

## Standard Terms and Conditions for Maintenance Services Performed by Lufthansa Technik Shenzhen Co., Ltd.

### 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 and if the maintenance was carried out in accordance with the applicable maintenance requirements and if the aircraft or Component was released to service.

**Certificate of Release to Service** The issuance of a Certificate of Release to Service by the maintenance organization approved by the applicable authority confirming, unless otherwise specified, that the Maintenance Service listed therein has been carried out in conformity with the applicable requirements (e. g. CAAC Part-145 or EASA Part-145 requirements) by appropriate authorized personnel of the maintenance organization and in accordance with the applicable Maintenance organization exposition, and that the Maintenance Object has been released to service.

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

**Customer** An Entrepreneur that concludes or intends to conclude a Customer Agreement.

**Customer Agreement** A contract between LTS and the Customer under which LTS agrees to perform the Maintenance Service on one or more Maintenance Object(s) in return for payment by the Customer.

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

**Entrepreneur** A natural or legal person or a partnership with legal personality who or which, when entering into a legal transaction, acts in exercise of his or its trade, business or profession.

**Flight Hour** Each hour that the aircraft is airborne.

**LTS** Lufthansa Technik Shenzhen Co., Ltd.

**Maintenance Object** Any aircraft or Component delivered to LTS by the Customer in relation to which the Maintenance Service is to be performed by LTS.

**Maintenance Service** One or a combination of the following actions: overhaul, repair, inspection, testing, replacement, modification or rectification of an aircraft, an engine or a Component to be performed by LTS as agreed in the Customer Agreement.

**Place of Performance** Has the meaning set forth in Article 4.

**Subcontractor** Any person, legal or natural, other than employees of LTS, engaged by LTS to support LTS in the performance of its obligations under the Customer Agreement.

**Vicarious Agents** LTS' personnel and other persons, e. g. Subcontractors, whom LTS assigns to support LTS 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 LTS expressly waives the applicability in written form, and only as far as LTS and the Customer have not agreed on any other terms and conditions provided by LTS.

1.2 The Customer's standard terms and conditions shall not become an integral part of the Customer Agreement, even if LTS has not expressly rejected their applicability. Further, if LTS 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 by LTS shall be non-binding.

2.2 Orders submitted by the Customer are binding.

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

### 3. Scope of Maintenance Service

3.1 The scope of any Maintenance Service requested shall be stated in the order placed by the Customer and, if agreed, shall be confirmed in the order confirmation submitted by LTS.

3.2 LTS is entitled, without the prior consent of the Customer but at the Customer's expense, to perform additional services that LTS may consider 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 LTS in accordance with the Lufthansa Technik Shenzhen's Quality Manual and Procedures as approved by the General Administration of Civil Aviation of China (CAAC) unless otherwise instructed by the Customer.

3.4 Any entries in the aircraft technical log book of the Maintenance Object by LTS do not constitute any indication with respect to the Airworthiness of the aircraft as a whole. However, the signature does constitute a Certificate of Release to Service with respect of the scope of the Maintenance Service.

### 4. Place of Performance

The Place of Performance of the Maintenance Service shall be the LTS service facility site specified in the Customer Agreement. Should the Customer Agreement specify no particular LTS service facility, Place of Performance shall be the LTS facility at which LTS received the Maintenance Object.

### 5. Customer's Obligations

5.1 The Customer shall supply LTS with the Customer's Working Equipment and with any related documents (including without limitation all relevant instruction manuals and special documentation not at LTS' disposal) and with all documents on the operation, maintenance and repair history of the Maintenance Object necessary for completing the Maintenance Service.

5.2 If the Customer fails to supply LTS with all documents as per Article 5.1 above or if such documents are incomprehensible or incomplete, LTS is entitled to 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 paper documents and documents in all other format, including without limitation electronic formats.

5.3 If the Customer does not comply with the request according to Article 5.2 in due time, LTS is entitled to terminate the Customer Agreement immediately, effective as soon as it gives notice. In such circumstances, LTS shall be entitled to payment for those parts of the Maintenance Service which it had already performed prior to giving such notice of termination.

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

5.5 Customer shall treat as strictly confidential any information disclosed by LTS 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 personal, business, technical and strategic data disclosed by LTS 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. Delivery

The delivery of each Maintenance Object and the Customer's Working Equipment to the Place of Performance of the Maintenance Service shall be at the Customer's risk and expense, unless otherwise agreed in the Customer Agreement.

### 7. Redelivery Dates

7.1 Unless they have been explicitly and in writing declared as binding, redelivery dates indicated by LTS are provisional, non-binding, and shall serve as general information only.

7.2 If LTS becomes aware that it is likely to miss the redelivery date, LTS will promptly notify the Customer.

### 8. Redelivery

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

8.2 No later than one week after (i) LTS has notified the Customer that the Maintenance Service has been completed or (ii) the date of termination in the Customer Agreement, the Customer shall collect the Maintenance Object at the Place of Performance.

8.3 If the Customer fails to comply with Article 8.2 within one week after having received notice, the Customer shall compensate LTS for any expenses it incurs in connection with the storage of the Maintenance Object. The compensation shall include a fee of EUR 75.00 per day, notwithstanding any further claims for damages and for compensation of expenses, unless Customer can prove that LTS' actual damage is smaller than this amount.

8.4 Customer may request that LTS supports Customer in arranging for shipment of the Maintenance Object to another place as the one specified in Article 8.1 above. Any shipment arrangements made by LTS shall be in the name and on behalf of Customer. The Customer shall bear all shipping cost including the cost for packing material.

### 9. Warranty

9.1 A defect shall only be subject to warranty if it arises within twelve months or within one thousand Flight Hours after redelivery, whichever may occur first.

9.2 A warranty claim must be raised by Customer within thirty days after the defect has or could have become reasonably apparent and LTS must be provided at the Place of Performance with the defective part for inspection and repair within 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 LTS.

9.3 LTS'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 LTS, or (ii) if the defect has been caused by the Customer's Working Equipment or any material supplied by Customer, or (iii) if the Customer has not taken all reasonable precautions to prevent an aggravation of the defect or damage, or (iv) if the Customer does not comply with operating instructions provided by LTS or the respective aircraft or Component design authorization. As long as the Customer is in default with its payment obligations, LTS may exercise its right of retention and may therefore refuse to meet warranty claims until full payment has been made.

9.4 Provided that suppliers grant LTS warranty rights for material or services beyond the scope of LTS' warranty as set forth in Article 9.1 and 9.2 above, customer may request LTS to assign any such warranty rights. Further, upon request, LTS shall support Customer in pursuing such warranty rights.

9.5 Material provided by the Customer must at all times have been stored, handled and operated in accordance with the manufacturer's recommendations.

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

9.7 LTS shall correct any defect covered by this warranty at its own cost and expense at the Place of Performance or at any other place Customer and LTS may agree upon from time to time. If the Customer requests LTS to correct the defect of a Component at another location as the Place of Performance, the Customer shall arrange at its own risk and expense for the removal and transport of the defective Components to and from the location where the repair shall be made and for the reinstallation of the respective Component.

9.8 The warranty set forth in this Article 9 shall be the exclusive and sole remedy for Customer in case of any defect.

9.9 Articles 9.1 and 9.2 shall not apply to a possible claim for damages. Articles 9.1 and 9.2 shall also not apply if LTS has concealed the defect intentionally or has given a written durability guarantee or warranted certain properties of the repair.

9.10 Articles 9.1, 9.2, 9.3 and 9.5 shall not affect any other limitations of LTS's liability, or restrictions of the Customer's rights and claims against LTS in these Standard Terms and Conditions and/or under applicable law.

### 10. Limitation of Liability for Compensatory Damages

10.1 LTS' liability for damages in case of minor negligence of LTS, its statutory representatives and Vicarious Agents shall be excluded, provided the liability does not concern any damages arising from injury to life, limb or health.

10.2 To the extent LTS is liable in accordance with Article 10.1, LTS' liability shall be further limited as follows: LTS 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 gross negligence, malicious or willful acts (or upon gross negligence, malicious or willful acts of LTS' statutory representatives or its Vicarious Agents), nor are caused by injury to life, limb or health.

### 11. Insurance

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

- Hull All Risks Insurance as well as an All Risk Property Insurance including war risks containing a waiver of subrogation in favour of LTS, its personnel and its Subcontractors.
- Comprehensive Airline Legal Liability Insurance including aircraft third party, passenger and war risk liability with a combined single limit in accordance with article 7 regulation (EC) Nr. 785/2004 naming LTS, its personnel and its Subcontractors as additional insured parties.

11.2 If the Customer has ordered the Maintenance Service from LTS on behalf of a third party, the Customer shall procure that such third party obtains and maintains the insurances specified according to Article 11.1.

### 12. Prices and Payments

12.1 LTS shall issue an invoice after redelivery of the Maintenance Object according to Article 8 and Customer shall pay within ten days from receipt of LTS' invoice.

12.2 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 LTS. In the event any such tax or duty is recoverable, LTS shall use reasonable efforts to recover such tax or duty paid.

12.3 Customer agrees that any dispute with regard to a payment obligation and any claim for reimbursement shall be made within one month after receipt of the invoice as per Article 12.1. Disputes or claims not made within this period shall be excluded and constitutes acceptance of the invoice by Customer.

12.4 To the extent permitted by the applicable PRC laws, Customer shall make payment in the contractually agreed currency. Any payment made in any currency other than the contractually agreed currency shall be exchanged at the exchange rate on the date the payment is valued to LTS' account. Customer remains liable for any shortfall to the amount owed resulting from such exchange.

12.5 The Customer shall not be entitled to set off any claims against LTS' claims, unless such claims are determined in its favour by the final decision of a competent court or are undisputed. The Customer may only exercise a right of retention if its counterclaim has been determined in its favour by the final decision of a competent court or is undisputed.

### 13. Property and IP Rights

13.1 Title to all Material supplied by LTS under the Customer Agreement shall remain with LTS until complete payment of all amounts due under the Customer Agreement.

13.2 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 LTS to Customer under the Customer Agreement, shall remain with LTS or any third party which is entitled to such IP Rights.

### 14. Lien and Right of Retention

14.1 In the event that Customer fails to comply with its payment obligations under the Customer Agreement, LTS has by virtue of the Maintenance Service performed a contractual right of retention and a contractual lien with respect to the Maintenance Object in its custody as well as with respect to other items of Customer in LTS' custody to secure any claims of LTS against Customer out of or in connection with the Customer Agreement as well as to secure any claims of affiliates of LTS against Customer. These rights as well as a set-off right may also be claimed for Services performed or Material supplied previously. The right of retention and the lien as well as a right to set off any due claims of LTS against Customer with claims of Customer against LTS may also be applied with respect to claims resulting from a contractual relationship of Customer and Deutsche Lufthansa AG and/or any of its affiliates.

14.2 LTS 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 of Customer and LTS or Customer and Deutsche Lufthansa AG and/or any of its affiliates have been made.

### 15. Customs Clearance

According to applicable laws, the Customer is obligated to perform the customs clearance for import and export 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 applicable laws. If assigned and agreed in writing, LTS will perform the necessary customs clearance in the name and on behalf of the Customer or on behalf of LTS. In these cases, the Customer is obligated to provide LTS with all necessary information and documentation (especially any required licenses regarding prohibitions and restrictions). LTS 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 have to be borne by the Customer or will be charged by LTS to Customer.

### 16. Export Clause

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 LTS's request, Customer shall promptly provide LTS with appropriate certifications as required by such applicable export laws and regulations, or as necessary to ensure continuing compliance with such laws and regulations.

### 17. Applicable Law and Venue

17.1 These Standard Terms and Conditions shall be deemed to be subject to, and have been made under, and shall be construed and interpreted in accordance with, the laws of the People's Republic of China without regard to its laws on conflicts of laws. The Convention on the International Sale of Goods (CISG) shall not apply.

17.2 The parties agree upon the exclusive jurisdiction of the courts of the People's Republic of China, with respect to all claims, causes of action and disputes arising out of these Standard Terms and Conditions and/or the Customer Agreement.

### 18. Amendments

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