General Purchase Terms and Conditions of Lufthansa Technik Aktiengesellschaft (LHT AG)

1. Scope of Application, Form

1.1. Agreements of LHT AG having purchases as subject matter, including but not limited to purchase agreements, contracts for work, contracts for work and materials, service contracts or other agreements dealing with deliveries or services (“Contracts”) shall be entered in accordance with these General Purchase Terms and Conditions (“GPTC”). This shall also apply to Contracts entered by LHT AG in the name and on behalf of third parties.

1.2. Deviating, contradicting or supplementing business terms and conditions of the respective contract partner of LHT AG (“Contractor”) shall only apply to the extent that LHT AG has given its explicit written consent thereto. If LHT AG fails to make any comments in this respect, this shall not constitute a recognition or acceptance of such terms and conditions, even if they were received by LHT AG or if LHT AG accepts contractual services of the Contractor without any reservation after having become aware of deviating, contradicting or supplementing business terms and conditions.

1.3. The acceptance of the order and the execution of the order placed by LHT AG shall be deemed as recognition and acceptance of these GPTC. In the event that the Contractor is not willing to accept these GPTC either in whole or in part, it shall be obliged to object to them towards LHT AG explicitly in text format (e.g. letter, e-mail, fax).

1.4. Individual agreements concluded with the Contractor in individual cases (inclusive of side agreements, supplements and amendments) shall in any case have priority over these GPTC. With respect to the contents of such agreements, a written contract or, as the case may be, the written confirmation of LHT AG shall, subject to counterevidence, be decisive.

1.5. Legally relevant declarations and statements with respect to concluded Contracts (e.g. specification of deadlines, reminders, cancellations) shall be made towards LHT AG at least in text format. Statutory formal requirements and any other evidence, especially in case of doubts concerning the legitimation of the person making the statement, shall remain unaffected.

2. Offer and Acceptance

2.1. Offers by LHT AG, including but not limited to orders, may be revoked by LHT AG at any time until the receipt of the order confirmation given by the Contractor.

2.2. The Contractor shall be bound to confirm the offers of LHT AG in text format within a reasonable period, at least, however, within a period of two [2] weeks after receipt of the offer or to execute them without any reservation. A delayed acceptance/confirmation shall be regarded as new offer and shall be subject to the acceptance on the part of LHT AG at least in text format.

2.3. Order confirmations deviating from offers shall be subject to confirmation by LHT AG at least in text format. In the event that this confirmation fails to be given within two [2] weeks, the Contract has not come into existence. Silence shall not constitute consent. Accepting deliveries or services or making payments shall not replace the statement of acceptance.

2.4. The prices quoted in the offers of LHT AG shall be prices without statutory sales tax, if any, but shall include all ancillary costs (including but not limited to transport costs, customs duties, packaging and insurance costs, costs of repossession and disposal of the packaging), unless explicitly otherwise provided for in the offer.

2.5. The examination of the offers of LHT AG as well as the preparation and presentation of offers by the Contractor shall be without any charge for LHT AG.

2.6. The acceptance of the Contractor’s offers on the part of LHT AG shall exclusively be made by a statement at least in text format.

3. Delivery and Service, Notice of Defects, Acceptance

3.1. Place of performance shall be the registered office of LHT AG in Hamburg.

3.2. Premature deliveries and partial deliveries may be rejected if they are not in the interest of LHT AG.
3.3.1. The Contractor is well aware that LHT AG is a company of the aviation industry and, as such, obliged to monitor its suppliers to a special degree. If LHT fulfils such monitoring duties by means of monitoring audits, LHT AG shall have the right to perform such monitoring audits at its own costs - where appropriate, also together with representatives of the competent aviation authority - as initial audits, follow-up audit or quality assurance audits with the Contractor during usual operation and business hours after having given an appropriate prior notice to this effect. This notice shall at least be given in text format. The scope of the monitoring audits shall be limited to the areas required to be monitored for quality assurance according to air traffic regulations and requirements. In this context, particularly the qualification of employees, extent and implementation of internal quality assurance measures, production processes, supplier chain and marking of products shall be audited.

To the extent admissible according to air traffic regulations, LHT AG undertakes towards the Contractor

- to perform the monitoring audits in a manner that unreasonable interruptions of the Contractor’s operations are avoided, if possible;
- to respect and protect affected participation rights, if any, of the Contractor’s works council during the performance of the monitoring audit; and
- to subject the persons implementing the monitoring audits to secrecy duties with respect to any and all information obtained within the framework of the monitoring audit it and to the extent that they are not relevant for the result of the monitoring audit.

3.3.2. In its capacity as company of the aviation industry, LHT AG shall furthermore be entitled to carry out audits with the Contractor - when appropriate, also via or together with representatives of the competent aviation authority - which are required by law or instructed by supervisory authorities; such audits shall be performed in accordance with the statutory and/or supervisory instructions applicable in each case and, in any other respect, according to the aforementioned provisions concerning monitoring audits.

3.3.3. In addition, LHT AG may in case of long-standing business relationships and threatening or already identified deficient deliveries and/or services carry out quality audits with the Contractor - when appropriate, also together with representatives of the competent aviation authority. The extent of the quality audit shall be limited to the inspection areas and to the preservation of evidence, as announced by LHT AG in advance. In any other respect, the provisions included in clause 3.3.1 shall apply mutatis mutandis.

3.3.4. Furthermore, LHT AG may perform any audit required for obtaining and maintaining certifications (e.g. DIN EN 9110 and DIN EN 9100). The scope of such audits shall be limited to the areas required for obtaining and maintaining the certification. In any other respect, the provisions included in clause 3.3.1 shall apply mutatis mutandis. The Contractor also undertakes to participate to the extent provided for in the respective certification standards in order to make the acquisition and maintenance of the certification by LHT AG possible.

3.3.5. The Contractor undertakes to grant LHT AG the necessary assistance as well as the access to relevant documents, production and operation locations and business premises, as required for the respective audit. Quality assurance measures which might be requested by LHT AG after the audit and which are necessary for complying with accepted engineering standards or safety regulations shall be taken by the Contractor at the latter’s expense. In the event that the Contractor refuses the implementation of the audit although it would not contradict its legitimate interests or if the Contractor refuses to eliminate reasons for complaints, LHT AG shall, after having set a deadline, be entitled to withdraw from the Contract or - in case of continuing obligations - to terminate the Contract for cause and, both in case of a withdrawal and in case of a termination for good cause, claim damages.

3.4. In the event of long-standing business relationships, the Contractor shall give LHT AG immediate notice of any changes in the Contractor’s company having an influence on the quality of deliveries or services, especially within the organization or location or with respect to production / manufacturing activities.

3.5. Delivery notes shall be attached outside on the packaging and shall include the order number, the article description and part number, the delivery quantities and attached certificates / documents as well as notices concerning partial deliveries, when applicable. Goods not coming from the territory of the European Union as well as deliveries belonging together shall be marked as such. In order to avoid incoming goods statements, the serial number must not have more than a maximum of 18 characters/digits. In case of orders sent via SPEC 2000, the serial number must not exceed a maximum of 15 characters/digits. In case of non-compliance with one of the aforementioned obligations, LHT AG shall have the right to refuse acceptance, unless the Contractor cannot be made liable for the failure to comply.
If the delivery note is missing or incomplete, LHT AG shall not be liable for delays in processing and payment resulting therefrom.

3.6. For the commercial obligations of inspection and defect notification, the statutory regulations (Sections 377, 381 HGB [German Commercial Code] shall apply subject to the following conditions: The inspection duty of LHT AG shall be limited to deficiencies which can be visually identified during incoming goods inspections by means of external examinations, inclusive of the delivery documents (e.g. transport damage, wrong and short deliveries) or during a quality control based on sample checks. If an acceptance is necessary or has been agreed upon, an inspection duty shall not exist. In any other respect, the extent to which an inspection is, in line with proper business procedures, expedient when taking all circumstances prevailing in the individual case into account shall be decisive. The duty to give notice in the event of defects identified at a later time shall remain unaffected. Irrespective of the inspection duty, a complaint (notice of defect) shall be deemed as given without any delay and in due time if it is sent within 5 working days after discovery or, in case of apparent deficiencies, after delivery. A notification of defects at a later time shall be sufficient when the circumstances of the individual case allow it.

3.7. The issue of receipts of delivery or the payment of deliveries or services made or rendered by the Contractor shall not constitute a waiver of potential warranty or other claims.

3.8. Without the prior written consent by LHT AG, the Contractor shall not be permitted to have the deliveries and services owed within the framework of the Contract made or rendered via or by third parties.

3.9. If, during the implementation of the Contract, existing components of a workpiece or other materials are replaced, LHT AG shall be given immediate written notice to this effect. The replaced former parts or materials shall be kept for a period of 30 days after complete fulfillment of the main contractual duties owed by the Contractor. If LHT AG does not request their surrender within this period, the Contractor shall be obliged to destroy the former parts and other materials at its own costs and to provide LHT AG with evidence to this effect. Another use of whatever kind shall in any case be excluded.

3.10. The Contractor shall be obliged to provide LHT AG - in electronic format, in the quantities requested by LHT AG and without any additional charge – with all maintenance manuals, service announcements, service information letters and other information necessary for LHT AG for using, maintaining or repairing the subject matter of deliveries or services as intended and as agreed upon ("Documentation"). This obligation shall also include subsequent changes or amendments to such documents. To the applicable extent, the Documentation shall comply with the ARINC 625 standard. The Documentation shall be addressed to:

LUFTHANSA TECHNIK AG
TECHNICAL DOCUMENTATION DEPTM
HAM OC DSC
Gebäude Nr. 116; Raum 160
Weg beim Jäger 160
22335 Hamburg
Germany
TECHNICAL.DOCUMENTATION@LHT.DLH.DE

3.11. The Contractor shall be obliged to inform LHT AG immediately, no later than upon delivery, in writing or text format whether goods ordered by LHT AG or materials for services ordered by LHT AG contain substances listed in the “Restricted Substances at Lufthansa” document (available at https://www.lufthansa-technik.com/de/purchasing). The information shall, in case of mixtures of substances, be given by means of a safety data sheet by taking the requirements according to Regulation (EC) no. 1272/2008 into due account and, in case of products, by complying with Art. 33 of Regulation (EC) no. 1907/2006 (“REACH Regulation”). In the event that the information is not delivered in due time or even fails to be delivered upon additional request made by LHT by setting an appropriate deadline, LHT AG shall be entitled to cancel the respective order.

3.12. If acceptance is necessary or has been agreed upon, the work shall exclusively be accepted by means of an explicit written statement on the part of LHT AG. Such statement by LHT AG shall be legally effective only if it has been signed by two employees of LHT AG holding a power of representation. An acceptance of the work without any reservation shall not result in a loss of warranty or other rights (except in case of positive awareness of a defect) or penalty claims by LHT AG. LHT AG shall, despite of an acceptance, be entitled to assert a possibly forfeited penalty until the final payment.
4. Transport, Delivery and Performance Period, Delay, Transfer of Risk

4.1. Delivery costs, including but not limited to packaging, dispatch and transport insurance costs, as well as costs for the repossession of the packaging, if LHT AG requests a return of packaging, shall be borne by the Contractor. If the Contractor fails to take it back by the fixed deadline, LHT AG may arrange for the disposal itself or have the packaging disposed of by third parties. Any costs arising in this context shall be borne by the Contractor.

4.2. The Contractor shall give LHT AG notice in text format of any occurring or threatening delays in delivery immediately after having become aware of them by indicating the number and date of the contract, the cause for the delay as well as the estimated delivery date. The receipt of said notice shall not include an extension of the delivery period agreed upon and shall not have an effect on the fact that a delay has occurred, unless LHT AG explicitly agrees to such an extension in writing. If such notice fails to be given or is given incompletely, the Contractor shall be liable for any damage arising therefrom, unless the Contractor has not acted culpably.

4.3. If LHT AG requests the Contractor to arrange for a direct connection to the respective IDI interface (Aeroexchange [AeroRepair Tool], OneAero [MRO Tracker Tool], SPEC2000, SPEC2000 via Aeroexchange) in order to ensure a fully automatic processing of relevant purchase and delivery data and the Contractor fails to establish the requested connection, the Contractor shall accept LHT AG’S determination of a delay in delivery by means of alternative or estimated data available to LHT AG as binding.

4.4. Damages due to delays in delivery by the Contractor shall entitle LHT AG to assert claims for compensation if the statutory requirements are satisfied. If the Contractor is in delay, LHT AG may - apart from any further statutory claims – request compensation for the damage caused by the delay at a flat rate of 0.25 % per completed calendar day of the net contract amount of the goods delivered with delay, but in no case more than 5 % of the net contract amount of the goods delivered with delay. LHT AG reserves the right to show that the damage incurred to it was higher. The Contractor reserves the right to show that LHT AG did not incur any damage at all or that the damage was much lower.

4.5. The Contractor shall bear the risk of loss, accidental destruction or accidental deterioration until all deliveries or services to LHT AG have been completed or, as the case may be, the work has been completely accepted by LHT AG at the place of performance. In case of deliveries from the United States of America carried out by a transport provider appointed by LHT AG, the Contractor shall bear the risk of loss, accidental destruction or accidental deterioration until delivery to the transport provider.

4.6. The Contractor guarantees to comply with the applicable regulations for materials relevant for aviation safety when transporting the consignments. In particular, the Contractor shall comply with the regulations of ADR, GGVSE [Ordinance on the Transport of Dangerous Goods by Road and Rail], ATA 300, IATA-DGR, ICAO-TI, IMDG-Code and RID for the shipment of such goods.

5. Defective Performance, Representations, Warranty, Manufacturer’s Liability and Statute of Limitation

5.1. The Contractor undertakes to perform faultlessly. The Contractor shall, above all, be obliged

- to use exclusively the materials provided for in the Contract or otherwise agreed upon and to comply with measurements and quantities specified by LHT AG in the Contract. Deviations shall be permitted only after LHT AG has given its prior written consent thereto;

- to attach to the deliveries any and all certifications and documents provided for in the Contract as well as all other documents necessary for the use of the deliveries for the purposes intended according to the Contract or the necessity of which can be learned from the intended purpose of use according to the Contract. The Contractor shall assume responsibility for the compliance of material certificates with applicable aviation regulations and the requirements specified by LHT AG;

- to ensure that the deliveries or services correspond to the statutory regulations in the Federal Republic of Germany as well as national and international aviation regulations, including but not limited to safety regulations, and all other applicable accident prevention, environmental or occupational safety regulations and the generally accepted engineering standards;

- to ensure that the deliveries or services do not violate any industrial property rights held by third parties and are not encumbered by any other rights of third parties. In case of faults on its part, the Contractor shall be obliged to indemnify and hold LHT AG harmless with respect to rights asserted by third parties against LHT AG due to an infringement of industrial property rights in connection with the delivery or service of the Contractor. This obligation to hold LHT AG harmless shall particularly include
any costs incurred by LHT AG for a necessary legal defense and any compensation for damages to be paid by it. In case of claims by third parties, LHT AG shall be entitled to request the Contractor to submit a reasonable security up to the amount of the expected damage.

In the event of a culpable breach of the aforementioned duties, LHT AG shall, in addition, be entitled to request the Contractor to pay a contractual penalty in the amount of 5 % of the net contract amount. The contractual penalty shall be credited to damages, if any, to be paid by the Contractor.

5.3. Subsequent performance shall also include the removal of the defective goods and its new installation with LHT AG or one of the latter’s customers if the goods were, according to their intended purpose, installed into another item. The costs arisen for investigations and subsequent performance by the Contractor (inclusive of removal and installation costs, if any) shall be borne by the latter also if it turns out that there was in fact no defect. The liability for damages of LHT AG shall in case of unjustified request to remedy a defect remain unaffected; to this extent, however, LHT AG shall be liable only if it actually recognized or acted with gross negligence in failing to recognize that there was no defect.

5.4. If the Contractor fails to come up to its obligation for subsequent performance - at the option of LHT AG either by eliminating the defect (subsequent improvement) or by delivering a faultless item (replacement delivery) - within a reasonable period specified by LHT AG, the latter may eliminate the defect itself and request compensation for the efforts necessary in this context or, as the case may be, a corresponding advance payment from the Contractor. If the subsequent performance by the Contractor fails to be successful or is unreasonable for LHT AG (e.g. due to particular urgency, risk to operational safety or imminent occurrence of disproportionate damages), there shall be no need to set a deadline; LHT AG shall give the Contractor immediate or, if possible, prior notice of such circumstances.

5.5. With respect to its claims for damages, LHT AG shall not be restricted to its interest in contract performance. The obligation to pay damages shall particularly also include all costs, fees and expenses.

5.6. In case of faults on the part of the Contractor, the latter shall hold LHT AG harmless with respect to all claims by third parties based on defective deliveries or services of the Contractor.

5.7. If the Contractor is liable for a damage at a product, it shall to this extent be obliged to hold LHT AG harmless with respect to claims by third parties if and when the damage cause lies within its range of command and organization and the Contractor is, in the legal relationship to third parties, liable itself.

5.8. The Contractor shall with respect to the volume of its activities for LHT AG be obliged to conclude and maintain a reasonable business liability insurance. To the extent that, due to the services to be rendered, the aviation risk could manifest itself, the insurance shall cover this risk, too. Upon request of LHT AG, evidence of the insurance must be submitted, also after contract fulfillment. In the event that said insurance has not been taken out, LHT AG shall be entitled to request the Contractor to take it out and give evidence of its conclusion by a deadline specified by LHT AG. If the Contractor fails to come up to this request within the specified period, LHT AG shall be entitled to withdraw from the Contract and to claim damages instead of and/or apart from contract performance. Irrespective thereof, LHT AG shall have the right to request the Contractor to pay a contractual penalty of 5 % of the net contract amount if the Contractor fails to submit the evidence within a reasonable period specified by LHT AG, unless the Contractor cannot be made liable for the absence of evidence.

5.9. Warranty claims of LHT AG against the Contractor shall become statute-barred as follows:

- Warranty claims for material defects shall become statute-barred three [3] years after the complete rendering of services, handing over or acceptance at the place of performance. This limitation period of 3 years shall mutatis mutandis also apply to claims based on defective titles, with the statutory limitation period regarding in rem claims for return on the part of third parties (Section 438 (1) no. 1 BGB [German Civil Code] remaining unaffected; claims based on defective titles shall in no case become statute-barred as long as the third party is still able - particularly in the absence of limitation of time - to assert the right against LHT AG.

- Warranty claims for material defects based on defects at buildings and objects which were, in accordance with their usual intended purpose, used for a building and caused its defectiveness, shall - in derogation from Section 438 (1) no. 2 BGB - become statute-barred six [6] years after acceptance or handing over.

5.10. Upon receipt of the written notice of defects sent by LHT AG to the Contractor, the limitation period for warranty claims shall be suspended. In case of replacement delivery and elimination of defects, the warranty period for replaced and subsequently improved parts shall start anew, unless LHT AG must, against the background of the conduct on the part of the Contractor, assume that the latter did not feel
obliged to take such measures, but instead carried out the replacement delivery or eliminated the defects as a gesture of goodwill or for similar reasons only.

5.11. To the extent that the law provides for a later start of the period of limitation, the law shall apply, in particular in the event of claims for damages due to injuries to life, body or health or to the freedom of people.

6. Recourse against Suppliers

6.1 LHT AG shall, apart from claims for defects, be entitled to assert the statutory claims of recourse within the supply chain (Sections 445a, 45b, 478 BGB [German Civil Code] without any restriction. LHT AG shall, in particular, be entitled to request exactly the kind of subsequent performance (subsequent improvement or replacement delivery) it owes towards its customer in the individual case. The statutory right to choose held by LHT AG (Section 439 (1) BGB shall remain unaffected.

6.2. Before LHT AG accepts or fulfills a claims for defects asserted by a customer (including reimbursement of expenses according to Section 445a (1), 439 (2) and (3) BGB), it shall give the Contractor notice and, giving a brief description of the facts, ask the latter to give its written comments. In the event that substantiated comments fail to be given within a reasonable period and, furthermore, a mutual solution fails to be reached, the claim for defects actually allowed by LHT AG shall be deemed to be owed towards its customer. In this case, the burden to submit evidence to the contrary shall lie with the Contractor.

6.3. The claims of LHT AG based on supplier recourse shall also apply if the goods were, prior to their sale, processed by LHT AG or one of its customers by installing it into another item.

7. Invoices, Payment, Set-Off, Retention

7.1. Invoices shall include the order number and item, the ordering date and the quantity together with prices per unit and item and be addressed to the billing address indicated in the Contract. Invoices shall comply with tax regulations, including sales tax provisions. Invoices for partial deliveries shall be marked as such. Invoices deviating from the provisions in sentence 1 or 2 shall result in a right of retention on the part of LHT AG.

7.2. Payments by LHT AG shall be made within 30 days after complete delivery or service rendering by the Contractor or, if LHT AG receives an invoice or a similar payment schedule after receipt of the deliveries or services of the Contractor, 30 days after receipt of said invoice or payment schedule by LHT AG. In the event that the Contractor fulfills its duties already prior to the delivery date agreed upon, this shall not result in a premature payment date of its claims. In the absence of other agreements, partial invoices shall be settled only after complete fulfillment of the Contract. In the event of payments within two weeks after complete fulfillment of the Contract and invoice receipt, LHT AG shall have the right to deduct a cash discount of three percent from the Contractor’s claim.

7.3. LHT AG shall not owe any interest on maturity.

7.4. The Contractor shall only be entitled to rights of set-off or retention if they have been determined with legal effect or are undisputed.

8. Further Processing, Retention of Title

8.1. A processing, mixing or combination (further processing) of provided items on the part of the Contractor shall take place for LHT AG. The same shall apply in case of a further processing of the delivered goods by LHT AG, with the result that LHT AG is regarded as producer and, according to statutory provisions, acquires title to the product no later than upon its further processing.

8.2. The transfer of the goods to LHT AG shall take place without any reservations and without taking the payment of the price into consideration. But if, in an individual case, LHT AG accepts an offer of transfer by the Contractor that depends upon the payment of the purchase price, the retention of title by the Contractor shall cease to exist no later than upon payment of the purchase price for the delivered goods. Also prior to the payment of the purchase price, LHT AG shall, in the ordinary course of business, be entitled to resell the goods under the condition of an advance assignment of the claim arising therefrom. By this, all other forms of title retention, including but not limited to the extended and forwarded title
retention and the title retention prolonged to cover further processing activities shall in any case be excluded.

9. Export Control Law

9.1. The Parties accept and agree that the rendering of the contractually owed service or delivery shall be subject to the export control legislation of the European Union, the Federal Republic of Germany and the United States of America (together called “Export Control Law”), including but not limited to the corresponding provisions according to the U.S. Export Administration Regulations (EAR), 15 CFR Parts 730-774 or the provisions in the International Traffic in Arms Regulations (ITAR), 22 CFR Parts 120-130.

9.2. Each Party accepts and agrees to the reciprocal obligation to comply with the applicable Export Control Law when implementing the Contract. As part of this obligation, the Contractor covenants that the contractually owed service or delivery shall be rendered for LHT AG by complying with the applicable Export Control Law.

9.3. Prior to making or rendering the contractually owed delivery or service, the Contractor shall inform LHT AG about the correct export classification (e.g. integration into the export list of the German Federal Office of Economics and Export Control, integration into the respective category of the United States Munitions List or the Export Control Classification Number, as provided for in the U.S. American Export Administration Regulations) of the goods used for rendering the service or making the delivery and shall make any information necessary in this context available to LHT AG. Upon its request, the Contractor shall provide adequate support for LHT AG in order to ensure compliance with the Export Control Law. As part of this support, the Contractor shall give LHT AG notice whether the rendering of a contractually owed service or delivery is subject to an export permit pursuant to the applicable Export Control Law and whether LHT AG has to provide certain documents for obtaining the export permit.

9.4. For every contractually owed service or delivery that is subject to an export permit pursuant to the Export Control Law, the Contractor shall, without any charge and within the performance period agreed upon, obtain a corresponding permit for LHT AG.

9.5. If the Contractor is the “U.S. Principal Party in Interest (USPPI)”, it shall undertake to comply with any and all USPPI-related provisions applicable for U.S. American export transactions. If LHT AG is the “Foreign Principal Party in Interest (FPPI)”, the Contractor shall be entitled and obliged to act as representative of LHT AG to the extent that ‘Electronic Export Information’ pursuant to U.S. American Export Control Law must be drawn up and sent to the competent authority.

10. Licenses

If the Contractor renders contractual research and development services in return for payment, it shall as soon as upon conclusion of the Contract assign to LHT AG any and all rights in the deliverables, inclusive of the rights in inventions and works subject to copyright law, if any, and undertakes to make any and all efforts to make such assignment of rights possible. To the extent that such assignment of all rights is not possible, the Contractor shall grant LHT AG the exclusive, irrevocable, worldwide, transferable and sublicensable right valid for the complete term of protection to use and exploit these deliverables for any kind of purposes and application possibilities in the aviation industry.

11. Compliance

11.1. The Contractor warrants that

- this Contract and the business relationship concluded on the basis of this Contract as well as the Contractor’s activities within this framework do not and will not infringe any statutory regulations concerning bribery and/or corruption, including but not limited to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the related implementing legislation and do not result in an infringement of such regulations on the part of LHT AG and that, furthermore, the Contractor will in connection with the deliveries or services comply with the applicable statutory regulations and provisions in this Contract at any time during the contract term;
- neither the Contractor nor, with knowledge on the part of the Contractor, any other person, including but not limited to employees or agents of the Contractor has, either directly or indirectly, offered or will offer a monetary payment or benefit in kind, a loan, gift, donation or any other asset of value in favor of a person in charge or an employee of a government body, state authority or state agency, state-
owned enterprise, international government organization, political candidate or political party or official of such party or a person acting in an official capacity for the above-named persons (together “Government Officials”) or another person with the intention to obtain an unlawful advantage;

- the Contractor shall give LHT AG notice of any change of the ownership structure within a period of four weeks.

11.2. LHT AG shall, irrespective of any other rights, be entitled to terminate this Contract and any and all annexes as well as all other contractual relationships without prior notice either in total or in part whenever LHT AG gets knowledge of the fact or there is any suspicion that the Contractor infringes the duties according to this Article and/or that the information provided in the supplier questionnaire is incorrect.

11.3 LHT AG shall be entitled to carry out an anti-corruption audit of the Contractor’s business records to the necessary and pertinent extent in order to ensure that the Contractor complies with the obligations owed by it according to this Article.

12. Corporate Social Responsibility, Personnel-Related Obligations

12.1 As substantial contractual obligation, the Contractor undertakes to comply with the 10 principles of the UN Global Compact as well as with the 4 core labor standards of the International Labor Organization (ILO). LHT AG does not expect that the Contractor subjects its suppliers to the same obligations.

12.2.1 The Contractor undertakes to observe the statutory provisions concerning black labor, the German employee assignment act (Arbeitnehmerentsendegesetz), the German temporary employment act (AÜG), the German minimum wage act (Mindestlohngesetz) and, in addition, to employ only subcontractors or other third parties who oblige themselves to act correspondingly.

12.2.2 The Contractor undertakes to hold LHT AG harmless with respect to claims of third parties, including but not limited to employees, public authorities, social insurance carriers, trade associations, professional associations and organizations, which are asserted in connection with a failure to comply with the obligations arising from Art. 12.2.1. In the event that the Contractor fails to fulfil the indicated statutory obligations, LHT AG shall also be entitled to terminate the Contract for good cause without being obliged to send a prior reminder or threat of termination. The same shall apply if a subcontractor of the Contractor infringes these obligations. LHT AG reserves the right to assert further claims for damages.

13. Confidentiality, Provided Documents and Assignment

13.1. The contractual relationship and any and all information disclosed by LHT AG towards the Contractor within the framework of the initiation and implementation of the Contract shall be treated confidentially by the Contractor and must not be published or made available to third parties without the prior written consent of LHT AG. The Contractor undertakes to use this information exclusively for the purposes of the Contract. This shall not apply to the extent that the Contract or the indicated information

- was already known by the Contractor or publicly known prior to its disclosure; or
- becomes publicly known after its disclosure without any infringement of the Contract on the part of the Contractor, or
- must be disclosed by the Contractor towards third parties on the basis of statutory provisions or instructions given by public authorities.

13.2. LHT AG shall reserve the ownership rights and copyrights in illustrations, plans, drawings, calculations, implementation instructions, product descriptions and any other documents. Such documents must exclusively be used for the contractual delivery/service and shall, upon request of LHT AG, be returned after execution of the Contract. The conditions of the order as well as all information and documents made available for this purpose shall, also after contract termination, be kept secret towards third parties. The secrecy obligation shall cease to exist only when and to the extent that the knowledge forming part of the provided documents has become publicly known.

13.3. The preceding provision shall mutatis mutandis apply to substances and materials as well as to tools, templates and other items provided to the Contractor by LHT AG for manufacturing purposes. As long as they have not been processed, such items shall, at the expense of the Contractor, be kept separately and be adequately insured against destruction and loss.
13.4. Without the prior written consent by LHT AG, the Contractor shall not be permitted to make reference to the business relationship in advertising material, brochures etc. or to display items produced for LHT AG. The Contractor shall inform its subcontractors, if any, correspondingly.

13.5. The Contractor shall not be entitled to assign its claims arising from the contractual relationship to third parties. This shall not apply in case of monetary claims.

13.6. The Contractor shall give LHT AG immediate notice of any change, above all with respect to address, ownership structure, company name, legal status, aviation permits etc.; this notice shall at least be given in text format and has to be addressed to the commercial contact person.

14. Privacy

Each Party shall comply with the applicable statutory regulations when processing personal data. To the extent that LHT AG entrusts the Contractor with the processing of personal data within the meaning of data processing pursuant to Art. 28 GDPR, the Parties shall conclude a separate agreement on data processing.

15. Place of Jurisdiction, Choice of Law, Severability Clause, Language

15.1. If the Contractor is a merchant, as defined in the German Commercial Code (HGB), a legal person under public law or a special fund under public law, the exclusive - also international - place of jurisdiction for any and all disputes arising from or in connection with the Contract shall be the registered office of LHT AG in Hamburg. LHT AG shall, however, in all cases have the right to file an action at the place of performance of the owed delivery or service or of an overriding individual agreement or at the place of general jurisdiction of the Contractor. Predominant statutory provisions, inclusive of those concerning exclusive jurisdictions, shall remain unaffected.

15.2. The exclusive applicable law for these GPTC and all legal relationships between LHT AG and the Contractor shall be the law of the Federal Republic of Germany, to the exclusion of the rules of private international law. The applicability of the United Nations Convention on Contracts for the International Sale of Goods (CISG) shall be excluded.

15.3. If individual provisions in this Contract or in these GPTC or parts thereof are or become ineffective, the effectiveness of the remaining provisions and of the Contract shall remain unaffected.

15.4. In the event of discrepancies between the English and the German version of these GPTC, the German version shall prevail.

State: 09/16/2019