

# General Procurement Conditions of LSG Lufthansa Service Holding AG and its Group companies

## Art. 1 General – Scope

**1.1** These General Procurement Conditions (hereinafter: "GPCs") govern in principle the legal relationship between LSG Lufthansa Service Holding AG or its Group companies (each company referred to hereinafter as "LSG") and its contracting partners (each company referred to hereinafter as "Supplier") in the procurement of goods, work and/or services by LSG.

**1.2** Any conflicting or deviating terms and conditions shall not apply even if not rejected in a particular case. These GPCs apply only where the customer is an entrepreneur or a legal entity or a special fund under public law.

## Art. 2 Definitions and written-form requirement

**2.1** Procurement contracts within the meaning of these Conditions may be framework or quantity agreements or individual contracts covering goods or services.

**2.1.1** Framework agreement: Framework agreements are procurement contracts for specified articles or services having a definite term and defined prices without fixed order quantities.

**2.1.2** Quantity agreement: Quantity agreements are procurement contracts for specified articles or services with a definite or indefinite term and defined prices and quantities.

**2.1.3** Individual contract: Individual contracts are procurement contracts for an individual article or individual service.

**2.2** All procurement contracts shall be in writing. Failing other express arrangements, email transmission of orders by LSG to the Supplier shall suffice.

**2.3** LSG shall be entitled to revoke its order pending receipt of the Supplier's written order acknowledgement. Orders should be acknowledged within 2 weeks of their receipt.

## Art. 3 Delivery, default

**3.1** In the event that the delivered goods deviate from the procurement contract or from the order, LSG shall be bound only if it has given its written consent to the deviation prior to delivery. This shall also apply to any part-deliveries or early deliveries. Acceptance of deliveries and services, the issuance of receipts or any payment on the part of LSG shall not, *per se*, be deemed to constitute consent. Acceptance of deliveries is confined to the receiving unit indicated to the Supplier or to the forwarder authorized by LSG. Acceptance of deliveries by unauthorized personnel shall in no case involve a loss of rights on the part of LSG.

**3.2** Deliveries of goods shall be accompanied by delivery notes in duplicate. Handover of the goods shall be receipted by LSG (receipt for goods shipped). In the event of any collection (agreed in a departure from Art. 4.1) by a contractor commissioned by LSG, handover of the goods shall be receipted by the contractor. The Supplier shall be responsible for obtaining receipts for goods shipped.

**3.3** Time and place of delivery specified in the procurement contract or the order are binding. The crucial date for adherence to a delivery term or deadline is the date of receipt of goods at LSG premises. Failing other written arrangements, deliveries shall be delivered according to DDP, see Incoterms 2000, 13 on the ramp of LSG operation and Supplier undertakes to unload the goods on the ramp of LSG operation. This shall also apply to any specimens.

**3.4** If the contractual service consists in work, adherence to the delivery time shall depend on the acceptance or acceptability of the work.

**3.5** The Supplier undertakes to notify LSG in writing without delay, and orally in advance, if circumstances have occurred or are foreseeable that point to possible non-adherence to the agreed delivery time.

**3.6** In the event of default in delivery, LSG shall be entitled to claim all rights offered by the provisions of statute. Moreover, in the event that the Supplier is in default, LSG shall be entitled to demand a contractual penalty amounting to 0.3% of the value of the delayed delivery or service per day, though max. 5% of the total order value. The Supplier is free to demonstrate that no or less outlays have been incurred. The contractual penalty shall count toward the total amount of any claim for loss caused by the delay. LSG reserves the right to claim the contractual penalty

pending final payment. For the rest, this shall not affect any further-going claims and rights.

**3.7** Delivery notes shall contain the following particulars: number of the delivery note, quantity delivered, agreed article designation and number, place of performance, contract or order number and date. In the case of incomplete data, the arrangement under Art. 6.2, sent. 4, shall apply by analogy.

**3.8** In the case of any deliveries from abroad, an additional copy of the delivery note and, where necessary, the appropriate import records shall be attached to the delivery.

**3.9** At the demand of LSG, the Supplier undertakes to include the requested documents, a certificate of origin, manufacturer and/ or preference certification, with the shipment free of charge.

## Art. 4 Prices and offset

**4.1** The prices specified in the various orders or contracts are, in principle, without value-added tax (VAT) but, failing other express contractual arrangements between the parties, include the costs of transport, packaging and return or disposal of the outer packaging. They are fixed prices and rule out any subsequent demands on the part of the Supplier.

**4.2** The Supplier affirms that the calculation of the agreed prices and any transport costs, wherever these are to be borne by LSG in exceptional cases, is not based on any taxes or levies that may be remitted for whatever legal reason. Should any such taxes or levies form the basis for the Supplier's pricing, the price shall be deemed to be reduced by such amounts. If any or all of these levies are remitted or reimbursed to the Supplier following conclusion of a procurement contract, it shall reimburse LSG in the full amount.

**4.3** The Supplier may only offset such claims of LSG as are undisputed or final. No claims of the Supplier against LSG may be assigned to third parties without the prior written consent of LSG. Payments may be made only to the Supplier.

## Art. 5 Payment terms

Failing other written agreements, payments shall be made within 60 days. Payments within 14 days are subject to deduction of 3% discount and within 30 days to deduction of 2% discount. These payment periods commence upon complete delivery or acceptance and receipt of a due and proper invoice.

## Art. 6 Invoices

**6.1** The Supplier's invoices for goods shall be drawn up only on the basis of the receipted delivery note. A separate invoice shall be produced in respect of each delivery at each place of delivery or each collection agreed (in a departure from Art. 4.1) by LSG or a contractor commissioned by LSG.

**6.2** Invoices drawn up by the Supplier shall contain the same data as the receipted delivery note. The contractually agreed price shall be stated in the invoice. If an invoice contains deviating or incomplete particulars, LSG may, at its discretion, correct or supplement any incorrect or missing particulars or else return it to the Supplier for verification. At any event, the payment term pursuant to Art. 5 shall not apply until correction or until LSG has received the invoice verified by the Supplier.

**6.3** The parties may contractually agree on settlement via the Evaluated Receipt Settlement (ERS) procedure. In such case, the Supplier provides its service on the basis of the procurement contract or order by LSG without producing an invoice. Within the scope of automated incoming-goods inspection, LSG makes a credit entry in favour of the Supplier on the basis of the particulars contained in the delivery note. LSG transmits to the Supplier a record of the credit entry in writing or by email. The Supplier undertakes to notify LSG of any deviations of the credited amount and any associated excess payments or shortfalls without delay and to make up any differences.

**6.4** The Supplier's invoices for individual services shall be drawn up within 30 days of performance of the service. Recurrent services performed by the Supplier shall be invoiced on a monthly basis, failing other express contractual arrangements.

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### Art. 7 Acceptance, defects

**7.1** The contractual service shall be accepted after an incoming-goods inspection performed by LSG upon receipt or (wherever contractually agreed in a departure from Art. 3.1) after an agent commissioned by LSG has collected the goods at the agreed place of performance.

**7.2** LSG shall examine deliveries within 2 weeks of acceptance as to obvious defects. LSG shall promptly notify the Supplier in writing of any defects as soon as they are established in the course of due and proper business operations.

**7.3** In the event of dispute about the conformity of any delivery or service with the contract, a binding decision shall be made by an expert to be appointed by the Frankfurt/Main Chamber of Commerce upon the application of either party hereto. The costs of the expert shall be borne by the contracting parties relative to their respective success or failure pursuant to secs. 91 ff. of Germany's Code of Civil Procedure (ZPO).

### Art. 8 Passage of risk and title

**8.1** The risk shall pass to LSG, in the case of work and services, with their acceptance and, in the case of goods deliveries, upon their receipt at the receiving unit named by LSG.

**8.2** Upon delivery (acceptance) or handover of the ordered goods or work, LSG shall be given direct title thereto.

### Art. 9 Warranty

LSG shall be entitled to the full statutory warranty claims subject to the following stipulations:

**9.1** The warranty period shall commence with the passage of risk. If deliveries by the Supplier concern component supplies of LSG to third parties, the warranty period shall commence upon their delivery to the third party by LSG.

**9.2** Wherever the warranty arrangements contain options between different forms of warranty claims, these options shall be due to LSG.

### Art. 10 Liability

**10.1** In respect of its deliveries and services, the Supplier shall adhere to the state of the art, the variously applicable safety rules and the relevant accident-prevention, environmental and industrial-safety rules. Any permits and approvals necessary for due and proper deliveries or services shall be obtained or updated by the Supplier at its expense and in good time. If this provision is not heeded, the order shall be deemed to have been improperly discharged.

**10.2** Any infringement by the Supplier of the duties specified in Art. 10.1 shall entitle LSG to rescind an individual contract. Any recurrent infringements shall entitle LSG to terminate a quantity agreement without giving notice. In addition, LSG shall be entitled to assert claims to compensation.

**10.3** The Supplier shall exempt LSG from any third-party claims to compensation under product liability wherever the cause lies in its sphere of influence and organization, and it itself is liable in its external relations.

**10.4** In addition, the Supplier shall be liable for reimbursement of any outlays resulting from or in connection with any recall scheme carried out by LSG. LSG undertakes to notify the Supplier – wherever this is possible and can reasonably be expected – of the content and scope of any recall measures to be taken and to give it an opportunity to submit an opinion.

**10.5** In the event that recourse in connection with guarantees or advertising statements made by the Supplier is claimed to LSG by third party, the Supplier undertakes to exempt LSG from any alleged and existing claims. The Supplier's exemption duty refers to any outlays and costs incurred by LSG arising from or in connection with any recourse had by third parties. This shall also include any lawyer's costs.

**10.6** The Supplier's liability pursuant to the provisions of statute shall not be affected.

### Art. 11 Quality agreement

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Should any product investigation made by LSG establish that the quality level pursuant to the quality agreement is not reached, LSG reserves a special right of termination for quantity agreements. The same shall apply where the Supplier's personnel, building and equipment hygiene is insufficient.

### Art. 12 Ethical, hygienic security obligations

**12.1** The Supplier undertakes to heed the provisions of statute on combatting corruption. Specifically, it gives an assurance that it will refrain from offering, promising or granting inadmissible benefits to LSG employees or persons closely related to such employees. The same ban shall apply to any employees of the Supplier, its agents and other third parties acting under the Supplier's instructions.

**12.2** LSG, being an undertaking aware of its social responsibilities, heeds the underlying labour standards of the International Labour Organization (ILO), as contained in Article 2 of the ILO declaration dated 18 June 1998 ("Fundamental Principles and Rights at Work") and obliges its suppliers to likewise adhere to these standards.

**12.3** Should the Supplier disregard any of the standards set forth in Articles 12.1 or 12.2, LSG reserves the right to terminate the agreement concluded with the Supplier without notice.

**12.4** LSG companies are food-producing enterprises. The Supplier undertakes to adhere on demand to the appropriate regulations and rules of hygiene in any hygienically sensitive production areas.

**12.5** The premises of LSG are located in areas where aviation security concerns are relevant. The supplier commits to comply with all relevant legal and local aviation security and airport regulations when delivering.

### Art. 13 Secrecy, data protection

**13.1** The Supplier shall treat in strict confidence the contractual relationship with LSG, any personal data and any records handed over to it in this connection and any information (whether in written, oral or other form) of which it becomes aware, even if they are not specifically identified as such. The Supplier shall be liable for any damage/loss incurred by LSG due to any breach of this duty.

**13.2** Such information and data may be disclosed to third parties only with the express written consent of LSG. Any advertising of the business relation with LSG shall require the latter's written consent.

**13.3** Heed must be paid to statutory and company data-protection rules. Wherever personal data are processed or used under an order, the parties shall conclude a data-protection agreement pursuant to the provisions of Germany's Federal Data Protection Act (BDSG).

### Art. 14 Intellectual Property

Supplier represents and warrants that as of the delivery of the Products to LSG, and covenants that, continuously thereafter, the Products and any parts thereof and LSG's purchase, use, sale, offer to sell and/or importing of such Products and any parts thereof, will not infringe any copyrights, design patents, utility patents, trademarks or trade secrets of any third party. The Supplier shall undertake to exempt LSG from any claims of third parties arising from or in connection with the assertion of such a right.

### Art. 15 Use and exploitation rights

LSG shall retain title to any plans, drawings and other records made available to the Supplier. They shall be returned without delay upon completion of the order.

### Art. 16 Other provisions

**16.1** The contractual relationship between the Supplier and LSG and any claims resulting therefrom are exclusively subject to German law. The UN Convention on Contracts for the International Sale of Goods dated 11 April 1980 is ousted.

**16.2** The courts at Frankfurt am Main shall have exclusive jurisdiction in any disputes, incl the special procedure based on documents (trial by record) and bills of exchange, arising from or in connection with the contractual relationship, its emergence, legal effect or termination.

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**16.3** Failing other arrangements set forth in the procurement contract or the order, the place of performance is the registered office of *LSG*.

**15.4** The contractual language in the territory of German-speaking countries in Europe is German, outside this territory English. To the extent that the contracting parties also make use of the national language pertaining at the registered office of *LSG* outside the territory of the German-language countries in Europe, the English wording shall have priority.

**16.5** Failing other arrangements, any declarations of *LSG* shall be in writing to be effective. Neither party may rely on any actual exercise deviating from the Agreement, until such time as both contracting parties have confirmed such deviation in writing.

**16.6** Even if the contracting parties agree that one or more provisions of these GPCs be replaced by special covenants, this shall not affect the remaining provisions, which shall continue to apply.

**16.7** Should any provision of this agreement be or become ineffective, this shall not affect the validity of the remaining provisions. Failing other arrangements under optional law, any invalid term shall be replaced with a valid provision reflecting the economic purpose of the ineffective provision, with heed paid to its legality.