivity and secrecy, to conduct the Audit during the Seller's regular business hours. Buyer shall notify the Seller of the Audit with a prior two- weeks' written notice. The Seller is entitled to take appropriate measures to protect its business secrets and personal data, particularly customer data. The Seller bears the cost of the Audit unless it demonstrates that no human rights or environment related risk or violation and no violation of human rights or environment-related due diligence obligations exist.

(h) The Seller assures to comply with the expectations of the Lufthansa Group as expressed in its Supplier Code of Conduct available at <https://cdn.lhsystems.com/2024-02/LHG-Code-of-Conduct-Supplier-20231219-EN.pdf>

(i) The Seller further undertakes to use best efforts to pass on the obligations pursuant to this Section 18 to its direct suppliers in an obligatory manner.

(j) If Buyer notices that the Seller is in breach of any of the obligations set forth in Section 18, Buyer reserves the right to temporarily suspend the contract concluded with such Seller or - if necessary, also extraordinarily - to terminate it for good cause.

(k) Reservation to change: The obligations that the Seller must comply with under this Section 18 may be adjusted at any time based on the results of the risk analysis conducted continuously by the Buyer and/or in response to changes in legal requirements from time to time. The Seller will be informed by Buyer one (1) month prior to the entry into force of any adjustment and has the option to object to this within two (2) weeks from the date of knowledge, of which Buyer will again inform the Seller separately in each individual case.

## **19.0 CONFIDENTIALITY**

Each Party agrees to use the other Party's Confidential Information only in relation to this Contract and that it shall not disclose the other Party's Confidential Information except in accordance with this Section 19. Each Party may disclose the other Party's Confidential Information to those of its representatives who need to know the other Party's Confidential Information in relation to this Contract or fulfilment of such Party's obligations under Contract, provided that it shall ensure that each of its representatives to whom Confidential Information is disclosed is aware of its confidential nature and complies with this Section 19 as if it were a Party. Each Party may disclose the other Party's Confidential Information to the extent required by law, any court, any governmental, regulatory or supervisory authority (including any regulated investment exchange) or any other authority of competent jurisdiction.

**"Confidential Information"** means any information, in any form and whether or not marked as confidential, proprietary or similar, that relates to any intellectual property or to this Contract. This includes, but is not limited to, know-how, trade secrets, financial, commercial, technical, tactical or strategic information of any kind; all information produced or developed in connection with the performance of this Contract, the Contract document itself and its individual provisions; and the content of any negotiation leading up to this Contract.

## **20.0 LIMITATION OF LIABILITY**

In no event shall Buyer be liable for anticipated or lost profits or for special, punitive, indirect, incidental, or consequential damages. Buyer's total liability on any claim of any kind for any loss or damage arising out of or in connection with or resulting from this Order or from the performance or breach thereof shall in no case exceed the price allocable to the Products or Services or unit thereof which gives rise to the claim. Buyer explicitly rejects, and shall not be liable for, any cancellation charges, late fees, penalties, or liquidated damages.

## **21.0 SURVIVAL**

All provisions of the Contract, which by their nature should apply beyond any termination, will survive the expiration or termination of the Order or the Contract, including without limitation, Sections 5 (Warranties), 11 (Indemnities), 15 (Export and Import Controls Policies and Procedures), 17 (Choice of Law), 19 (Confidentiality), 20 (Limitation of Liability), 21 (Survival), 22 (Force Majeure), 24 (Relationship of the Parties); 25 (Assignment).



## **22.0 FORCE MAJEURE**

Neither Party shall be liable for any failure to perform under an Order where such failure to perform is caused by the following circumstances beyond its control (provided that such party uses its best efforts to mitigate such failure to perform and seek alternative arrangements to fulfill its obligations under the Order(s)): acts of God, fire, flood, acts of war, terrorism, or other natural disasters (each a "Force Majeure Event"). Neither Party shall be entitled to terminate an Order due to a Force Majeure Event, provided that if Seller experiences a Force Majeure Event causing a delay of delivery of Product or performance of Service of more than thirty (30) days, Buyer may terminate such Order without liability.

## **23.0 PRODUCT RECALLS**

If at any time Buyer conducts a product safety recall or a field fix program or Buyer, in Buyer's sole discretion, otherwise undertakes a recall related to Products provided by Seller hereunder (each a "Field Recall"), Buyer will notify Seller within thirty (30) days of the initiation of the Field Recall. If Seller receives a question, comment, or request for information from any regulatory agency or customer pertaining to (a) the legality and safety of the Products or (b) the components or production of the Products, Seller shall promptly provide a copy of such question, comment, or request to Buyer. Seller shall respond to such inquiry within five (5) days, after consultation with Buyer, in Buyer's discretion. Seller shall provide to Buyer all necessary information in its possession arising out of a government investigation or inquiry, recall, corrective action program, or similar program. If Buyer or any government agency determines that any Products sold to Buyer should be recalled (a "Government Recall" and together with Field Recalls, a "Recall"), Buyer may initiate any such Government Recall or direct Seller to do so on Buyer's behalf. In such event, Seller shall, at its sole cost and expense, take all actions necessary and appropriate to implement the Government Recall on a timely basis (provided that Buyer may, in its sole discretion, be entitled to notify its consumers or end users). Seller shall be responsible for all costs arising out of any Recall, including all costs and expenses associated with determining whether a Recall campaign is necessary. Without prejudice to Buyer's other rights (including rights at law or in equity), Seller shall, at its sole cost and in Buyer's sole discretion, either repair or replace the recalled Products, or credit or refund amounts paid by Buyer to Seller for all returned or destroyed Products in connection with such Recall.

## **24.0 RELATIONSHIP OF THE PARTIES**

Seller is an independent contractor of Buyer. Nothing contained herein shall be construed as creating any agency, partnership, employment or fiduciary relationship. Neither Party shall have the authority to bind the other Party in any manner whatsoever. Each Order is a non-exclusive agreement. Buyer is free to engage others to perform Services or provide Products, the same as or similar to Seller's.

## **25.0 ASSIGNMENT**

Seller shall not and shall cause its affiliates not to, directly, indirectly, voluntarily or involuntarily, in each case, whether by transfer, operation of law, assignment or Change of Control (as defined below), assign or transfer any of its rights or interest or delegate any of its obligations hereunder or under any Order (each, an "Assignment"), without Buyer's prior written consent. No purported Assignment, with or without Buyer's consent, shall relieve Seller of any of its obligations or prejudice any rights or claims that Buyer may have against Seller. Without effect on the foregoing, Seller shall be responsible for the actions and failure to act of all parties retained by, through, or under Seller in connection with the performance of each Order. For purposes of this Agreement, "Change of Control" means the occurrence of any of the following: (i) the direct or indirect sale or exchange in a single or series of related transactions by the stockholders of Seller of more than fifty percent (50%) of the voting stock of the Seller; (ii) a merger or consolidation in which the Seller is a party; (iii) the sale, exchange, or transfer of all or substantially all of the assets of the Seller; or (iv) a liquidation or dissolution of the Seller.

**By accepting the Order, we confirm that we will act in accordance with Article 3g of Regulation (EU) 833/2014, current version, and that we will send the required compliance document for shipments to Lufthansa Technik Engine Services starting 30. October 2025.**

*Last modified:* 30. October 2025