

FOR ROLLS-ROYCE CANADA LIMITED, THE FOLLOWING PROVISIONS (29-38) WILL ALSO APPLY:

29. GOVERNING LAW: The Procurement Conditions will be subject to and interpreted in accordance with the Laws applicable in Quebec, Canada. Supplier consents to the jurisdiction of the Quebec courts. Any action arising out of or relating to this Order will be brought in Montreal, Quebec. The application of the United Nations Convention for International Sale of Goods dated April 11th 1980, is hereby expressly excluded.

30. INDEMNIFICATION: Supplier will indemnify, hold harmless and defend R-R and R-R's customers from and against all losses, liabilities, claims or demands whatsoever (including without limitation, all costs, expenses and attorney fees), arising out of or incident to (i) Supplier's breach of the representations, warranties, or covenants set forth herein, (ii) all third party claims brought against RR, and (iii) any personal injury, death or any damage to or loss or destruction of property, in any manner based upon, occasioned by, or attributable to the Deliverables or to any act or omission, negligent or otherwise, in the performance, negligent performance, or non-performance of an Order whether by Supplier, its subcontractors, or any employee of Supplier or its sub-contractors, (except where such third party claims, injury to or death of persons or damage to or loss or destruction of property is due solely to the negligence of R-R its officers, agents or employees).

31. TAXES:

31.1. Notwithstanding Clause 4.1 of the GCP, R-R shall be liable for and will pay any sales, use, value added or similar taxes or fees levied by any Canadian Federal or provincial Government or agency or any other government in connection with the Goods or Services (or both) supplied which are chargeable to a buyer of goods or services. Supplier will add all taxes or fees to its invoices to R-R unless R-R provided to Supplier the proper documentation supporting the non-application of the taxes. When applicable, Supplier shall provide R-R upon request, a "Certificate of US value added" in accordance with NAFTA regulations. Supplier agrees to indemnify R-R against all loss resulting directly from Supplier's delay in completing and returning the certificate to R-R and from incorrect information furnished by Supplier.

31.2. Each amount to be paid by R-R to Supplier shall be made without any deduction or withholding for, or on account of, any present or future taxes, imposed or levied by or on behalf of the Government of Canada, the Province of Quebec, or any other province or territory or political division in Canada or any authority or agency having power to tax unless such deduction or withholding is required by law (including regulations) or by the interpretation or administration thereof.

32. RENUNCIATION: Supplier irrevocably renounces any past, present, or future real or personal right, or any right to title of any kind, with respect to any goods that are property of R-R, as well as any goods delivered by R-R to Supplier that are not property of R-R, as well as any goods held by supplier for any reasons, including, without limit, any right of "retention" pursuant to the meaning ascribed to that term in the Civil Code of Québec or any other applicable law. Supplier also irrevocably renounces any right with respect to any set-off against any debt owed to R-R, for any reason whatsoever, and to any right with respect to "non-performance" of any kind whatsoever, pursuant to the meaning ascribed to that term in the Civil Code of Québec or any other applicable law.

33. LEGAL NOTICES: All notices hereunder shall be given in writing and delivered by hand or sent by fax or recorded delivery post addressed to the Party at the address on the Order.

34. ACCEPTANCE OF THE TERMS AND CONDITIONS: Supplier shall confirm receipt and acceptance of this Order within 7 calendar days after receipt. Failure to do so within such delay shall be considered acceptance of the Order pursuant to the Procurement Conditions.

35. LATE DELIVERY: If delivery is delayed other than for reasons set out in clause 23 (Force Majeure) then without prejudice, and in addition to, R-R's other rights and remedies, the Supplier will pay R-R a late delivery charge in an amount equal to two and a half percent (2.5%) of the invoice amount of the delayed Deliverables for each week of delay, calculated on a daily pro-rata basis, not to exceed an aggregate amount of ten percent (10%) of such invoice amount. R-R and Supplier agree that actual costs suffered by R-R as a result of a late delivery may be difficult to ascertain, uncertain in nature and incapable of exact determination in each instance, and that the late delivery charge is a

good faith estimate of the costs suffered by R-R, and not a penalty, resulting from late delivery. The late delivery charge does not include charges that R-R may be liable to a third party for.

36. FOR REPAIR & OVERHAUL SERVICES ONLY:

36.1. If SHIP1 (or SH1) is requested by R-R, Supplier will confirm to R-R upon receipt of the goods to be Serviced under an Order the quantity, part and serial number (if applicable) of such received goods.

36.2. Within 3 days of receipt of said goods, the Supplier will inspect, identify and notify R-R of the workscope to be performed, of any identified scrap parts, and if required, submit a revised quotation and delivery date.

36.3. If pricing and/or delivery is modified, an amended Order must be supplied by R-R prior to shipment of the Serviced goods.

36.4. All part certification must indicate the approved data and revision number used to perform the work.

37. FOR NEW PRODUCTION GOODS (Marine and Energy only): For new production goods, the method of manufacture must be submitted per the Rationalised Process Specifications 900 ("RPS900").

38. LANGUAGE: R-R and Supplier confirm that they have requested that this Order and any correspondence related thereto be drawn up in the English language. R-R et le fournisseur confirment qu'il est de leur volonté expresse que la présente convention ainsi que toute correspondance s'y rattachant, soient rédigées en anglais.