

LTLGS PURCHASING TERMS AND CONDITIONS

1. STATUS OF THESE TERMS

- 1.1 These Terms apply to each order for Goods made by Buyer to Seller and the supply of Goods by Seller shall be subject to these Terms. Unless Buyer expressly accepts other terms, by means of a written instrument signed by an authorised signatory of Buyer which expressly states that it amends these Terms in respect of a specific order, any Seller Term shall have no effect and shall be deemed not to have been proposed.
- 1.2 If acceptance of these Terms has not previously been communicated to Buyer, the first to occur of acknowledgement of Buyer's order, commencement of performance and supply of Goods by Seller in response to Buyer's order shall constitute (and conclusively evidence) acceptance by Seller of these Terms and that order. No prior course or dealing or usage of trade not expressly set forth in the Contract shall affect or alter the terms of or imply terms in, or be admissible to explain, modify or contradict, the Contract in any way.

2. DEFINITIONS

- (a) 'Buyer' means Lufthansa Technik Landing Gear Services UK Limited.
- (b) 'Contract' means a contract between Buyer and Seller consisting of these Terms and the relevant order, incorporating any documents (or parts thereof) specified on the face of the order. Should there be any inconsistency between the documents comprising the Contract, the documents referred to on the face of the order shall have precedence.
- (c) 'Delivery Address' shall mean the address specified on the face of the order.
- (d) 'Goods' means all goods, articles, services or things described on the face of the order.
- (e) 'including' and 'includes' means including (or includes) without limitation.
- (f) 'Intellectual Property' means all patents, rights in inventions, copyrights and related rights, trade marks and other rights in trade names, domain names, and trade dress, database rights, moral rights, rights in confidential information and other intellectual property rights, in each case whether registered or unregistered and including all applications for and renewals and extensions of such rights, and all similar and equivalent rights or forms of protection in any part of the world.
- (g) 'order' means an order for Goods, to which these Terms are attached (or with which these Terms are sent), or which is simply issued by Buyer if a Seller has previously been made aware of these Terms.
- (h) 'parties' means Seller and Buyer, and 'party' means either of them.
- (i) 'Seller' means the person, firm, organisation or company to whom an order is issued by Buyer.
- (j) 'Seller Term' means any purported variation of these Terms, or substitute terms (including Seller's standard terms and conditions of sale), or additional terms, proposed by the Buyer in relation to an order, however and whenever proposed.
- (k) 'supply' means to sell or supply the relevant goods, articles, services or other things.
- (l) 'Terms' means these purchasing terms and conditions.

3. QUALITY

- 3.1 All Goods supplied shall (i) be in good condition, of satisfactory quality, and fit for the purpose for which they are supplied, (ii) comply with all applicable laws (including national and international flight safety regulations, other acknowledged safety regulations and other relevant accident prevention, environmental and safety regulations) (together 'Applicable Laws') and (iii) conform to the description and/or specification specified in the Contract.
- 3.2 All Goods which are not Services shall be supplied with full title guarantee and all Goods which are services shall be provided using all reasonable skill and care.
- 3.3 Seller shall provide all documents specified in the Contract and all other documents which are necessary for the use of the Goods and shall ensure such documents comply with all Applicable Laws.

4. PRICES/TAXES

- 4.1 Unless otherwise stated on the face of this order, the price specified on the face of this order is (i) exclusive of all taxes, fees, duties, or charges (including VAT) which may be levied in respect of the Goods, (ii) includes all charges or costs associated with the packaging, preparation for delivery and delivery of the Goods to the Delivery Address (including import and export duties and charges and the costs of removing or returning packaging on delivery if requested by Buyer) and (iii) shall be fixed for the duration of the Contract. All taxes, fees, duties or charges (including VAT) where applicable, shall be shown separately on all invoices as a net extra charge.
- 4.2 Unless otherwise stated on the face of this order, Buyer shall pay all undisputed sums due under any valid invoice issued under any Contract on or before the date 30 days after the later of the receipt by Buyer of (i) the Goods and (ii) the Seller's invoice.

5. DELIVERY, PASSING OF TITLE AND ACCEPTANCE

- 5.1 Seller shall deliver all Goods to the Delivery Address on the date(s) of delivery specified on the face of this order unless agreed otherwise in writing between the Buyer and Seller. Seller shall furnish such programmes of manufacture and delivery, as Buyer may reasonably require. If Goods are incorrectly delivered Seller will be held responsible for any additional expenses incurred in delivering them to the Delivery Address (without prejudice to any other rights or remedies of Buyer). Seller shall notify Buyer immediately in writing of any delays in delivery that may arise as soon as these become apparent, quoting order number and order date as well as the anticipated delivery date. The receipt of such notification shall not excuse any such delay or authorise an extension of the agreed delivery time unless Buyer expressly agrees to such an extension in writing.
- 5.2 The title and risk in the Goods shall remain in Seller until they are delivered, unloaded and placed in Buyer's custody at the Delivery Address at which point title and risk in the Goods shall transfer to Buyer.
- 5.3 If Goods delivered by Seller to the Delivery Address do not conform with the Contract (including for the avoidance of doubt if there is a shortfall in quantity), Buyer shall have the right to reject such Goods within a reasonable time of their delivery to the Delivery Address. Without prejudice to Buyer's rights and remedies (including for breach of the Contract) Buyer shall whenever reasonably practicable give Seller reasonable opportunity to replace rejected Goods with Goods which conform to the Contract. If Seller does not replace rejected Goods within a reasonable time, Buyer shall have the right to purchase elsewhere as near as practicable to the same Contract specifications and conditions as circumstances shall permit and if the cost of purchasing such Goods elsewhere exceeds the price stated on the face of the order, the Seller shall pay to Buyer the difference between the cost incurred by Buyer and the price stated on the face of the order. The foregoing sentence shall be without prejudice to any other right or remedy which Buyer may have against Seller. The making of any payment by Buyer in respect of the Goods shall not prejudice Buyer's right of rejection and Seller shall promptly repay to Buyer any monies paid by Buyer to Seller in respect to such rejected Goods.

6. PROGRESS AND INSPECTION

- 6.1 Seller shall keep Buyer informed, as reasonably requested by Buyer with regard to the progress of all work related to the Goods. Buyers' representatives shall have the right to inspect all Goods (and the progress of any work related to the Goods) at Sellers works and the works of sub-contractors at all reasonable times and in the course of doing so, may reject Goods that do not comply with the term of the Contract. Seller's sub-contracts shall include this provision. No inspection, checking approval or acceptance given by or on behalf of Buyer shall relieve Seller from any obligation under the Contract (including any subcontracted obligation).
- 6.2 Seller shall inform Buyer immediately in writing if materials are replaced in the course of performing the Contract. The replaced materials must be kept safe for a period of 30 days following the completion of Seller's main obligations under the Contract. If Buyer does not request the return of the materials within this period, Seller shall dispose of the replaced material at its own expense and provide Buyer with appropriate proof of disposal. Seller shall not otherwise use or deal in the replaced materials.

7. VARIATIONS

- 7.1 Seller shall not alter any of the Goods except as directed in writing by Buyer. Buyer shall have the right, from time to time during the execution of the Contract, by notice in writing to direct Seller to add to or omit, or otherwise vary, the Goods, and Seller shall carry out such variations and be bound by the same conditions, so far as applicable as though the said variations were stated in the Contract. Where Seller receives any such direction from Buyer which would occasion an amendment to the Contract price or delivery dates, Seller shall within 7 days, propose to Buyer in writing the amount of any such amendment (which shall not exceed the level of pricing contained in Seller's tender, price lists or quotations) and the best revised delivery date practicable. Unless Buyer confirms its direction after receipt of such proposed amendments from Seller such direction shall be deemed not to have been given.

8. NO ASSIGNMENT OR SUB-CONTRACTING

- 8.1 Neither the Contract nor any benefit under it shall be assigned by Seller. Seller shall not subcontract any part of the Contract without Buyer's written consent to the specific sub-contract and sub-contractor. If Buyer consents to a specific sub-contract, Seller shall (i) remain responsible (and liable to Buyer) for all Goods supplied pursuant to such sub-contract as if the same were performed by it, and (ii) send a copy of each subcontract, immediately it is issued, to Buyer's purchasing representatives specified on the face of the order.

9. BUYER'S RIGHTS IN SPECIFICATIONS, PLANS, PROCESS INFORMATION

- 9.1 All (i) specification, plans, drawings, process information, patterns, designs or other things supplied by Buyer to Seller in connection with the Contract and (ii) information derived therefrom or otherwise communicated to Seller in connection with the Contract (collectively 'Materials') and all (iii) Intellectual Property in such Materials shall remain the property of Buyer, shall not be used by Seller except for the purpose of performing the Contract. All materials must be returned to Buyer on fulfilment or termination of the Contract.

- 9.2 If a Contract involves design, experimental, development, research or similar work, Seller agrees to communicate promptly to Buyer full details of any ideas, improvements, developments, processes, works, designs, inventions or other things conceived, created, developed and/or reduced to practise in connection with the performance of the Contract ('New Works'). Upon Buyer's request Seller shall (i) assign and procure the assignment to Buyer of all right, title and interest of Seller (and any employee or sub-contractor of Seller), including all Intellectual Property, in any New Works, and (ii) perform all acts and execute all papers necessary to vest in Buyer such right, title and interest absolutely. Seller hereby assigns to Buyer with full title guarantee, by way of a present assignment of future Intellectual Property, all Intellectual Property in any New Works which may be so assigned.

10. INDEMNITY

- 10.1 Seller shall indemnify Buyer against all liabilities, losses, damages, claims, costs and expenses incurred or suffered by Buyer in connection with (i) any actual or alleged infringement of Intellectual Property which results from any use or sale of any Goods supplied by Seller to Buyer and/or (ii) any liability to any person which results from any defect in any Goods or any breach of a Contract by, or negligence of, Seller.

11. PACKAGING

- 11.1 All goods must be packaged in accordance with FAA/CAA of BS Standards. All aircraft parts must be packaged to ATA specification 300 or in the case of U.K. rubber components to specification BSF-69.
- 11.2 Seller shall observe the requirements of the U.K. IATA and International Agreements relating to the packing, labelling and carriage of hazardous Goods. When transporting Goods, Seller shall comply with all Applicable Laws including the regulations of the ADR, GGVSE, ATA 300, IATA-DGR, ICAO-TI, IMDG code and RID governing the shipment of such goods.
- 11.3 Goods which are subject to static electricity must be packed in static proof containers. Such containers and packing must be clearly marked with a warning label. This warning must also be reported on the approved release certificate.

12. DOCUMENTATION

- 12.1 UK SUPPLIERS: all Goods must be accompanied by one advice note and one release note where applicable.
- 12.2 NON UK SUPPLIERS: all packages must be marked 'for export'. One copy of Invoice/priced packing list plus one packing list with material certification must accompany every package. Five copies of invoice/priced packing list must be fixed to the outside of the package in a waterproof envelope.
- 12.3 UK AND NON UK SUPPLIERS: Delivery notes are to be attached to the exterior of the packaging and must specify the order number, the article description, component number, and the delivery quantity as well as any accompanying certificates/ documents and references to all partial deliveries. Deliveries that belong together must be labeled as such.

13. WARRANTY

- 13.1 Seller shall at Buyer's option either refund in full or as soon as reasonably practical repair or replace all Goods which are or become defective during the 12 months from putting into service or 18 months from delivery, whichever is shorter, where such defects occur under proper usage and are a result of faulty design, Seller's erroneous instructions as to use or erroneous use data, or inadequate or faulty materials or workmanship or any other breach of Seller's obligations under the Contract. Repaired and replaced Goods shall themselves be subject to the foregoing obligations for 12 months from the date of putting into service or 18 months from delivery, reinstallation or passing of tests (if any) whichever is appropriate after repair or replacement. This Clause 13 is without prejudice to Buyer's other rights and remedies under the Contract.

14. TERMINATION

- 14.1 If Seller, becomes insolvent or bankrupt, or being a company makes arrangement with its creditors or has an administrative receiver, liquidator or administrator appointed or commences to be wound up (other than for the purpose of amalgamation or reconstruction) or becomes subject to any similar or equivalent process or procedure in any jurisdiction, Buyer may, without prejudice to any other of its rights, terminate the Contract forthwith by notice to Seller.
- 14.2 By written notice Buyer may terminate all or any part of this Contract if Buyer determines that a termination is in Buyer's interest. In such event Buyer and Seller will agree upon an equitable adjustment at the price specified on the face of this order provided that (i) such adjustment shall not exceed the price specified on the face of this order, (ii) no amount will be allowed or anticipated profit for performance not rendered and (iii) Seller notifies Buyer of intent to submit a claim for adjustment within thirty (30) days from the date of termination.

15. GENERAL

- 15.1 The following provisions of these Terms shall survive termination of any Contract: 9, 10, 13, 15, 16, 17 and 18.
- 15.2 The Contract and all information disclosed by Buyer to Seller under or in connection with the Contract or derived from any Materials (as defined in Clause 10.1) shall be kept confidential by Seller and shall not without Buyer's written consent be divulged to any other person (except to the extent any such information is in the public domain or enters the public domain without breach of confidence by Seller).
- 15.3 The parties do not intend that any term of any Contract will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party.
- 15.4 Neither party shall be liable for failure to perform its obligations under the Contract if such failure is caused by events beyond its reasonable control which shall include an Act of God, war, natural disaster, fire, flood, explosion or earthquake.

16. CHOICE OF LAW AND ARBITRATION

- 16.1 These Terms, each Contract and any disputes or claims arising out of or in connection with these Terms or any Contract (each a 'Dispute') shall be governed by, and construed in accordance with, English law.
- 16.2 Any unresolved Dispute shall be finally resolved by arbitration in accordance with this Clause 16.2. Either party may institute arbitration proceedings by giving written notice to that effect to the other party. Arbitration shall be conducted under the rules of the London Court of International Arbitration as then in effect, which rules are deemed to be incorporated by reference into this Clause 16.2. Disputes shall be referred to arbitration in England by one arbitrator appointed by the parties or, in the absence of agreement, by the President for the time being of the Chartered Institute of Arbitrators. Nothing in this Clause 16.2 shall prevent or prejudice either party seeking interim relief from any court of competent jurisdiction.

17. INSURANCE

- 17.1 Seller shall maintain appropriate insurance in respect of its obligations under the Contract including aviation risk (if applicable) and shall provide Buyer with appropriate evidence of the same upon request, even after termination of the Contract.

18. EXPORT CONTROLS

- 18.1 The Parties hereby acknowledge that the shipment, transfer or Delivery of any Item/and or technical documentation under these Terms may be subject to export laws and regulations of the United States (hereinafter referred to as "Export Control Regulations"), including respective compliance requirements such 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, and U.S. economic sanctions regulations (OFAC regulations), 31 CFR Parts 500-598.
- 18.2 Each Party further acknowledges its respective obligation to comply fully with applicable Export Control Regulations in connection with the performance of this Terms.
- 18.3 Seller agrees to ensure that any shipment, transfer or Delivery of any Item/and or technical documentation to Buyer under this Terms is in full compliance with applicable Export Regulations. In furtherance of its compliance obligations, Seller agrees to provide to Buyer prior to undertaking any shipment, transfer or Delivery of any Item/and or technical documentation the correct export classification of such Item e.g., the relevant category in the United States Munitions List (USML) or the Export Control Classification Number (ECCN) under the EAR and to provide all necessary information related thereto and shall otherwise provide to Buyer any reasonable assistance to ensure full compliance with applicable Export Control Regulations.
- 18.4 Seller shall inform Buyer if any shipment, transfer or Delivery of an Item/and or technical documentation under this Terms will require an export license or other authorisation under applicable Export Regulations, as well as any document that Buyer must complete or submit in connection with obtaining such export license or authorisation.
- 18.5 Seller agrees that, whenever any shipment, transfer or Delivery of an Item under this Terms requires an export license or other authorisation under applicable Export Regulations, it will obtain such license or authorisation at no cost to Buyer and in a manner that permits Delivery of the Item within the Lead Time set forth under this Terms.
- 18.6 For all Items/and or technical documentation delivered in accordance with this Terms, Seller agrees that it is the U.S. Principal Party in Interest (USPPI) and agrees to comply with all export control requirements, including export classification, licensing, and clearance responsibilities applicable to the USPPI in U.S. export transactions. In addition, for all Items/and or technical documentation delivered in accordance with this Terms, Seller agrees that Buyer is the Foreign Principal Party in Interest (FPPI), and Seller is authorized to act and agrees to act as Buyer's true and lawful agent for purposes of preparing and filing any Electronic Export Information in accordance with the export control laws and regulations of the United States.
- 18.7 Seller shall indemnify Buyer against all liabilities, losses, damages, claims, costs and expenses incurred or suffered by Buyer arising out of or relating to any noncompliance with Export Regulations by Seller or other breach of this Clause 18 by Seller.