

Standard Terms and Conditions for Maintenance Services Performed by Lufthansa Technik AG on the basis of the EPAR Catalog

The following Standard Terms and Conditions for Maintenance Services Performed by Lufthansa Technik AG on the basis of the EPAR Catalog 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.

0. Definitions and Abbreviations

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

Airworthiness An aircraft or Component is airworthy if it conforms with the applicable approved type, i.e. if it complies with the valid type certificate data sheet, which includes any supplemental type certificate (STC) and approved modifications incorporated into the aircraft if any maintenance service was carried out in accordance with the applicable maintenance requirements and if the aircraft or Component was released to service.

ATA 300 Air Transport Association specification 300.

BER Beyond Economic Repair.

Components Devices, modules or individual parts of an aircraft, including engine or flight equipment or emergency equipment. Components are always identified by a part number in the maintenance or operational documents issued by the respective aircraft or component design organization.

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 a Maintenance Service provided in the EPAR Catalog in return for payment by the Customer.

Customer's Working Equipment Any technical equipment for use by LHT to perform the Maintenance Service which the Customer is obligated to provide to LHT under the Customer Agreement as specified in the Customer Agreement.

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

Flight Hour Each hour that the aircraft is airborne.

LHT Lufthansa Technik AG.

Maintenance Object Any Engine Part or Component delivered to LHT by the Customer for a Maintenance Service to be performed by LHT.

Maintenance Service One or a combination of the following: overhaul, repair, inspection, testing, replacement, modification or rectification of a Component and/or Engine Part to be performed by LHT as specified in the Customer Agreement.

OEM Original Equipment Manufacturer.

Place of Repair Has the meaning set forth in Article 4.

Subcontractor Any person or legal entity (other than employees of LHT), engaged by LHT to perform LHT's obligations under the Customer Agreement.

Turnaround Time (TAT) Has the meaning set forth in Article 7.

Vicarious Agents LHT's personnel and other persons, e.g. Subcontractors used by LHT to support LHT in the performance of its obligations under the Customer Agreement.

1. Scope and Exclusive Validity of these Terms and Conditions

1.1 These Standard Terms and Conditions shall exclusively apply to all Customer Agreements, unless LHT expressly waives their applicability in written form, and only as far as LHT and the Customer have not agreed on any other terms and conditions provided by LHT.

1.2 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.

2. Conclusion of Customer Agreement

2.1 Any offer submitted in the EPAR Catalog shall be non-binding.

2.2 Orders submitted by the Customer are binding for the Customer.

2.3 The Customer Agreement is concluded once LHT has started the Maintenance Services or has submitted an order confirmation to Customer in writing (letter, fax or e-mail).

3. Scope of Maintenance Service

3.1 LHT only offers the Maintenance Services as stated in the current EPAR Catalog and the scope of Maintenance Service requested shall be stated in the order placed by the Customer.

3.2 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 Service if (i) the Customer's prior consent cannot be obtained without causing a delay in the completion of the services and (ii) the price for the additional services does not exceed ten percent of the value of the original order.

3.3 The Maintenance Service shall be performed by LHT in accordance with the Lufthansa Technik Quality Manual and Procedures as approved by the competent authority unless otherwise agreed in writing between the Customer and LHT.

3.4 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 Customer not accept the use of such repairs, Customer must 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.

3.5 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. Place of Repair

4.1 The Customer shall be the LHT facility at which LHT offers the Maintenance Services according to the EPAR Catalog.

5. Customer's Obligations

5.1 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) and LHT's disposal.

5.2 If the Customer fails to supply LHT with the documents as per Article 5.1 above or if such documents are incomprehensible or incomplete, LHT may request that the Customer supply any such documents, and any relevant undocumented information, within a reasonable period of time. For the purposes of this Article 5 "documents" include both printed documents and data in all other formats, including without limitation electronic formats.

5.3 If the Customer does not comply with the request according to Article 5.2 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 Service to the extent it was performed prior to the date of termination.

5.4 Articles 5.1, 5.2 and 5.3 do not in any way limit LHT's legal and contractual rights or claims.

5.5 Customer shall treat as strictly confidential any information disclosed by LHT relating to the Customer Agreement, including the document 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, turnaround times and man-hours needed.

6. Price and Payment Charges

6.1 All prices and/or charges in the EPAR Catalog refer to labor only. Material will be quoted and charged separately. All charges are applicable during the period defined in the respective data sheet of the current EPAR Catalog.

6.2 Maintenance Services performed on Components shall be charged to Customer as specified in the respective data sheet of the current EPAR Catalog. If prices are not available in the current EPAR Catalog, prices shall be individually quoted by LHT on Customer's request.

6.3 Should repairs be required in order to achieve serviceability of a Maintenance Object and if LHT should have such capability, but the repair is not part of the Maintenance Services offered in the current EPAR Catalog, then LHT shall provide Customer with a cost estimate for the required repair.

6.4 If a Maintenance Object fails the incoming inspection by LHT or the Maintenance Object is determined to be BER, the charge for cleaning and inspection as per the current EPAR Catalog shall apply and shall be borne by the Customer.

6.5 The fixed charges for labor costs offered in the EPAR Catalog are not applicable for parts with abnormal wear and tear and excessively damaged parts (such as but not limited to Foreign Object Damage, etc.). Article 6.1 as well as TAT shall not be applicable. In such cases the parties shall agree on individual pricing and individual TAT. In case the parties will not be able to agree within ten days after LHT informed Customer, LHT shall send the parts back to Customer in "as is" condition and Customer shall pay for the Maintenance Services to the extent it was performed by LHT prior to that moment.

6.6 Handling Charges

6.6.1 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 fifteen percent on the net price.

6.6.2 Scrap replacement with used and/or serviceable parts
Scrap replacement with used and/or serviceable parts supplied by LHT shall be quoted according to the charges in the EPAR Catalog and charged individually.

6.6.3 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 handling charge.

6.6.4 1:1 Exchange

In case of a 1:1 exchange of the Maintenance Object the applicable payment conditions shall be agreed between LHT and Customer.

7. Turnaround Time

7.1 The TAT for each Maintenance Object stated in the EPAR Catalog shall apply. Unless they have been explicitly and in writing declared as binding, TAT's indicated by LHT are provisional, non-binding, and shall serve as general information only.

7.2 If LHT becomes aware that it is likely to miss the TAT, LHT will promptly notify the Customer.

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

8. Delivery

8.1 The delivery of each Maintenance Object to the Place of Repair shall be at Customer's risk and expense, unless otherwise agreed in the Customer Agreement. 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, Customer shall bear the cost for new or other shipping containers.

9. Redelivery

9.1 Redelivery of the Maintenance Object shall be effected ex works (EXW, Incoterms 2010) the Place of Repair excluding packing material.

9.2 No later than one week after (i) LHT has notified the Customer that the Maintenance Service has 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.

9.3 If the Customer fails to comply with Article 9.2, 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.

9.4 The Customer may request that LHT supports Customer in arranging for shipment of the Maintenance Object to another place as the one specified in Article 9.1. Any shipment arrangements made by LHT shall be in the name and on behalf of the Customer.

10. Warranty

10.1 If not otherwise stated in the EPAR Catalog, the warranty period for the Maintenance Services is twelve months from the date of redelivery or within one thousand Flight Hours of the Maintenance Object after redelivery, whichever may occur first.

10.2 A warranty claim must be raised by Customer within thirty days after the defect has or could have become reasonably apparent and LHT must be provided at the Place of Repair with the defective part for inspection and repair within an additional thirty days after the warranty claim has been raised. If a defect arises on a non-removable part of an aircraft the Parties shall in good faith agree how to remedy such defect in a way convenient for Customer and reasonably acceptable for LHT.

10.3 LHT's warranty shall be 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 Customers 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 Customer does not comply with operating instructions provided by LHT or the respective aircraft of Component design authorization. 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.

10.4 Further, LHT's warranty shall be excluded for any defects of parts or materials which have been tampered with by others than LHT or its Vicarious Agents, which have suffered a so-called "Foreign Object Damage" (FOD) or which were damaged by weather or similar external influences, excluding normal wear and tear. This restriction does not apply if the Customer proves that LHT or one of its Vicarious Agents caused the defect.

10.5 Provided that suppliers grant LHT warranty rights for material or services beyond the scope of LHT's warranty as set forth in Article 10.1 and 10.2 above, customer may request LHT to assign any such warranty rights. Further, upon request, LHT shall support Customer in pursuing such warranty rights.

10.6 If upon Customer's special request LHT or its Subcontractors perform a provisional repair, the materials used and the Maintenance Services performed during such repair are not subject to any warranty.

10.7 LHT's warranty shall be excluded if the Customer has agreed to the Place of Repair or at any other place Customer and LHT may agree upon from time to time. If the Customer requests LHT to correct the defect of a Component at another location as the Place of Repair, 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.

10.8 The warranty set forth in this Article 10 shall be the exclusive and sole remedy for Customer in case of any defect.

10.9 Articles 10.1 and 10.2 shall not apply to a possible claim for damages. Articles 10.1 and 10.2 shall also not apply if LHT has concealed the defect intentionally or has given a written durability guarantee or warranted certain properties of the repair.

10.10 Articles 10.1, 10.2, 10.3, 10.4, 10.7, 10.8 shall not affect any other limitations of LHT's liability, or restrictions of the Customer's rights and claims against LHT in these Standard Terms and Conditions and/or under applicable law.

11. Limitation of Liability for Damages

11.1 LHT's liability for damages in case of slight negligence (so-called "leichte Fahrlässigkeit") of LHT, its statutory representatives and Vicarious Agents shall be excluded, provided such liability does not result from the violation of any material contractual obligations of particular significance for the purpose of the Customer Agreement which the Customer may rely on, damages arising from injury to life, limb or health or from violation of a guarantee. LHT's liability under the Product Liability Act shall remain unaffected.

11.2 To the extent LHT is liable in accordance with Article 11.1, 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 and which are neither based upon a violation of a guarantee, nor upon intentional acts (or upon intentional acts of LHT's statutory representatives or its Vicarious Agents), nor are caused by injury to life, limb or health, nor are damages to be compensated in accordance with the Product Liability Act.

12. Insurance

12.1 The Customer agrees to obtain and maintain in full force during the term of the Customer Agreement the following insurances:

- A Hull All Risks Insurance as well as a Risk All Property Insurance including war risks containing a waiver of subrogation, in favor of LHT, its personnel and its Subcontractors.
- A liability insurance covering the liability of LHT, its personnel, passenger and war risk liability with a combined single limit in accordance with article 7 Regulation (EC) No. 785/2004 naming LHT, its personnel and its Subcontractors as additional insured parties.

12.2 If the Customer has ordered the Maintenance Service from LHT on behalf of a third party, the Customer shall ensure that such third party obtains and maintains the insurances specified in Article 12.1.

13. Payments

13.1 LHT shall issue an invoice after redelivery of the Maintenance Object according to Article 9 and Customer shall pay within ten days from receipt of LHT's invoice.

13.2 All prices are quoted as net prices. Any tax (including, but not limited to, value added tax), 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. In the event any such tax or duty is recoverable, LHT shall use reasonable efforts to recover such tax or duty paid.

13.3 Customer shall agree to a payment obligation and any claim for reimbursement shall be made within one month after receipt of the invoice as per Article 13.1. After this period has lapsed, Customer shall not be entitled to assert any such claims.

13.4 Customer shall make payment in the contractually agreed currency. Any payment made in any currency other than contractually agreed shall be exchanged at the exchange rate on the date the payment is valued to LHT's account. Customer remains liable for any shortfall to the amount owed resulting from such exchange.

13.5 The Customer agrees that any dispute with regard to a payment obligation and any claim for reimbursement are determined by the final decision of a court or are undisputed. The Customer may only exercise a right of retention if its counterclaim has been determined by a final decision of a court or is undisputed.

13.6 In the event that Customer is a member of IATA, Customer herewith irrevocably authorizes LHT to take all steps necessary for the collection of late payments via IATA Clearing House. LHT is entitled to such collection for payments including late payment charges.

14. Retention of Property and IP Rights

14.1 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.

14.2 Title to all intellectual property rights (including, but not limited to copyrights, trademarks, patents, inventions, utility patents, registered design rights or design rights - "IP Rights") disclosed in documents or data (including but not limited to plans, drawings, patterns or designs) supplied by LHT to Customer under the Customer Agreement shall remain with LHT or any third party which is entitled to such IP Rights.

15. Lien and Right of Retention

15.1 Provided that the German statute on rights in aircrafts (Gesetz über Rechte an Luftfahrzeugen) does not apply, LHT has by virtue of the Maintenance Service performed a contractual lien with respect to the Maintenance Object in its custody as well as with respect to other items of Customer in LHT's custody to secure any claims of LHT against Customer or in connection with the Customer Agreement as well as to secure any claims of affiliates of LHT against Customer. Such right may also be asserted for services previously performed or materials previously supplied and with respect to claims resulting from a contractual relationship of Customer and Deutsche Lufthansa AG and/or any of its affiliates. The contractual lien shall entitle LHT and/or any of its affiliates to publicly offer the Maintenance Object for sale no earlier than one month after advising the Customer of its intent to do so. To effect such sale LHT shall not be required to set off any recoverable title or to comply with the regulations governing forced sale.

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

15.3 LHT shall also have the right to cease any ongoing Maintenance Service without notice until all payments due under the Customer Agreement or any other contractual relationship between Customer and LHT or Customer and Deutsche Lufthansa AG and/or any of its affiliates have been made.

16. According to applicable laws of the European Union the Customer is obligated to perform the customs clearance for import (to be defined as the entry into the customs territory of the European Union) and export (to be defined as exit from the customs territory of the European Union) of any aircraft (or parts thereof) and any other goods. The Customer is obligated to comply with all existing import and export prohibitions and restrictions of the European Union. If assigned and agreed in writing, LHT will perform the necessary customs clearance for import and export of the Maintenance Object on behalf of LHT. In these cases the Customer is obligated to 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 Customer or due to delays in the customs clearance process. All duties and taxes that may occur due to the importation or exportation (defined above) have to be borne by the Customer or will be charged by LHT to Customer.

17. Export

17.1 Customer shall comply with all applicable domestic and foreign export compliance requirements, including applicable US export laws and regulations (e.g., ITAR, EAR and OFAC sanctions regulations) and those of other relevant foreign jurisdictions. Upon LHT's request, Customer shall promptly provide LHT with appropriate certifications as required by such applicable export laws and regulations, or as necessary to ensure continuing compliance with such laws and regulations.

18. Applicable Law and Venue

18.1 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.

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

19. Waiver of Sovereign Immunity

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

20. Amendments

Any amendments to these Standard Terms and Conditions including this clause and the Customer Agreement need to be agreed upon between LHT and the Customer in writing.