

GCP

1. TERMS AND CONDITIONS: These general conditions of purchase including the Country Schedule(s) attached hereto in relation to the Rolls-Royce company issuing a purchase order or scheduling agreement ("GCP") together with the terms and special conditions appearing on a purchase order and/or scheduling agreement ("Order") and any executed supply agreements concerning the Deliverables between the Parties ("Supply Agreement") and applicable Government terms together called "Procurement Conditions" are the only conditions on which Rolls-Royce procures services or goods or both ("Deliverables"). Rolls-Royce (or "R-R") means the entity or entities that have signed a Supply Agreement or created a contract with the supplier accepting an Order ("Supplier"). Such R-R entity or entities will be severally but not jointly liable under the Procurement Conditions. Any terms other than the Procurement Conditions will be null and void.

2. TITLE: Title to goods will pass to R-R upon receipt at R-R's designated facility.

3. DELIVERY: Timely delivery in accordance with the Order is a material condition of the Procurement Conditions. Unless otherwise provided for on the Order, Deliverables will be delivered to R-R FCA Supplier's facility (INCOTERMS® 2010). The Supplier will participate in a goods delivery service with R-R.

4. PRICES, INVOICES AND PAYMENT:

4.1. The price stated on an Order is inclusive of all duties, levies and taxes in the country of origin of the Deliverables excluding value added tax or equivalent tax. If applicable, Supplier shall provide R-R a properly executed United States Internal Revenue Service form W-9 certifying whether the payments to the Supplier are subject to backup withholdings.

4.2. Where the Procurement Conditions require the Supplier to submit an invoice, the Supplier will, on delivery, submit electronic invoices to R-R's Purchase Accounts Department at the email address on the Order. The invoice will include the Order number, and will comply with all applicable tax requirements

4.3. R-R will electronically transfer payment to the Supplier on the first Friday 75 days after the date on which the relevant goods have been received or services completed, provided that the Supplier has supplied such goods or services in accordance with the Procurement Conditions and, where the Supplier is required to submit an invoice, such invoice is accurate and was received by R-R's Purchase Accounts Department within 7 days of dispatch or completion of goods or services. If such Friday is not a normal banking day then electronic transfer of payment will be on the next banking day. The term "received" means, notwithstanding the delivery term used (whether INCOTERM or otherwise), formal receipt by R-R's goods received area at R-R's premises. Without prejudice to R-R's other rights and remedies, R-R may deduct from any payments due to the Supplier under any Procurement Condition the amount of any bona fide contra accounts or other claims that R-R may have against the Supplier in connection with the Procurement Conditions or any other agreement.

4.4. For the purpose of this clause 4.4, "R-R Accounting Period" means the period during which the financial year is divided into 12 calendar month periods for R-R accounting purposes. (a) If the Supplier participates in a goods delivery service with R-R then, subject to applicable law, if any, after delivery of the Deliverables, R-R will raise an invoice on behalf of the Supplier for the Deliverables that will serve as a VAT invoice (a "**Self-Billed Invoice**"). R-R may elect to use e-invoicing as a method for raising Self-Billed Invoices electronically. (b) The Supplier is liable to pay any VAT due on the Deliverables to its local tax authorities as output tax. (c) The Supplier will, where it has one, provide R-R with the Supplier's VAT registration number and any other details reasonably requested by R-R for the purposes of raising the Self-Billed Invoice. R-R will use a sequential invoicing procedure to generate the applicable invoice number that will be referenced on the Self-Billed Invoice. (d) R-R will raise the Self-Billed Invoice based on the information provided by the Supplier in writing from time to time and, the provision by the Supplier of this information will, subject to clause 4.4(f) below, constitute the Supplier's acceptance to the VAT treatment applied by R-R. (e) For the purpose of converting the applicable VAT amount into GBP (£)

Sterling, R-R will use the currency conversion rates as published by Reuters (on its webpage), at the end of the business day of the Thursday prior to the start of each R-R Accounting Period. (f) The Supplier will not raise its own invoice for the Deliverables and will notify R-R as soon as practicable if: (i) its VAT registration number changes; (ii) it ceases to be VAT registered; (iii) the Self-Billed invoice is not compliant with the requirements of its local tax authority; (iv) subject always to clauses 10 and 17 of the GCP, it transfers its business as a going concern; or (v) there are any other changes which may affect how VAT is assessed in relation to this Agreement. (g) R-R and the Supplier will during each contract year of the applicable Order or Supply Agreement, confirm to the other in writing its approval to continue with the Self-Billed Invoice process. R-R, or its nominated third party service provider, may, at its absolute discretion and on an annual basis, audit the Supplier's compliance with the requirements of this clause 4.4 and the Supplier agrees to provide all necessary facilities and assistance for such audit to take place.(h) R-R and the Supplier agree that if either elect to cease operating the Self-Billed Invoice process, then they will notify the other in writing and R-R will cease raising Self-Billed Invoices within 1 (one) year of receiving or giving such notice. (i) If R-R is unable to raise Self-Billed Invoices, clause 4.4 will cease to apply and R-R and the Supplier agree to use the invoicing method set out in clause 4.2.

4.5 R-R will make all payments under the Order without any Tax Deduction unless applicable law requires a Tax Deduction to be made. If a Tax Deduction is required by law to be made by R-R: a) R-R may make the minimum Tax Deduction permitted by law; b) (b)if the Supplier provides R-R with a valid and properly completed government form (such as the appropriate W-8 form) authorizing the Supplier to reduce or eliminate the amount of Tax Deduction, R-R will reduce the amount of the Tax Deduction to the amount permitted under the terms of such form; and c) R-R will deliver to the Supplier an official receipt, or if an official receipt is not available, such other evidence satisfactory to the Supplier (acting reasonably) that the Tax Deduction has been made or, as applicable, any supporting payment paid to the relevant taxing authority. "Tax Deduction" means a withholding or deduction for or on account of Tax. "Tax" means all present and future income, turnover, business, license, corporation, capital gains, franchise, export/import, registration, stamp, documentary and other taxes, levies, duties, imposts, fees and charges of whatever nature together with interest and penalties, if any, and any payments made on them or in respect of them.

5. R-R PROPERTY:

5.1. Unless otherwise agreed in writing, all tools, equipment, parts, materials, drawings, or other documented data of every description furnished to Supplier by R-R or specifically paid for by R-R, and any replacement thereof, or any materials affixed or attached thereto, will be and remain the property of R-R or, if R-R is not the owner, of the owner. Such property, and whenever practical each individual item thereof, will be plainly and permanently marked or otherwise adequately identified by Supplier as "Property of R-R" (or, if R-R is not the owner, "Property of [the owner]") and will be safely stored separate and apart from Supplier's property. Supplier will not substitute any property for the property furnished to Supplier by R-R and will not use such property except in filling R-R's Orders. Such property while in Supplier's custody or control will be held at Supplier's risk, will be kept insured by Supplier at Supplier's expense in an amount equal to the replacement cost with insurance proceeds payable to R-R or its nominee. Such property will be subject to removal at R-R's written request, in which event Supplier will prepare such property for shipment and will deliver it as directed by R-R in the same condition as originally received by Supplier, reasonable wear and tear excepted, all at Supplier's expense. The foregoing will not be deemed to affect the rights, if any, of the United States Government in such property.

5.2. It will be the responsibility of the Supplier to maintain, keep in good condition, and replace when necessary at Supplier's expense all such tools, material and equipment in order that such tools, material and equipment at all times have the capacity to produce parts in conformance with the Procurement Conditions. All such replacements will be the property of R-R and will be so identified. Any tooling paid for by R-R is the sole property of R-R.

5.3. Supplier agrees to provide, at any time on the request of R-R, a report including a list of all R-R property, the location of such property, the condition of such property and, if appropriate, a forecast of the remaining usable life of such property.

5.4. Supplier assumes all liability for loss or damage, with the exception of normal wear or tear, and agrees to supply detailed statements of R-R's property in Supplier's possession, custody or control at monthly intervals or as otherwise agreed upon to the extent necessary under applicable law.

5.5. Supplier will indemnify R-R (and/or their nominee) against any and all liability for loss or damage to property or injury to or death of persons arising from or incidental to the presence or use of property they may furnish to the Supplier, whether such loss, damage, injury, or death be caused by defects in such property, negligence in the use of such property, strict liability or otherwise.

6. QUALITY, WARRANTY AND CODES OF PRACTICE:

6.1. To the extent applicable for the performance of an Order, Supplier will comply with all quality requirements of R-R as set out on R-R web site at <https://suppliers.rolls-royce.com/> and all specification requirements and any other quality requirements set out in an Order. The Supplier will inspect and release Deliverables in accordance with the said quality requirements.

6.2. The Supplier warrants that all Deliverables will conform to the Procurement Conditions and will be free from defects in material, workmanship and, if the Supplier has responsibility for design, the Supplier further warrants that all Deliverables will be free from defects in design.

6.3. If Deliverables do not conform to the requirements set out in clauses 6.1 and 6.2 above ("Non-Conformance") and without prejudice to R-R's other rights and remedies which R-R may have, including without limitation the right to charge the Supplier the administrative charges set out on R-R website at <https://suppliers.rolls-royce.com/>, the Supplier will promptly replace or, where appropriate, repair or rectify any such Non-Conformance at its own expense within 30 days of receipt of written notice of Non-Conformance. If the Supplier fails to promptly repair, rectify or replace any Non-Conformance, R-R may, without prejudice to its other rights and remedies, (i) choose to accept the Non Conformance and R-R will be entitled to reasonably adjust the Order price; or (ii) rectify or arrange to have rectified such Non-Conformance; or (iii) procure Deliverables from alternate sources in order to meet customer requirements.

6.4. The Supplier will ensure that it and its personnel will comply with all relevant R-R provisions and codes of practice of R-R as set out on R-R website at <https://suppliers.rolls-royce.com/> including without limit, its standard security and health and safety requirements as applicable, copies of which are available on request. The Supplier agrees that R-R or their designated agent will have the right to enter the Supplier's facilities at reasonable times to inspect the facility, Deliverables, materials and any property of R-R. Such inspection will not constitute or imply acceptance of any Deliverables. Inspections under clause 6.4 will be undertaken during business hours on reasonable notice to the Supplier. In assessing what is reasonable, the Supplier acknowledges and agrees that the urgency of the need to conduct the inspection (for example, if due to a health and safety issue or an in-service issue, or as required by a Regulator) will be taken into account. "Regulator" means any government, quasi-governmental, statutory or regulatory, administrative, fiscal or judicial body department, commission, authority, or any other competent authority or entity in any part of the world having responsibility for the regulation or governance of the Deliverables (or any part thereof) and / or any services related to the Deliverables, and / or having jurisdiction over the Supplier or R-R as the case may be.

6.5 R-R's customers may include governmental or other public bodies that may require, pursuant to their agreements with R-R, that R-R complies with Government Terms. The Supplier will comply with Government Terms that R-R notifies to the Supplier and will impose compliance on its sub-contractors and suppliers. "Government Terms" means those terms which R-R requires the Supplier to comply with from time to time as a result of the requirements of a government or other public authority. Such terms may be set out in an Order, or otherwise communicated to the Supplier from time to time by notice in writing.

7. TERMINATION:

7.1. Without prejudice to any rights and remedies, R-R may immediately terminate an Order in whole or in part by giving the Supplier written notice, identified as a "Notice of Termination", whereupon all work on that Order will cease. R-R will pay the Supplier in full and final satisfaction of all claims arising out of such termination: the price of all Deliverables which the Supplier has justifiably produced and completed in accordance with such terminated Order or part of the Order and which R-R has not paid for; the cost of

settling any legally justified claims in connection with the necessary termination of sub contracts justifiably entered into in respect of the terminated Order or part thereof and the cost to the Supplier of any justified work in progress in respect of such Order.

7.2. The amount payable to the Supplier under Clause 7.1 above will not exceed the total amount that would have been payable to the Supplier for the Deliverables and payment is subject to the Supplier submitting its notice of claim within 2 calendar months of the termination date. Any finished Deliverables and any work in progress paid for by R-R under Clause 7.1 above will be delivered to R-R or be held by the Supplier as R-R property in accordance with clause 5 above.

7.3. If R-R has reasonable grounds for believing the Supplier will be unable to substantially fulfil its obligations, R-R may require the Supplier to provide reasonable written evidence that the Supplier will fulfil its obligations. If the Supplier fails to provide such evidence within 30 days of R-R's request, R-R may treat that failure as a material breach and terminate the relevant Order or any agreement relating to the Deliverables in whole or part.

7.4. Either Party has the right, without prejudice to its other rights and remedies, to terminate any Order or the Supply Agreement without liability, if the other Party commits any material breach of any of its obligations under the Procurement Conditions which it fails to rectify within 30 days of written notice of that breach (no notice period will apply for a breach of delivery terms) or makes a general arrangement with its creditors; or ceases or threatens to cease to carry on its business or a substantial part of it or is unable to pay its debts within the meaning of the applicable law as defined below; enters into liquidation whether compulsory or voluntary, except as a solvent company for the purposes of amalgamation or reconstruction; or has an administrator or administrative receiver of the whole or part of its assets appointed or if any equivalent proceeding under any competent jurisdiction occurs.

7.5. Except for clause 7.1 where termination is effective immediately on giving the Notice of Termination, termination will be effected 30 days from the terminating Party issuing a notice of termination to the other Party.

8. INTELLECTUAL PROPERTY:

8.1. "Intellectual Property" or "IP" includes any and all inventions whether or not patentable, utility models, trademarks, component designs or manufacturing processes and any improvements or enhancements thereto, copyrights and moral rights, database rights, trade secrets and know-how, in each case whether registered or unregistered, and also including identified technical and non-technical or business-related information such as specifications, computer programs, drawings or blueprints.

8.2. If any Deliverables or Supporting Materials, including, without limitation, any products, processes or business methods arise out of any research or development that is funded by R-R, then all Intellectual Property arising there from, including, without limit, new technologies that are developed under such funding and all Intellectual Property rights in and to the same, will vest solely and absolutely in R-R. Any and all R-R owned or licensed Intellectual Property including, without limit, designs, drawings, processes and developments which may be supplied to the Supplier pursuant to any Order will remain the sole and undivided property of R-R and/or its licensors. The Supplier will require its employees, sub-contractors and agents to sign all papers and do such acts and things as are reasonably necessary for R-R to secure title in, and to pursue formal patent grant or registration of, any Intellectual Property and Intellectual Property rights arising out of or in connection with any Order as contemplated by this clause. "Supporting Materials" means all information, documents and other materials relating to the Deliverables which are generated by or on behalf of the Supplier in connection with the Order and provided to R-R, including, without limitation, bills of materials, performance data and operating manuals.

8.3. If any allegation is made or any claim asserted against R-R, or any person claiming title from or through R-R, that any act done or proposed to be done in relation to Deliverables or Supporting Materials constitutes a violation or infringement of any patent, copyright, registered design or other proprietary right held by a third party, the Supplier will indemnify R-R and hold R-R harmless for and against any loss or damage (including, without limitation, all costs and expenses) arising directly or indirectly out of such allegation or claim howsoever caused unless the allegation or claim (i) is the direct result of the Supplier following a design or process required by R-R; (ii) is based upon operation or use of Deliverables or

Supporting Materials in combination with equipment, tooling, or software not supplied by Supplier hereunder, where the Deliverable or Supporting Materials itself or a combination of the Deliverable or Supporting Material and any features on the equipment, tooling, or software required to enable operation of the Deliverable or Supporting Material on or with the machinery would not be infringing; (iii) results from modification of the Deliverables or Supporting Material by R-R or any third party, or (iv) is based upon operation or use of the Deliverables or Supporting Material in an application or environment for which the Deliverables or Supporting Materials were not specified in materials, instructions, or guidelines provided by the Supplier. The Supplier agrees to defend such claims brought against R-R provided that R-R: promptly notifies Supplier in writing of the filing of such claim or the threat thereof; permits Supplier to control the defense or compromise of such claim of infringement, subject to R-R's consent, which shall not be unreasonably withheld; and provides all reasonable assistance and cooperation requested by Supplier for the defense of such claim.

8.4. In addition to the obligation set out in Clause 8.3 the Supplier will procure for R-R worldwide, the right to use and sell the Deliverables or Supporting Materials equivalent in scope to the license granted to R-R in the Supply Agreement, modify the Deliverables or Supporting Materials to make them non-infringing, or have the Deliverables or Supporting Materials replaced with substantially equivalent non-infringing Deliverables or Supporting Materials (as the case may be), provided that any modification or replacement of the Deliverables or Supporting Materials shall be subject to approval by R-R, which shall not be unreasonably withheld..

8.5. The Supplier is licensed to use and will use the R-R Intellectual Property and R-R Intellectual Property rights only for the purposes of performing its obligations under the Procurement Conditions and not otherwise. R-R also grants Supplier the right to grant sub-licenses it to any subcontractor approved in writing by R-R in accordance with clause 17.

8.6. The Supplier hereby grants to R-R a non-exclusive, royalty-free, perpetual, irrevocable, worldwide, sub-licensable license to use the Supplier IP to Exploit the Deliverables and the Supporting Materials. "Exploit" means a) in relation in relation to the Deliverables, to do anything whatsoever with, to or in connection with the Deliverables other than to manufacture the Deliverables; and b) in relation to the Supporting Materials, to use, copy or disclose the Supporting Materials.

9. PROPRIETARY INFORMATION:

9.1. "Proprietary Information" means all confidential and proprietary commercial, financial, technical or operational information, and any intellectual property not publicly known or available, which by its nature is confidential, and such information that has been or may be disclosed or otherwise made available in whole or in part to a receiving Party or any Representative (as defined herein) in any form or medium. Such information may include hardware, software, component design, manufacture, inspection, and/or repair and overhaul, business information relating to suppliers, pricing, costs, profits, business plans and strategies, customer or vendor lists, and legal or financial advice. All such information disclosed by either Party to the other, whether orally, in writing, by inspection, or otherwise, shall be deemed to be Proprietary Information of the disclosing Party unless otherwise expressly agreed in writing by the Party disclosing such information, provide that such information is clearly marked as "Proprietary" or bears a similar legend or is information that the receiving Party knows, or reasonably should have known, is the Proprietary Information of the disclosing Party. If Proprietary Information is conveyed orally, the disclosing Party shall identify that it is Proprietary Information at the time of disclosure and shall confirm the same in writing no later than thirty (30) days after the information has been conveyed to the receiving Party. In the event that Proprietary Information is inadvertently disclosed without the appropriate confidentiality legend, the disclosing Party shall immediately notify the receiving Party upon discovery of the disclosure and shall further re-supply the disclosed information marked with the appropriate confidentiality legend, upon which the receiving Party shall return or destroy all copies thereof that were supplied without the confidentiality legend. The Parties shall cooperate to protect the confidentiality of Proprietary Information originally disclosed without a legend to the extent possible. "Proprietary Information" shall also include the fact that the Parties are discussing the purpose of these Procurement Conditions and the status of any negotiations related to such purpose.

9.2 "Representative" means any one or more directors, officers, Independent Contractors (as defined herein), and Affiliate of a Party or, in the case of R-R, any of its risk and revenue sharing participants that

are not direct competitors of the Supplier as Supplier may solely determine insofar as those participants require Proprietary Information relating to the Supplier including, without limitation, information relating to specifications and directed buy price. "Affiliates" means any entity which controls, is controlled by, or is under common control with a Party hereto, where "control" means (a) an ownership interest, directly or indirectly, of more than fifty percent (50%) in such entity or Party, or the maximum percentage permitted under local laws or regulations in those countries where more than fifty percent (50%) ownership by a foreign entity is not permitted, or (b) the ability to direct the management or policies of such entity or Party, whether through ownership, contract, or otherwise. "Independent Contractor" means a person (individual or firm) who contracts to perform work or provide a service for the benefit of a Party and is bound by confidential terms no less restrictive than those in these Procurement Conditions.

9.3. Any Proprietary Information disclosed by one Party to the other in connection with an Order (whether from R-R and/or any of R-R's risk and revenue sharing participants), or a proposed Order will be treated in confidence and, save in respect of disclosures to Representatives, will not be copied or disclosed to any third party without the prior written consent of the disclosing Party. The receiving Party agrees to use the same care and discretion to avoid disclosure, publication, or dissemination of the disclosing Party's Proprietary Information as the receiving Party uses with its own similar information that it does not wish to disclose, publish, or disseminate (but in no event less than a reasonable degree of care). The receiving Party may only disclose Proprietary Information to its Representatives on a need-to-know basis in connection with these Procurement Conditions. The receiving Party will, at its sole cost and expense, ensure that the nondisclosure obligations of these Procurement Conditions are known, understood by and complied with by all recipients of the Proprietary Information including its Representatives permitted to receive the Proprietary Information. The receiving Party will be liable for any and all breach of confidence of these Procurement Conditions by its employees and Representatives. The receiving Party's obligations will be in addition to and not in substitution of its duties under any applicable laws. These provisions do not apply to Proprietary Information that: (i) is or becomes publicly available without breach of these Procurement Conditions by the receiving Party, other than non-public customer or employee information; (ii) is lawfully received by the Party; (iii) is or was developed by the receiving Party independently of the Proprietary Information, as established by extrinsic evidence, or (iv) is known or is in the possession of the receiving Party prior to the disclosure by the disclosing Party.

9.4. The receiving Party will make only such copies or duplicates of any Proprietary Information as are necessary for the purposes contemplated. All copies will be maintained in confidence in the same manner as the originals from which the copies were made. The receiving Party will maintain and reproduce on all copies (including electronic documents), the proprietary markings and other legends contained on the Proprietary Information, and the receiving Party will not add any further markings to such Proprietary Information without the prior written consent of the disclosing Party. The receiving Party will promptly provide written notice to the disclosing Party of any breach (or attempted or threatened breach) in security that may materially affect the disclosing Party and will specify in writing the corrective action to be taken to protect the Proprietary Information. Receiving Party agrees to work with the disclosing Party to minimize the effect of any breach.

9.5 Upon expiration or termination of an Order, or the written request of the disclosing Party, the receiving Party will promptly destroy, or return upon request, any Proprietary Information, including all tangible or electronic copies, belonging to the disclosing Party disclosed in relation to that Order, and any information created or derived from such Proprietary Information. The receiving Party acknowledges that it has no rights of use in or to such Proprietary Information after the expiration/termination date. If the disclosing Party so requests, the receiving Party will provide a certificate, signed by an authorized representative of the receiving Party, certifying that all of the disclosing Party's Proprietary Information has been returned or destroyed.

9.6. If the receiving Party or any of its Representatives is legally required to disclose any Proprietary Information in connection with any legal or regulatory proceeding, to the extent permitted by applicable laws, the receiving Party will provide the disclosing Party with written notice within a reasonable time of such requirement or obligation (together with a copy of any relevant access request, court order, or other evidence giving rise to such requirement) to enable the disclosing Party to seek appropriate protective relief and or to seek other remedies to oppose or narrow the scope of any required disclosure. The

receiving Party will co-operate with the disclosing Party with respect to such matters and will in any event disclose only such Proprietary Information as it has ascertained, after taking legal advice, it is legally compelled to disclose, and will ensure to the best of the receiving Party's ability that all Proprietary Information so disclosed is accorded confidential treatment. The receiving Party will promptly notify the disclosing Party in writing of the means, content and timing each of such disclosure prior to such disclosure being made to any third party or tribunal.

9.7. Notwithstanding the Supplier's obligation to obtain R-R written permission to disclose R-R Proprietary Information to a third party, the Supplier will notify R-R immediately on becoming aware of a breach or a potential breach and will inform R-R of what actions it is taking to prevent or remedy such breach or potential breach to ensure risks to R-R are mitigated. R-R reserves the right to take its own action against any such third party that misuses or that might reasonably misuse its Proprietary Information and to direct the Supplier to take certain actions.

9.8 The Supplier will not without the prior written consent of R-R, use any R-R Proprietary Information to manufacture, supply, design, develop, sell, or provide goods, work, or services to any third party. In addition, R-R will not use Supplier Proprietary Information to redesign, reengineer, manufacture or cause to have manufactured Deliverables.

9.9 Without prejudice to any other rights and remedies the disclosing Party may have, the receiving Party acknowledges and agrees that the disclosing Party may be irreparably harmed and damages alone may not be an adequate remedy for breach (or attempted or threatened breach) of the provisions of this Section 9 by the receiving Party or its Representatives. Accordingly, if a court of competent jurisdiction finds that the receiving Party has breached (or attempted or threatened to breach) any of its non-disclosure obligations, the receiving Party agrees that, without any additional findings of irreparable injury or other conditions to injunctive relief, it will not oppose the entry of an appropriate order compelling its performance and restraining it from any further breaches (or attempted or threatened breaches). The rights and remedies of the Parties will not be diminished, waived, or extinguished by the granting of any indulgence, forbearance, or extension of time by the disclosing Party to the receiving Party or its Representative nor by any failure of or delay by the disclosing Party in ascertaining or exercising any such rights or remedies

10. CONTROLLING INTEREST:

10.1. "Competitor" means the acquirer or any entity that is in the same corporate structure as such acquirer, including but not limited to parent, subsidiary, joint venture company that offers or sells products or services in competition with the products or services offered or sold by any entity of the Rolls-Royce group, and "Controlling Interest" means any interest sufficient to give the power to secure by law or corporate action the ability to direct and conduct the business of the Supplier.

10.2. While the Supplier is under contract to R-R, if a Competitor acquires or is in due diligence to acquire a Controlling Interest in the Supplier, its sub-contractor or any holding company, subsidiary or division of the Supplier performing under an Order, the Supplier will immediately notify R-R in writing of the actual or potential acquisition, subject to regulatory or statutory obligations and the identity of such likely acquirer subject to the agreement of such likely acquirer.

10.3. If the third party directly or indirectly acquiring a controlling interest in the Supplier is a Competitor, then R-R may, without prejudice to any other rights and remedies it may have, immediately by written notice terminate an Order or the Supply Agreement in whole or part.

10.4. In addition to the provisions in clauses 10.1 to 10.3 above, if during the term of the Supply Agreement any third party or parties (acting together) takes any steps to acquire a Controlling Interest in the Supplier, its sub-contractor or any holding company, subsidiary, group company or division of the Supplier, the Supplier shall immediately notify R-R in writing of the actual or potential acquisition and the identity of the third party or parties involved. If R-R determines that such an acquisition is or could potentially be contrary to its commercial interests, or could impair Supplier's performance of its obligations, R-R may, without prejudice to any other rights and remedies it may have, including specifically under clause 7.3 of the GCP, immediately by written notice terminate an Order or the Supply Agreement in whole or part. In the event of such a termination (i) R-R will, in full and final satisfaction of all claims arising out of such termination, pay the Supplier the price of all Deliverables which the Supplier has

justifiably produced and completed in accordance with such terminated Order or part of the Order before the date of termination and for which R-R has not paid; and (ii) if it has not already done so, the Supplier will promptly deliver all Deliverables produced and completed before the termination date to R-R or hold such Deliverables as R-R property.

11. PERSONAL INFORMATION: If the Supplier deals in the personal information of any employee or contractor of R-R, it will at a minimum and regardless where it is located and whether it is the controller or processor of such information, comply at a minimum with R-R's instructions, and the relevant laws on the protection of personal information in the jurisdiction of the R-R entity placing an Order. The Supplier will, at all times during and after the contract period, indemnify R-R and keep R-R indemnified for and against all losses, damages, costs or expenses and other liabilities (including legal fees) incurred by, awarded against or agreed to be paid by R-R arising from its breach of this clause except and to the extent that such liabilities have resulted directly from the instructions of R-R.

12. EXPORT CONTROL COMPLIANCE:

12.1 The Supplier acknowledges that any information, parts or materials provided to or received by it in relation to these Procurement Conditions may be subject to export control laws and regulations including the United States Department of State International Traffic in Arms Regulations ("ITAR") and the United States Department of Commerce Export Administration Regulations ("EAR"). The Supplier will comply with all applicable requirements under such laws and regulations. The Supplier warrants and undertakes it will not use or permit the use of, export or transfer (by electronic or other means), any information or Deliverables which are subject to export control laws and regulations without fully complying with the same including all codes of conduct, relevant export license(s), export authorization(s) guidelines, notices and instructions and all requests and requirements of each R-R party. The Supplier warrants and represents that it has, prior to the Order date, disclosed to R-R any and all restrictions which may apply to the export or onward movement of the relevant Deliverables and will ensure that at all times it has and maintains all authorizations and permissions required to enable export and onward movement of all information and Deliverables so as to meet its obligations under these Procurement Conditions.

12.2 The Supplier will at all times ensure that it complies with R-R's then current export control requirements as set out on the R-R website <https://suppliers.rolls-royce.com/>.

13. INDEPENDENT CONTRACTOR: Neither Party will (i) represent itself as the agent or partner of the other Party; nor (ii) do anything (or omit to do anything) which might result in any person believing that such Party has the authority to contract or enter into commitments on behalf of, or in the name of, the other Party.

14. PUBLICITY: Neither Party will use the other Party's name or trademarks in any publicity without the other Party's prior written permission.

15. WAIVER AND REMEDY: The rights of a Party may be exercised as often as it considers appropriate, are cumulative and apply in addition to any other rights available at law or equity. A waiver of any rights hereunder shall not be effective unless expressly waived in writing signed by the affected Party. Not exercising or a delay in exercising a right is not a waiver of that right. No single or partial exercise of any right or remedy provided hereunder or by law will prevent or restrict the further exercise of that or any other right or remedy.

16. CONFLICT: If there is a conflict of terms the order of precedence will be: (1) any applicable Government terms; (2) the Supply Agreement; (3) the GCP; (4) terms in an Order other than Government terms; and (5) the statement of work (if any).

17. TRANSFER AND THIRD PARTY RIGHTS: Except as expressly provided, no Party will assign or otherwise transfer any of its rights or obligations to any third party. However, R-R may, upon prior written notice to the Supplier, transfer any or all of its rights or obligations under these Procurement Conditions to any of its Affiliates. Nothing in the Procurement Conditions will be construed as creating any rights in respect of any third parties (including, without limitation, any employee, officer, agent, representative or sub-contractor of any Party) under, as a result of, or in connection with the Procurement Conditions.

18. NOTICES: Except as expressly set out otherwise in this agreement, all non-legal notices to be served under any Order must be in writing and addressed to the Party at the address on the Order. Such notices may be delivered by hand or sent by fax, pre-paid first-class post or recorded delivery post, or other next day delivery service. Service of legal notices will comply with the relevant provisions in the relevant Country Schedule.

19. AMENDMENTS: Except as expressly provided in this SA, the Procurement Conditions will not be amended other than by an agreement in writing signed by an authorized signatory of the Parties concerned, which is expressly stated to amend the Procurement Conditions.

20. SEVERABILITY: If any provision or part thereof of the Procurement Conditions becomes illegal, invalid or unenforceable in any jurisdiction in relation to any Party, it will be deemed modified to the minimum extent necessary to make it valid, legal and enforceable and that provision or part thereof will not invalidate the remaining provisions or affect the legality, validity or enforceability of that or any other provision in any other jurisdiction.

21. REPRESENTATIONS: These Procurement Conditions constitute the entire agreement between the parties to them and supersede and extinguish all previous agreements, promises, statements, assurances, warranties, representations, communications, undertakings and understandings between them ("Representations"), whether written or oral, relating to the subject matter of the Order or Procurement Conditions, as applicable. The Parties agree that they have not contracted on the basis of any Representations. The Parties agree that they will have no right or remedy in respect of any Representations (whether made negligently or innocently), except those expressly incorporated in the Procurement Conditions. Nothing in this clause 21 will limit or exclude any liability for fraud

22. SURVIVAL: The provisions of clauses 5 - 9, 11, 12 and 14 – 23, 25, 30 and such clauses as stated to survive in any relevant Country Schedule will survive any expiry or earlier termination or after the Order becomes impossible of performance or is otherwise frustrated.

23. FORCE MAJEURE: Any delay or failure of either Party to perform its obligations hereunder will be excused if, and to the extent that it is caused by an event or occurrence not reasonably foreseeable and beyond the reasonable control of the affected Party and without its fault or negligence, such as, by way of example and not by way of limitation, acts of God, actions by any governmental authority (whether valid or invalid), fires, floods, windstorms, explosions, riots, natural disasters, wars, sabotage, inability to obtain power, material, labor, equipment or transportation, epidemic, pandemic, terrorist attack, nuclear or biological contamination or sonic boom, collapse of buildings, or court injunction or order; provided that written notice of such delay (including the anticipated duration of the delay) will be given by the affected Party to the other Party as soon as possible but in any event not later than 2 days. During the period of such delay or failure to perform by Supplier and after prompt notice from Supplier to R-R of the occurrence of such an event, R-R, at its option, may purchase Deliverables from other sources and reduce its requirement to Supplier by such quantities, without liability to Supplier, or have Supplier provide the Deliverables from other sources in quantities and at times requested by R-R and at the price set forth in the Order. If requested by R-R, the Supplier will, within 10 days of such request, provide adequate assurances that the delay will not exceed 30 days. If the delay lasts more than 30 days, R-R may immediately cancel an Order without liability. The Supplier will in any event, make all reasonable endeavors to mitigate the effects of any delay. For the avoidance of doubt, strikes, lock outs or other industrial action or disputes specific to the Supplier and/or its subcontractors or agents shall not be considered a force majeure event.

24 SUBSTANCES:

24.1 Where required in accordance with local legislation in the countries of destination, Supplier will submit to R-R prior to, or with, each shipment of Deliverables, safety data sheets ("SDS") prepared in the official language of each country of destination and in accordance with applicable legislation in those countries.

24.2 Supplier will provide to R-R all information necessary to ensure the use of Deliverables will not harm health, safety or the environment, including without limitation information on safe usage, storage, transportation and disposal, including any applicable labelling in the official language of the destination

countries and in compliance with any local legislation applicable to the Deliverables or substances contained in a Deliverable.

24.3 For Deliverables, which are Articles, and where reasonably requested, Supplier will promptly furnish to R-R information relating to the Articles in such form and detail as R-R may direct including: (a) a list of all Declarable Substances in the Deliverables; (b) a list of all Declarable Substances used in the manufacturing process of the Deliverables, to include those relied on for manufacture or processing of its constituents; (c) information concerning any changes in or additions to such Declarable Substances in the Deliverables or manufacturing process; and (d) confirmation that presence of a substance in Deliverables or use of a substance in the manufacturing process is in compliance with any applicable regulations in the countries of destination and origin. Supplier warrants and represents that it has also provided all such information to R-R in respect of a Deliverable prior to the Order effective date.

24.4 Clause 6.3 will apply if Deliverables do not conform to the requirements set out in this clause

24.5 For the purpose of this clause 24:

- (i) "Article" means any Deliverables that fall under the definition of 'article' as Per EU REACH regulation; (EC) No 1907/2006
- (ii) "Declarable Substance" means any substance for which information is requested by R-R.

25. INSURANCE:

25.1. The Supplier will maintain in force:

- (a) where the Deliverables are to be incorporated in or attached to any product connected to aviation, aviation products legal liability insurance with a limit of at least US\$500,000,000 (five hundred million US dollars) for any one occurrence and in the annual aggregate. Coverage must include: i) war writeback endorsement AVN52E or AVN52G for the full value of the aviation products legal liability insurance policy; and ii) grounding liability coverage for a sub-limit of at least US \$125,000,000. (one hundred and twenty five million US Dollars) for any one grounding and in the annual aggregate;
- (b) where the Deliverables are not going to be incorporated in or attached to any product connected to aviation, product liability insurance with an annual aggregate limit of at least £15,000,000 (fifteen million pounds sterling) per claim (or series of connected claims) or its equivalent in US dollars;
- (c) public liability insurance with a limit of at least £15,000,000 (fifteen million pounds sterling) per claim (or series of connected claims) or its equivalent in the currency of the country in which the Supplier is based;
- (d) any other insurance which the Supplier is required by law to maintain; and
- (e) any other insurance which another supplier in the same industry as the Supplier or carrying on the same type of business as the Supplier, would usually maintain.

25.2. For the insurance policies set out at clauses 25.1(a), 25.1(b) and 25.1(c) the Supplier will:

- (a) ensure that R-R's interest is recorded on the policies either as an 'additional insured' or via an 'indemnity to principal' clause for the benefit of R-R;
- (b) include a waiver of subrogation in favor of R-R;
- (c) ensure the insurance arranged by the Supplier will be primary and without right of contribution from any other insurance which may be available to R-R;
- (d) on the renewal of each policy, send to R-R a broker's letter or certificate of insurance as confirmation of cover; and
- (e) administer and maintain the policies and the Supplier's relationship with its insurers at all times to preserve the benefits for R-R set out in this agreement and will procure that the terms of such policies will not be altered in such a way as to diminish the benefit to R-R of the policies as provided at the date of this agreement.

25.3. The Supplier will, during the Term and for a period of six years thereafter do nothing to invalidate the insurance policies set out in this clause 25 and will preserve R-R's entitlement under such policies and will provide to R-R, 30 days' notice before any such policy is altered or cancelled in any material respect.

25.4. The Supplier will provide R-R with evidence of compliance with this clause 25 on request and within 10 days of the Effective Date. If R-R is not satisfied with the Supplier's compliance with this clause 25, then R-R may, at its discretion, choose to procure the insurances set out at clause 25.1 on the Supplier's behalf and recover from the Supplier any resulting costs or premiums.

25.5. The Supplier's insurance coverage will not be R-R's exclusive remedy and is without prejudice to any other rights and remedies that R-R may have.

26. THIRD PARTY MANUFACTURERS: The Parties acknowledge that the terms and conditions (including the prices) applicable under the Procurement Conditions have been negotiated on the basis that, if the Supplier, at any time during the Term either: (a) makes a separate offer to any Affiliate and / or sub-contractor and / or risk and revenue sharing participant of R-R to manufacture and supply the Deliverables; or (b) is requested by R-R to manufacture and supply the Deliverables to any Affiliate and / or sub-contractor and / or risk and revenue sharing participant of R-R, then the Supplier warrants, undertakes and represents that it will enter into a supply agreement with the Affiliate and / or sub-contractor and / or risk and revenue sharing participant on the same or more favorable terms (including at the same or a more favorable price) to such Affiliate and / or sub-contractor and / or risk and revenue sharing participant (subject always to any specific requirements of the local law of such Affiliate and / or sub-contractor and / or risk and revenue sharing participant).

27. TOOLING:

27.1. Tooling produced and utilized under the Procurement Conditions will be utilized exclusively for the production of the Deliverables for R-R to be exclusively delivered to R-R or its specified agents. R-R will hold title to all tooling under the Procurement Conditions. Supplier will be responsible for proper maintenance and storage of the tooling and the associated costs.

27.2. If Supplier fails to pass the FAIR and RESA/FPA process, Supplier agrees that, upon R-R's request, it will immediately relinquish or destroy such tools that were created as a result of the Procurement Conditions. Supplier will be solely responsible for the costs associated with the relinquishing or destruction of such tooling. Failure to pass the FAIR and RESA/FPA process will constitute a material breach of the Procurement Conditions and R-R may exercise its right to terminate pursuant to Clause 7 of the GCP. If R-R requests destruction of the tooling, Supplier must certify as to the destruction of the tooling within thirty (30) days of receiving the request.

28. SUPPLIER FINANCIAL REPORTS: If requested by R-R, the Supplier will provide to R-R the most current financial reports: (a) for the Supplier; and (b) for any related company of the Supplier involved in producing, supplying, or financing the Deliverables or any component part of the Deliverables. Financial reports include income statements, balance sheets, cash flow statements and supporting data. R-R's may use financial reports provided under this Clause 28 only to assess the Supplier's ongoing ability to perform its obligations under the Procurement Conditions and for no other purpose, unless the Supplier agrees otherwise in writing.

29. ETHICS, CODES AND APPLICABLE LAW

29.1 The Supplier represents, warrants and undertakes to R-R that neither it nor its Affiliates, directors, employees, representatives nor any other person acting on its or their behalf have engaged, or will engage, in any conduct which was or would be an offence under any of the ABC Laws (whether or not the Supplier is subject to that ABC Law).

29.2 The Supplier represents, warrants and undertakes to R-R that neither it nor its Affiliates, directors, employees, representatives nor any other person acting on its or their behalf have authorized, offered, promised, paid or otherwise given, or will authorize, offer, promise, pay or otherwise give, any Inappropriate Inducement.

29.3 The Supplier represents, warrants and undertakes that neither it nor its directors, officers, employees or other persons authorized to act on its behalf, in respect of these Procurement Conditions, has requested or encouraged, or will request or encourage, any director, officer, employee, agent or other associated person to (A) undertake any action or activity; or (B) refrain from any action or activity; where doing so is or was intended to directly or indirectly facilitate any offense of tax evasion.

29.4 The Supplier will comply in full with, and acknowledges receipt of, the Rolls-Royce Global Supplier Code of Conduct, as in force from time to time.

29.5 Notwithstanding any other provision of these Procurement Conditions, any money due from R-R to the Supplier under these Procurement Conditions or in relation to their subject matter, will not be payable if the Supplier has committed any actual or alleged breach of this clause 29. In the event of an alleged breach, payment will only be payable once R-R has concluded that there has been no actual breach of this clause 29.

29.6 The Supplier undertakes not to: a) act in breach of any duty of confidentiality owed to any third party in the course of performing its obligations under the Procurement Conditions; and b) offer or provide any Prohibited Information, whether specifically related to the subject matter of the Procurement Conditions or otherwise.

29.7 The Supplier will at all times comply with other relevant Rolls-Royce codes of practice as set out on the R-R Website including its standard security and health and safety requirements.

29.8 The Supplier will comply with all applicable laws, enactments, orders and regulations in connection with these Procurement Conditions.

29.9 For the purpose of this clause 29:

i) "ABC Laws" means the United Kingdom Bribery Act 2010, the United States Foreign Corrupt Practices Act 1977 (15 U.S.C. Section 78dd-1, et. seq.), as amended, and any other laws relating to anti-bribery and corruption matters applicable to the subject matter of these Procurement Conditions;

ii) "Government Official" means any person who would constitute either: (i) a "foreign public official" as defined in the UK Bribery Act 2010; or (ii) a "foreign official" as defined in the United States Foreign Corrupt Practices Act (15 U.S.C. Section 78dd-1, et. seq.), as amended;

iii) "Inappropriate Inducement" means any payment or thing of value or any financial or other advantage to or for the use or benefit of: (a) any Government Official; or (b) any director, officer, employee, agent or representative of any commercial organization or private individual; or (c) any other person, entity or third party intermediary while knowing or having reason to know that all or any portion of such payment, thing of value or advantage would be offered, promised, paid or given to any of the persons described in sub-paragraphs (i) to (ii) above, for the purpose of influencing any act or decision of any such person, including a decision to do or omit to do any act in violation of the duty of such person in order to obtain or retain business, secure any improper advantage or obtain any license, permit, approval, certificate or clearance.

iv) "Prohibited Information" means any information whether offered in written, verbal or other form that such Supplier is not authorized to have and/or use in connection with the Procurement Conditions, including, but not limited to, any information from a competitor's confidential proposals, bid terms or contract and pricing terms.

v) "Rolls-Royce Global Supplier Code of Conduct" means the code of conduct with such name as set out on the R-R Website as such code may be amended or replaced from time to time.

vi) "Rolls-Royce Website" means the Rolls-Royce website for suppliers at <https://suppliers.rolls-royce.com/> as may be amended from time to time.

FOR ROLLS-ROYCE CORPORATION, ROLLS-ROYCE NORTH AMERICA INC., OR ROLLS-ROYCE CROSSPOINTE LLC, THE FOLLOWING PROVISIONS (30-45) WILL ALSO APPLY:

30. GOVERNING LAW AND JURISDICTION:

30.1 These Procurement Conditions and any claim, controversy or dispute arising under or related to the Procurement Conditions, the relationship of the parties, or the interpretation and enforcement of the rights and duties of the parties will be governed by the laws of the State of New York without regard to any conflicts of law principles. The application of the United Nations Convention for International Sale of Goods dated April 11th 1980, is hereby expressly excluded.

30.2 **Supplier and R-R irrevocably consents to the jurisdiction of New York courts.** Any action arising out of or relating to the Procurement Conditions will be brought in the State of New York, USA.

31. INDEMNIFICATION: Supplier will indemnify and hold harmless R-R and R-R customers from and against all losses, liabilities, claims or demands whatsoever (including without limitation, all costs, expenses and attorney fees), arising from Supplier's breach, act or omission, negligent performance, or non-performance of these Procurement Conditions.

32. CONFLICT MINERALS:

32.1 The Supplier certifies and warrants that the Deliverables do not contain Conflict Minerals. "Conflict Minerals" are defined as tantalum, tungsten, tin or gold, which originated from mines in the Democratic Republic of the Congo, Angola, Burundi, Central African Republic, Congo Republic, Rwanda, Sudan, Tanzania, Uganda, and Zambia that directly or indirectly benefit unlawful armed groups in those countries.

32.2 The Supplier will flow down the requirement in clause 32.1 to all of its suppliers. If at any stage of manufacture or production, the Supplier or any of its suppliers determines that any Conflict Minerals were incorporated into the Deliverables delivered to R-R, the Supplier must promptly provide a listing of the Conflict Mineral(s) and originating country to R-R.

33. COMPLIANCE WITH LAWS: Supplier and R-R will comply with Fair Labor Standards Act of June 30, 1938 (USC 201-209) as amended, Occupational Safety and Health Act, Americans with Disabilities Act, Title VII of the Civil Rights Act, Age Discrimination in Employment Act, Immigration Reform and Controls Act, Family and Medical Leave Act, 29 CFR part 471, appendix A to subpart A, pertaining to employee rights under federal labor laws, and any and all other federal, state and local laws, statutes, ordinances, rules, regulations, codes, orders and/or programs including but not limited to identification and procurement of required permits, certificates, approvals and inspections, labor and employment obligations, affirmative action, wage and hour laws and any other laws which subsequently become applicable under the Procurement Conditions.

34. EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION: The Order incorporates by reference: (a) all provisions of 41 C.F.R. 60-1.4, as amended, pertaining to the equal opportunity clause in government contracts; (b) all provisions of 41 C.F.R. 60-300.5(a), as amended, pertaining to affirmative action for veterans; and (c) all provisions of 41 C. F. R. 60-741.5(a), as amended, pertaining to the affirmative action for individuals with disabilities. **Supplier and its subcontractor shall abide by the requirements of 41 C.F.R. 60-300.5(a).** This regulation prohibits discrimination against qualified protected veterans, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans. **Supplier and its subcontractor shall abide by the requirements of 41 C.F.R. 60-741.5(a).** This regulation prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action covered by prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities. Supplier certifies that it is in compliance with all applicable provisions of 41 C.F.R. 60-1, including but not limited to: (a) developing and presently having in full force and effect a written affirmative action compliance program for each of its establishments as required by 41 C.F.R. 60-1.40, as amended; (b) filing EEO-1 Reports as required by 41 C.F.R. 60-1.7, as amended; and (c) neither maintaining segregated facilities nor permitting its employees to perform services at segregated facilities as prohibited by 41 C.F.R. 60-1.8, as amended. R-R requests that Supplier adopt and implement a policy to extend employment opportunities to qualified

applicants and employees on an equal basis, prohibit discrimination and harassment against any applicant or employee on the basis of race, color, religion, sex, sexual orientation, gender identity and expression, national origin, age, disability, pregnancy, veteran status, genetic information or any other basis prohibited by law, and prohibit any and all forms of retaliation or threats of retaliation against any individual for engaging in protected activity.

35.LEGAL NOTICES: All legal notices must be written in English and will be sent by registered or certified mail to the Parties at the addresses listed on the Order for the attention of the Legal Department or its approved and/or registered agent pursuant to the Secretary of State of qualification or incorporation's records. Legal notices will not be effective if sent by fax. Any notice or communication in connection with this Order will be deemed to be given as follows: (a) if delivered in person, at the time of delivery; and (b) if sent by commercial courier service or registered or certified mail, on the date and at the time of signature of the delivery receipt.

36.THIRD PARTY LOGISTICS: All Deliverables covered by the Procurement Conditions are subject to R-R's Third Party Logistics (3PL) program.

37.INTELLECTUAL PROPERTY: Supplier acknowledges that R-R is the Original Equipment Manufacturer (OEM) of, and owns all right and title to the technical data provided to Supplier in connection with the Deliverables covered by the Procurement Conditions.

In consideration for the intellectual property provided to Supplier by R-R as well as technical assistance to expedite Supplier qualification, funding for tooling, cost of non-recurring expense and qualification pieces, Supplier agrees that it may sell Deliverables contemplated by the Procurement Conditions (including revisions over time) only to R-R or to third parties authorized in writing by R-R. Any sale of such Deliverables to any third party without express written consent from R-R will constitute a material breach of the Procurement Conditions for which R-R will be entitled to obtain immediate injunctive relief without the necessity of posting bond, in addition to any other remedy available at law or in equity.

All intellectual property, including know-how and technical data such as blueprints, specifications, and shop and inspection routings provided to Supplier in connection with its performance under the Procurement Conditions is confidential and proprietary to Supplier and may not be used by Supplier or disclosed by Supplier to any third party except as necessary for Supplier to perform obligations under the Procurement Conditions or as otherwise approved by R-R in writing.

All copies of such know-how and technical data will be returned to R-R upon the completion, cancellation, or termination or expiration of the Procurement Conditions.

While the United States Government may have rights to some technical data associated with the Deliverables or any engine part covered hereunder, R-R must protect its intellectual property associated with the Deliverables or engine parts. Supplier agrees to promptly notify R-R in the event it receives a Request for Proposal (RFP), Request for Information (RFI), or similar inquiry from a third party about performing the manufacture or remanufacture of any engine parts, Deliverables, components or other elements covered by the Procurement Conditions or related Orders. The R-R buyer and Supplier will meet and confer on whether and how Supplier can respond to the inquiry.

38.SECURITY INTEREST: Supplier grants to R-R a security interest in all tools, materials and equipment provided or made available to Supplier in accordance with Clause 5 of these Procurement Conditions. The Supplier agrees to cooperate, execute and deliver a brief description of the collateral or such financing statements, amendments and other necessary documents requested by R-R so that R-R may establish and maintain its security interest. Supplier irrevocably authorizes R-R to file the financing statements and amendments as required by Article 9 of the Uniform Commercial Code or any equivalent state statute. In the event of Supplier's bankruptcy or Supplier defaults on any of its realty leases, R-R reserves the right to enter Supplier's premises during normal business hours to remove such tools, materials or equipment.

39.FURTHER ASSURANCES: Supplier agrees to do such reasonable acts and things and deliver or cause to be delivered such other documents as R-R may deem necessary to establish and maintain a

valid security interest in the equipment, materials and tooling referenced in Clause 38 (free of all other liens and claims except permitted encumbrances) to secure the payment and performance of the Procurement Conditions and to defend title to the materials, equipment and tooling referenced in Clause 38 against any person(s) claiming any interest therein adverse to R-R. R-R will execute and file a financing statement in those public offices deemed necessary to protect the security interests of R-R herein granted. If permitted by law, Supplier agrees that a carbon, photographic or other reproduction of a financing statement may be filed as a financing statement. At its own expense, each party to these Procurement Conditions as applicable will, and will use all reasonable endeavors to procure that the necessary third party will promptly execute and deliver such documents and perform such acts as may be reasonably required for the purpose of giving full effect to these Procurement Conditions.

40, SET OFF: In addition to any right of setoff provided by law, all amounts due Supplier will be considered net of indebtedness of Supplier to R-R and its subsidiaries; R-R may deduct any amounts due or to become due from Supplier to R-R and its subsidiaries from any sums due or to become due from RR to Supplier.

41. OFF SET TRADE/INDUSTRIAL PARTICIPATION:

41.1 The Supplier agrees that R-R's decision to award the work that is the subject of these Procurement Conditions involves consideration of the potential for such work to count towards any current or future Industrial Participation obligations whether in the Supplier's country of incorporation or elsewhere in the world.

41.2 R-R (or, at its option, any of its Affiliates) may include within such Industrial Participation arrangement, in whole or in part, the value of business to which these Procurement Conditions apply. Upon R-R's request the Supplier will support any submission(s) R-R (or its Affiliates) may make in this respect.

41.3 Upon R-R's request Supplier will enter into good faith discussions with R-R (or, at the R-R's option, any of its Affiliates) to source work with technically competent suppliers of materials, capital goods and/or services in support of work that is the subject of these Procurement Conditions, in countries that R-R identifies and for which R-R or its Affiliates has Industrial Participation requirements (the sourcing of which will not incur a further cost increase unless previously agreed by all affected R-R in writing).

41.4 Without prejudice to the other rights and obligations in this clause 41, on a R-R's request the Supplier will enter into good faith discussions with R-R (or at R-R's option, any of R-R's Affiliates) as to whether it can support R-R (and/or its Affiliates) in countries where R-R or its Affiliates have or may have Industrial Participation requirements by: (a) providing all R-R or its Affiliates upon issuance of the Order, or as soon as possible, with a written summary of the countries from which it operates and/or purchases goods and/or services not the subject of the Procurement Conditions (such summary to be promptly updated at intervals reasonably requested by R-R); and (b) negotiating in good faith with R-R an agreement that would allow the R-R to capture and use for its own (or its Affiliates') purposes Industrial Participation benefits that may be available as a result of such operation or purchase.

41.5 For the purpose of this clause 41:

- (i) "Industrial Participation" means the need for R-R (or its Affiliate) in connection with the marketing and sale of its own products and/or services, to: i) generate work; ii) create capability or iii) any other measure of economic or social value; in a customer's country which that customer will recognize through the granting of (a) offset credits; or (b) other recognition of the commitment made by R-R (or Affiliate) to such country;
- (ii) "Affiliate" means, in relation to any person, any other person which, directly or indirectly, Controls, is Controlled by or is under common Control with, such person.
- (iii) "Control" means the power, directly or indirectly: (a) to vote more than 50% (fifty percent) of the securities having ordinary voting power of that person at a general meeting of that person; or (b) to appoint or remove more than 50% (fifty percent) of the directors (or persons performing similar functions) of such person; or (c) to direct or cause the direction of the

management and policies of such person, whether by contract or otherwise; and "Controls" and "Controlled" will be interpreted accordingly.

42. IMPORTER SECURITY FILING: For ocean shipments to the United States, the Supplier will provide the following data elements via electronic mail to the Rolls-Royce Customs Compliance Office-US a minimum of three (3) business days prior to cargo lading to comply with Importer Security Filing (ISF) requirements: (a) Automated Manifest System (AMS) bill of lading number (lowest level), (b) vessel name, (c) voyage number, (d) cargo lading date, (e) seller name and address, (f) buyer name & address, (g) Importer of Record Number, (h) consignee number, (i) manufacturer (Supplier) name and address, (j) ship-to name and address, (k) Container Stuffing location name and address, (l) Consolidator (Stuffer) name and address, (m) Country of origin, (n) Harmonized Tariff Number, and (o) R-R part number of each invoice line item. The ISF pre-alert shall also include invoice(s) for the shipment.

43. C-TPAT: Supplier will review and comply with the security criteria of the Customs-Trade Partnership Against Terrorism (C-TPAT) program of the United States Customs & Border Protection. Detailed C-TPAT minimum security criteria are available at <https://suppliers.rolls-royce.com>. Supplier will complete a security questionnaire, grant access to facilities, and/or other written verification of compliance to these criteria upon request, including those of sub-tier suppliers or service providers chosen by the Supplier in provision of the Deliverables. Supplier will notify R-R immediately of any breach of security in the supply chain. Supplier acknowledges failure to respond to requests in this clause and/or subsequent corrective actions will be reasonable grounds for termination of the Order.

44. 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.

45. TRADE AGREEMENTS: If the Deliverable will be delivered to a destination country having a trade preferential, customs union agreement, or customs program ("**Trade Agreement**") with Supplier's country, Supplier shall cooperate with R-R to review eligibility of materials, products or services for any special program for R-R's benefit and provide R-R required documentation to support the applicable special customs programs to allow duty free or reduced duty entry of materials or products into the destination country. Similarly, should any Trade Agreement applicable to the scope of these Procurement Conditions or Order exist at any time during its term and be of benefit to R-R in R-R's judgment, Supplier shall cooperate with R-R's efforts to realize any such available credits, including counter-trade or offset credit value, which may result from such Procurement Conditions or Order, and Supplier acknowledges that such credits and benefits shall inure solely to R-R's benefit. Supplier shall agree and cooperate with any verification audit/on-site inspection at Supplier's facilities requested by R-R or R-R's Customs authorities to verify compliance with the rules of origin requirements.

FOR ROLLS-ROYCE CORPORATION THE FOLLOWING PROVISIONS (46 and 47) WILL ALSO APPLY:

46. RESALE CERTIFICATES, EXEMPTION CERTIFICATES AND DIRECT PAY PERMIT: If applicable, R-R shall provide Supplier a valid resale certificate, blanket exemption certificate, direct pay certificate or similar certificate establishing that R-R is not subject to local transaction taxes (including, without limitation, sales or use tax, value added tax) in respect of purchases made pursuant to these Procurement Conditions. Rolls-Royce Corporation ("**RRC**") has been issued Direct Pay Permit No. 0005631904 by the State of Indiana. Therefore Supplier is not required to collect Indiana sales tax on purchases from RRC. RRC will remit Indiana sales tax directly to the State of Indiana. If an Order specifies labor and material, then the material costs must be stated separately on Supplier's invoice.

47. VENDOR MANAGED INVENTORY: Supplier agrees to participate in an inventory management and continuous replenishment program (“VMI Program”) with a third party logistics provider (“3PL”) at a R-R designated 3PL facility for Deliverables mutually agreed to and specified as vendor managed inventory parts. Supplier will enter into any necessary agreements with the 3PL and shall have the VMI Program fully implemented no later than forty-five (45) days after the Order effective date or as agreed upon with R-R.