

ROLLS-ROYCE – GENERAL CONDITIONS OF PURCHASE

SERVICES

1. INTERPRETATION

The definitions and rules of interpretation set out in Schedule 1 (Interpretation) apply to the Contract.

2. APPLICABILITY

The Parties agree that these GCP will apply to the exclusion of any other terms and conditions of business contained or referenced in any acknowledgement or any other form of acceptance by the Supplier (whether written or not), any standard form, quotation, proposal or any other document issued by the Supplier to the Buyer or implied by trade custom, practice or any course of dealings between the Parties unless such terms and conditions are expressly stated in the Order to apply.

3. REPRESENTATIONS AND WARRANTIES

3.1 The Supplier represents and warrants that, as at the Effective Date and on an ongoing basis:

- (a) it has the power to enter into and perform and has taken all necessary action to authorise its entry into and performance of, the Contract and the transactions contemplated by it;
- (b) the obligations expressed to be assumed by it in the Contract are legal, valid, binding and enforceable obligations;
- (c) no claim is being assessed and no litigation, arbitration or administrative proceedings are in progress or, to the best of its knowledge, pending or threatened against it or any of its assets which will or might have an adverse effect on its ability to perform its obligations and meet its liabilities under the Contract;
- (d) it is not the subject of any obligation, compliance with which will or is likely to have a material adverse effect on its ability to perform its obligations and meet its liabilities under the Contract;
- (e) save as disclosed in writing to the Buyer, no one other than a bona fide employee of the Supplier has recommended that the Buyer enter into the Contract or otherwise interceded or negotiated on the Supplier's behalf in relation to the agreement or negotiation of the Contract;
- (f) neither it, nor to its knowledge, has any other person, including but not limited to any Associated Person, given, or agreed or promised to give any financial or other advantage, to or for the benefit of any other person in order to obtain or influence the award of the Contract; and
- (g) all Information provided by the Supplier to the Buyer as to the nature, standing and interests of the business of the Supplier and its shareholders is accurate and complete.

3.2 The Supplier represents and warrants that:

- (a) the Services will be provided in accordance with the requirements of the Contract, including any specification referenced in or attached to the Order;
- (b) the Services will be performed with all reasonable skill, care and diligence;
- (c) it will provide the Services in accordance with (and will not cause the Buyer or any of its Affiliates to breach), any applicable Law or any industry standards; and
- (d) it has all the necessary permissions, licences and authorities from third parties that it requires to carry out the Services and to enable the Buyer and the Permitted Users to use and exploit the same.

4. PRICE AND PAYMENT

- 4.1 The price for the Services and the currency for payment will be set out in the Order.
- 4.2 Prices are exclusive of value added tax or any other similar tax (“**VAT**”) payable in the Buyer’s jurisdiction of incorporation but includes all other taxes, duties and levies. If VAT is chargeable in the Buyer’s jurisdiction of incorporation, it will be separately identified on the invoice and will be payable by the Buyer subject to the Supplier’s compliance with its obligations in clause 4.4 or 4.5 below, as applicable.
- 4.3 Subject to clause 4.2, the Supplier will be responsible for, and will indemnify the Buyer in full, from and against any and all taxes, duties, fines, penalties and interest thereon, imposed on the Supplier, its personnel or any Affiliate of the Supplier, by the government or other lawful taxing authority of any country for or on account of any payment made to or earned by the Supplier in connection with the provision of the Services under the Contract.
- 4.4 The Supplier will submit an invoice to the Buyer’s Financial Service Centre after the invoicing date(s) set out in the Order. The Supplier will agree the format of the invoice in advance with the Buyer’s Financial Service Centre and will include on the invoice the Order number and a full breakdown of the price (with sufficient information to enable the Buyer to verify the price, including (where the price is based on a rate card) hours worked).
- 4.5 Provided the Services have not been rejected by the Buyer for non-conformity with the Contract in accordance with clause 6, then the Buyer will electronically transfer payment to the Supplier on the first Friday 75 days after the receipt of a valid, complete and accurate invoice from the Supplier. If such a Friday is not a normal banking day in the United Kingdom then payment will be made on the following normal banking day in the United Kingdom.
- 4.6 The Buyer will be entitled to set-off any liability owed by it to the Supplier under the Contract against any liability of the Supplier or any of its Affiliates to the Buyer or any of its Affiliates under the Contract or under any other agreement, whether such liability is present or future or liquidated or unliquidated.
- 4.7 If the Supplier does not receive any amount due from the Buyer under the Contract on its due date (as set out in clause 4.5 above), the Supplier will be entitled to charge interest on all valid overdue amounts at a rate of 0.5% per annum above the Base Rate, accruing on a simple basis from the day the amount became overdue and ending on the day payment is received in full by the Supplier.

5. PERFORMANCE

- 5.1 The Services will be provided to the Buyer and any Permitted Users:
- (a) from the commencement date (the “**Service Commencement Date**”) specified in the Order:
- (i) until the service completion date specified in the Order; or
 - (ii) where no service completion date is specified in the Order, until the Services have been fully performed in accordance with the Contract;
- (b) in accordance with:
- (i) the specification or description of the Service as set out, or referred to, in the Order;
 - (ii) any Specified Service Levels;
 - (iii) any Specified Timescales; and
- (c) at the location specified in the Order (where applicable).
- 5.2 Time is of the essence for the provision of the Services under the Contract.

- 5.3 Subject to clause 5.4 and clause 11, if the Supplier fails to perform the Services in accordance with any Specified Timescales or any Specified Service Levels, then the Buyer will have the option, exercisable at its sole discretion, to either:
- (a) recover from the Supplier, in accordance with clause 10, all Losses suffered by it as a result of the Supplier's failure to perform the Services in accordance with the Specified Timescales or Specified Service Levels; or
 - (b) if the Supplier fails to perform the Services in accordance with:
 - (i) the Specified Timescales, to claim 2.5% of the price of the delayed Services as liquidated damages for each seven-day period of delay (or any part of such period) subject to a maximum of 10% of the price for the Services so delayed; and/or
 - (ii) the Specified Service Levels, to claim 2.5% of the price of such Services as liquidated damages for each thirty-day period (or any part of such period) that the Services are not performed in accordance with the Specified Service Levels, subject to a maximum of 10% of the price for such Services.

The Buyer may, in respect of any failure to perform the Services in accordance with the Specified Timescales or Specified Service Levels, exercise its option under this clause 5.3 at any time following the relevant deadline. Such option can be exercised only by way of written notice to the Supplier signed by the Buyer. The Buyer may not claim for a delay under clause 5.3(b)(ii) if it has already claimed for the same delay under clause 5.3(b)(i).

- 5.4 The Buyer may, at its sole discretion, require the Supplier to suspend all performance under the Contract for a period of up to six months. In the event of any suspension of the Supplier's performance under this clause, the Buyer's obligation to pay for such Services during the period of suspension will be suspended for the same period of time.
- 5.5 The Supplier will immediately notify the Buyer in writing if it has any reason to believe that it may or will be delayed in any way from completing its obligations under the Contract, with full details of the reason for such belief and any mitigating measures it is taking to manage or reduce the delay.

6. ACCEPTANCE AND REJECTION

- 6.1 Where the Order (or any other part of the Contract) stipulates that acceptance tests or inspections will apply to the output of the Services, the Services will not be deemed accepted until the completion of such acceptance tests or inspections to the satisfaction of the Buyer.
- 6.2 Where the Order (or any other part of the Contract) does not provide for any acceptance tests or inspections, the Buyer will not be deemed to have accepted the Services or the output of the Services, in whole or in part, for a reasonable period of time following the provision of the Services, not to be less than 45 days in any circumstances.
- 6.3 If the Buyer does not accept the Services or the output of the Services, the Buyer may, at its sole discretion:
- (a) send the Supplier a written notice that specifies the reasons for the Buyer's non-acceptance and requires the Supplier to take rectifying action (a "**Rectification Notice**");
 - (b) send the Supplier a written notice rejecting the relevant Services (a "**Rejection Notice**"); or
 - (c) send the Supplier a written notice rejecting the relevant Services and terminating the Contract with immediate effect (a "**Rejection and Termination Notice**").
- 6.4 Upon receipt of a Rectification Notice, the Supplier will, within the timeframes reasonably required by the Buyer (taking into account in particular the impact on the Buyer's business resulting from the non-acceptance under clause 6.3 above), re-perform the relevant Services so as to ensure that the reasons for the Buyer's non-acceptance of the Services are adequately addressed and re-submit the relevant output to the Buyer for acceptance. If the Buyer does not accept any output of the Services re-submitted to it

pursuant to this clause 6.4 or if the Supplier fails to re-perform the relevant Services in accordance with this clause 6.4, then clause 6.3 shall apply.

- 6.5 Upon receipt of a Rejection Notice, the Supplier will, within 10 days of the receipt of the Rejection Notice, refund to the Buyer all amounts which have been paid by the Buyer under the Contract in respect of the rejected Services.
- 6.6 Upon receipt of a Rejection and Termination Notice, the Buyer will be under no obligation or liability to make any further payment to the Supplier and the Supplier will, within 10 days of receipt of the Rejection and Termination Notice, refund to the Buyer all amounts which have been paid by the Buyer under the Contract in respect of the rejected Services and any other unperformed Services.
- 6.7 Any acceptance of the Services by the Buyer will not release the Supplier from complying with its other obligations under the Contract (including any warranties or representations given or made by the Supplier under the Contract).

7. BUYER PROPERTY

- 7.1 The Supplier will be fully responsible for any loss of, or damage to, any Buyer Property. The Supplier will at all times maintain the Buyer Property in good condition, keep it insured with a reputable insurance company (with all Losses payable to the Buyer) and ensure that it is clearly identified as belonging to the Buyer. The Supplier will maintain comprehensive records of the Buyer Property and will keep any logbooks, records (including maintenance or use records) and any other documents relating to the Buyer Property, fully up to date. The Supplier will not use the Buyer Property except for the purposes of the Contract.
- 7.2 The Supplier will provide the Buyer with a list of the Buyer Property and the location of such Buyer Property:
- (a) within 30 days of each anniversary of the Effective Date;
 - (b) on the request of the Buyer;
 - (c) on the termination of the Contract; and
 - (d) when all of the Services have either been cancelled or performed.

The Supplier will immediately follow any instructions of the Buyer to return to the Buyer any Buyer Property and any other information or data belonging to the Buyer.

8. QUALITY

The Supplier will comply in full with any requirements set out at the Buyer's website for suppliers (<https://suppliers.rolls-royce.com>), as updated from time to time by the Buyer, including the requirements of SABRe, unless such requirements clearly state that they are not applicable to the type or nature of the Services being supplied by the Supplier under the Contract.

9. REMEDY FOR DEFECTS

- 9.1 If the Services do not conform to (or do not continue to conform to) the requirements set out in clauses 3.2 and 8, for a period of 12 months following the completion of the Services ("**Non-Conformance**") then the Buyer may send the Supplier a written notice requiring the Supplier to re-perform the Services (a "**Non-Conformance Notice**"). Within 30 days of receipt of the Non-Conformance Notice the Supplier will, at its own cost, re-perform the Services at the location specified by the Buyer to rectify the Non-Conformance. If the Supplier fails to rectify the Non-Conformance within such 30 day period, the Buyer may:
- (a) choose to accept the Non-Conformance and reasonably adjust the Contract price to reflect the extent and impact of the Non-Conformance;
 - (b) rectify or arrange to have rectified such Non-Conformance at the Supplier's cost (which the Supplier will reimburse to the Buyer within 14 days of the Buyer invoicing the Supplier for such costs); or

(c) procure equivalent services from alternate sources in order to meet the Buyer's requirements at the Supplier's cost (which the Supplier will reimburse to the Buyer within 14 days of the Buyer invoicing the Supplier for those costs).

9.2 If any Non-Conformance is identified by the Supplier, the Supplier will immediately report such Non-Conformance to the Buyer.

9.3 The representations and warranties set out at clause 3.2 will apply in full to any Service re-performed under clause 9.

10. INDEMNITY

Subject to clause 5.3, the Supplier will indemnify the Buyer in full against any and all Losses that are incurred by the Buyer as a result of the Supplier's breach of any term of the Contract or as a result of any tortious (including negligent) acts or omissions of the Supplier (or any permitted sub-contractor) in connection with the performance of the Contract, irrespective of whether such Losses were foreseeable at the time the Parties entered into the Contract. The Buyer will use reasonable endeavours to mitigate any such Losses.

11. FORCE MAJEURE

11.1 Provided that the affected Party has not directly or indirectly caused a Force Majeure Event and subject to the affected Party's compliance with clauses 11.2 and 11.3, the time specified for the performance by a Party of any obligation of that Party in the Contract will be extended by a period equal to the period for which such performance is prevented by a Force Majeure Event.

11.2 The affected Party will use all reasonable endeavours to mitigate the effect of a Force Majeure Event.

11.3 If a Force Majeure Event occurs that will or may prevent the timely performance of a Party's obligations under the Contract, the affected Party will notify the other Party as soon as possible and in any event within five days of the start of the Force Majeure Event, providing:

- (a) full details of the Force Majeure Event;
- (b) its anticipated effect; and
- (c) the affected Party's proposed measures to mitigate its effect.

11.4 If the Buyer receives a notification from the Supplier under clause 11.3 or if the Buyer reasonably believes that a Force Majeure Event has occurred that will or may prevent the timely performance of the Supplier's obligations under the Contract, the Buyer may immediately, on written notice to the Supplier, cancel its Order under the Contract in respect of some or all of the Services. In the event of such a cancellation neither Party will have any other liability to the other in respect of such cancellation.

12. SUPPLY OF INFORMATION AND RIGHTS OF INSPECTION

12.1 The Buyer may, at its absolute discretion and at any time before the termination or expiry of the Contract, inspect, or nominate a Permitted User, a regulatory body or an independent third party to inspect:

- (a) the Supplier's premises where any work related to the Contract is, was or will be carried out, including any tooling or equipment used in connection with the provision of the Services;
- (b) any processes, procedures, policies, systems or plans used by the Supplier in connection with the provision of the Services;
- (c) any materials used, or to be used, by the Supplier in connection with the provision of the Services; and
- (d) any financial information of the Supplier, including any annual report, interim accounts or monthly management accounts,

and the Supplier will co-operate to the fullest possible extent with the Buyer to ensure the Buyer or, as applicable, a Permitted User, a regulatory body or an independent third party is able to conduct and complete such inspections promptly and to the Buyer's satisfaction.

- 12.2 The Buyer will usually give the Supplier reasonable written notice of its intention to exercise its rights under clause 12.1, however the Buyer retains, at its sole discretion, the right to conduct inspections without prior notice to the Supplier.
- 12.3 If any inspection is required by the Buyer under clause 12.1 as a result of reasonable concerns relating to the Supplier's ability to perform its obligations in accordance with the Contract, the Supplier will be responsible for the costs of the inspection.
- 12.4 If the Buyer has reasonable grounds for believing that the Supplier may be unable to perform its obligations under the Contract, the Buyer may require the Supplier to provide written evidence, to the Buyer's satisfaction, that the Supplier is able to fulfil its obligations under the Contract, within 30 days of the Buyer's request.
- 12.5 In the event that the Supplier comes under, or believes it is about to come under, the Control directly or indirectly of an entity who does not Control the Supplier at the Effective Date, then subject to Law, the Supplier will immediately notify the Buyer with full details of such an entity.
- 12.6 Any inspections carried out by the Buyer, a Permitted User, a regulatory body or an independent third party in accordance with this clause will not imply an acceptance of the Services or any waiver of the Supplier's obligations under the Contract.

13. WORKFORCE MATTERS

- 13.1 The Supplier shall ensure that all Staff:
- (a) are suitably experienced, qualified, skilled and trained to the level expected of a specialist professional providing services similar to the Services to customers of the same nature as the Buyer, its Affiliates and any Permitted Users and shall ensure that such Staff shall act at all times in a professional manner; and
 - (b) comply with all security and other procedures and other regulations (including health, safety and site policies) in force at any relevant Buyer or Permitted User premises.
- 13.2 If the Buyer, its Affiliates, or any Permitted User, reasonably believes that any member of Staff is sub-standard or otherwise unsuitable to perform their obligations in connection with the Services, the Buyer may, in its absolute discretion, give notice requiring the Supplier to remove any such member of Staff from the provision of the Services. The Supplier shall (at its own cost) promptly arrange for the removal of such Staff from the performance of the Services and shall replace them with personnel acceptable to the Buyer and, as applicable, its Affiliates and/or the Permitted User.
- 13.3 Staff will at all times remain employed or engaged by the Supplier and the Supplier shall meet all employment costs and liabilities in respect of Staff.
- 13.4 If, as a consequence of the termination or expiry of this Contract (whether in whole or in part), the contract or employment or engagement of any person who was engaged (or formerly engaged) in providing the Services (or part of the Services) has effect or is alleged to have such effect, pursuant to TUPE, as if originally made between the Buyer, any of its Affiliates, any Permitted User, or any Successor Supplier (as applicable) and any such person, then, the Supplier shall indemnify the Buyer (and shall pay to the Buyer such sums as would, if paid to the relevant Affiliate, Permitted User, or Successor Supplier (as applicable), indemnify the relevant Affiliate, Permitted User, or Successor Supplier (as applicable)) in full against all Losses suffered or incurred by the Buyer, any of its Affiliates, any Permitted User, and/or any Successor Supplier arising from or in connection with (i) any such employment or engagement, and (ii) any termination of any such employment or engagement.
- 13.5 The Supplier agrees that, in respect of any employees of the Buyer, its Affiliates, or any Permitted User involved in connection with this Contract, the Supplier shall not, during the term of the Contract and for a period of six months after the expiry or termination of the Contract, directly entice such person away from

the Buyer, its Affiliates, or any Permitted User (as applicable) with the intent itself of employing or otherwise engaging such person. This clause 13.5 shall not apply in respect of any personnel who can be shown to have responded to a bona fide published recruitment advertisement without any inducement or encouragement from the Supplier (other than through the advertisement itself).

14. TERMINATION

14.1 The Buyer may terminate the Contract in whole or in part immediately on written notice to the Supplier:

- (a) if the Supplier suffers an Insolvency Event;
- (b) if the Supplier becomes an Affiliate of a Competitor;
- (c) if the Supplier breaches clause 5.2, 12.1, 17 or clause 19 or if any representation or warranty made by the Supplier in clause 3.1 is or becomes incorrect;
- (d) if, in respect of any other agreement between the Buyer or any Affiliate of the Buyer and the Supplier or an Affiliate of the Supplier, the Buyer or an Affiliate of the Buyer has a right to terminate such agreement following a breach by the Supplier or an Affiliate of the Supplier's (or its Affiliate's) obligations under such agreement; or
- (e) if the Supplier breaches any other clause of the Contract and (in the case of a breach that is remediable) does not remedy such breach within 30 days of receiving from the Buyer written notice of the breach and a request to remedy the breach.

14.2 The Buyer may at any time terminate the Contract in whole or in part, without cause, on 30 days' written notice to the Supplier.

14.3 On termination in accordance with clause 14.1, 14.2 or 6.3(c), the Supplier will, if required by the Buyer to do so, promptly provide the Buyer (and any Permitted User) with and licence the Buyer (and any Permitted User) to use, or ensure that the Buyer (and any Permitted User) is promptly provided with and the Buyer (and any Permitted User) is (or are) licensed to use, all such designs, documentation and information as may be necessary to enable the Buyer to provide the Services itself, or have a third party provide the Services, over the period of time the Supplier would have performed the Services if the Contract had been performed as originally intended by the Parties. Subject to clause 16, the Buyer will have no right to use such designs, documentation and information provided under this sub-clause 14.3 for any purpose other than providing the Services or having a third party provide the Services.

14.4 The Supplier may terminate the Contract in the following circumstances only and any right the Supplier may otherwise have to terminate or cancel the Contract at common law (including by acceptance of repudiation by the Buyer) is hereby excluded:

- (a) if the Buyer suffers an Insolvency Event; or
- (b) if the Buyer is in breach of any obligation to make any payment under the Contract and such breach continues for a period of 90 days from the date that the Buyer received a written notice from the Supplier notifying the Buyer that the payment was overdue, provided that the amount of the payment is not in dispute between the Parties.

14.5 On termination or expiry of the Contract for whatever reason the Supplier shall provide all assistance as the Buyer may reasonably require to ensure an orderly transition of the Services to the Buyer or any Successor Supplier.

15. CONFIDENTIALITY

15.1 Subject to clause 15.2, each Party agrees to hold in confidence any Information that it acquires directly or indirectly from the other Party (or the Affiliates of the other Party) and agrees:

- (a) to protect the Information with the same degree of care used to protect its own Information (which will never be less than a reasonable degree of care);

- (b) not to use the Information other than for the purposes of the Contract;
- (c) not to disclose the Information at any time or to any third party without the written approval of the other Party; and
- (d) not to remove, alter or deface any proprietary, confidentiality or security designations denoted on the Information.

15.2 The provisions of clause 15.1:

- (a) do not apply to Information which is:
 - (i) already in the public domain;
 - (ii) received from a third party who is without an obligation of non-disclosure;
 - (iii) subject to compliance with clause 15.4 below, required to be produced by a legitimate legal authority; or
 - (iv) already known by the receiving Party at the time of receipt.
- (b) will not prevent either Party from disclosing the Contract and financial information concerning the business between the Parties to appointed auditors, legal advisers, insurers and accountants;
- (c) will not prevent either Party from disclosing Information to permitted subcontractors and suppliers solely to the extent necessary for the purposes of providing and receiving the Services; and
- (d) will not prevent the Buyer from disclosing Information to its Affiliates and/or Permitted Users.

15.3 Each Party will be responsible for the observance of the provisions of this clause 15 by its employees or any other third parties to whom Information is disclosed in accordance with this clause 15.

15.4 If the Party receiving the Information (the "**Receiving Party**") believes it is required by Law to disclose any Information to any third party:

- (a) such Party will provide the Party disclosing the Information (the "**Disclosing Party**") with immediate written notice of such requirement or obligation (together with a copy of any relevant access request, court order, or other evidence giving rise to such belief or obligation) to enable the Disclosing Party to seek appropriate protective relief and/or to take steps to resist or narrow the scope of any required disclosure; and
- (b) the Receiving Party must co-operate with the Disclosing Party with respect to such matters and will in any event disclose only such Information as it has ascertained, after taking legal advice, it is compelled by Law to disclose, and will use all reasonable endeavours to ensure that all Information so disclosed is accorded confidential treatment in the terms of the Contract. The Receiving Party will always notify the Disclosing Party in writing of the means, content and timing of such a disclosure before such a disclosure is made.

16. INTELLECTUAL PROPERTY RIGHTS

16.1 Subject to clause 16.2, neither Party will acquire any title, right or interest in or to any IPR belonging to or licensed to the other Party or developed by the other Party relating to the Services.

16.2 All IPR created as a result of work undertaken under or in connection with the Contract by the Supplier, its suppliers, subcontractors or agents, including any IPR in any new technologies, products, processes, business methods or methods of manufacture will vest in and become the absolute property of the Buyer. The Supplier will transfer, or will ensure the transfer of, any IPR created as a result of the Contract to the Buyer with full title guarantee and the Supplier will:

- (a) take all necessary actions, or will ensure that the necessary actions are taken, (including signing any documents) to ensure that such IPR vests in full with the Buyer immediately on creation; and

(b) ensure that its (and its suppliers) employees and contractors waive any moral rights in or relating to any works to which such IPR relate and will on request provide the Buyer with written evidence of such waiver.

16.3 The Supplier will not use, exploit, develop, transfer or licence any IPR created as a result of work undertaken under or in connection with the Contract or any IPR belonging to, or provided to the Supplier by, the Buyer, any Affiliate of the Buyer or Permitted User for any purpose other than fulfilling its obligations to the Buyer under this Contract.

16.4 The Supplier will indemnify the Buyer in full against any loss suffered by the Buyer as a result of a third party claim that the possession, use, exploitation, development or repair by the Buyer, or any Permitted User, of the Services infringes such a third party's IPR. This clause 16.4 will not apply where the third party claim is the direct and unavoidable result of the Supplier using IPR that was provided to the Supplier by the Buyer or any Affiliate of the Buyer.

17. COMPLIANCE WITH LAW AND DATA PROTECTION

17.1 The Supplier will, at all times:

(a) obtain, maintain and observe all regulatory approvals applicable in connection with the supply of the Services;

(b) comply with all applicable Laws, including any export control Laws (including in particular the United States International Traffic in Arms Regulations ("ITAR") and the Export Administration Regulations ("EAR")), health and safety Laws, environmental protection Laws, Laws governing the disposal of any waste, employment Laws, Laws governing any materials, chemicals or processes used in connection with the provision of the Services (including in particular Regulation (EC) No. 1907/2006 of the European Parliament concerning the registration, evaluation, authorisation and restriction of chemicals ("REACH")), Data Protection Laws and the Ethical Legislation;

(c) notify the Buyer of any restrictions or provisos:

(i) that exist in respect of any regulatory approvals granted in connection with the provision of the Services;

(ii) that exist under any Law,

or confirm in writing that no such restrictions apply; and

(d) provide the Buyer with any information reasonably requested by the Buyer and any information which it knows or should know that the Buyer will or may need in order to comply with or manage its obligations under any Laws.

17.2 If a Service or any Information provided, or to be provided, by the Supplier to the Buyer under the Contract is subject to export control, including in particular, ITAR or EAR, the Supplier must clearly mark such Information or identify such Service (by notification to the Buyer) (as applicable) as being restricted and must, as soon as possible after the Effective Date, provide the Buyer with all relevant details, including: whether the Information or Service is of a military or dual-use, which export control regime(s) the Information or Service is restricted under, full details of the Service or Information concerned, full details of any applicable export licence or technical assistance agreement, details of any authorised end-users and full details of any applicable restriction or proviso and any other information requested by the Buyer.

17.3 The Supplier confirms that if a chemical substance used in the provision of the Services appears under Annex XIV of REACH and:

(a) the Services are being provided at a location in the European Economic Area; or

(b) either Party is an entity incorporated in a European Economic Area member state,

then such chemical substance is authorised for the Buyer's particular use in accordance with the provisions of REACH.

- 17.4 The Supplier will notify the Buyer as soon as possible if any substance used in the provision of the Services is listed on the Candidate List of Substances of Very High Concern for Authorisation published by the European Chemical Agency (or any update of the list) and provide: (i) details of such a substance in a format required by the Buyer; and (ii) any information that may be required to ensure the safe receipt of the Services.
- 17.5 The Supplier agrees that the Buyer will be under no duty to reimburse or compensate the Supplier for any increased costs incurred by the Supplier as a result of any changes in Law that occur.
- 17.6 Each Party acknowledges that:
- (a) the other Party may collect and Process Personal Information about the first Party and its employees, directors, officers and other individual representatives as is necessary in connection with the performance of the other Party's rights and obligations under this Agreement, for the duration of this Agreement for the nature and purposes specified in, and otherwise as described in, that Party's data privacy policy; and
 - (b) this may include:
 - (i) collection of Personal Information directly from the first Party or the relevant individual representative or indirectly from monitoring devices or by other means [(e.g. telephone logs, closed circuit TV and door entry systems)]; and
 - (ii) transfer of Personal Information worldwide within that Party's organisation [(including to its Affiliates)], subject to adequate safeguards being in place in accordance with the Data Privacy Laws.
- 17.7 The Parties do not envisage that either Party will, in connection with this Agreement, Process (as Processor) Personal Data on behalf of the other Party. If either Party suspects that it will or is Processing Personal Data on behalf of the other Party, the Parties shall without delay amend this Agreement to include the necessary provisions as is required by Data Privacy Laws.
- 18. OFFSET**
- 18.1 If appropriate and at the Buyer's written request, the Supplier will use its best endeavours to help the Buyer:
- (a) meet any Offset commitments that the Buyer or any Affiliate of the Buyer may have; and
 - (b) realise any Offset benefits that may be available to the Buyer or any Affiliate of the Buyer in connection with the Contract (or any subcontracts resulting from the Contract).
- 18.2 The Supplier will seek the Buyer's written permission before claiming any Offset credits for itself or for any third party, arising in connection with any subcontracts agreed by the Supplier in connection with the Contract.
- 19. ETHICS**
- 19.1 The Supplier will comply in full with the '*Rolls-Royce Supplier Code of Conduct*' as set out at the Buyer's website for suppliers (<https://suppliers.rolls-royce.com>), as amended or replaced from time to time by the Buyer, the Common Industry Standards for European Aerospace and Defence published by the Aerospace and Defence Association of Europe ("ASD") and approved by the ASD council on 26 April 2007, as amended or replaced from time to time and any other policy specified in the Order as being applicable.
- 19.2 The Supplier has not, and none of its directors, officers, employees or Associated Persons or, to the extent it is aware, its former directors, officers, employees or Associated Persons, have:
- (a) authorised, offered, promised or given any financial or other advantage (including, without limitation any payment, loan, gift or transfer of anything of value), directly or indirectly, to or for the use or benefit of any Government Official (or to another person at the request or with the assent or acquiescence of such

Government Official), or any other natural or legal person, in order to assist any member of its group in improperly obtaining or retaining business for or with any person, in improperly directing business to any person, or in securing any improper advantage; or

- (b) engaged in any other conduct which would constitute an offence under the Ethical Legislation,

and the Supplier undertakes that for the duration of the Contract it will not, and will, to the extent it is legally able, procure that none of its Associated Persons will, engage in any of the conduct described in sub-clauses (a) and (b) above.

19.3 The Supplier warrants and undertakes to the Buyer that:

- (a) it has in place, and for the duration of the term of the Contract will maintain, adequate policies, systems, controls and procedures:
- (i) to prevent it and its Associated Persons from violating the Ethical Legislation; and
 - (ii) for reporting a violation or suspected violation of the Ethical Legislation and/or generally accepted standards of business ethics and conduct, and for ensuring that all such reports are fully investigated and acted upon appropriately;
- (b) it will promptly report to the Buyer any request or demand for any undue financial or other advantage of any kind received by the Supplier in connection with the performance of the Contract;
- (c) upon receipt of a written request from the Buyer, it will provide the Buyer with any reasonable assistance to enable the Buyer to perform any activity required by any relevant Governmental Authority for the purpose of compliance with the Ethical Legislation;
- (d) it will keep at its normal place of business detailed, accurate and up to date records and books of account showing all payments made by the Supplier in connection with the Contract and the steps taken by the Supplier to comply with the Ethical Legislation. The Supplier will ensure that such records and books of accounts are sufficient to enable the Buyer to verify the Supplier's compliance with its obligations under this clause 19.

19.4 The Supplier warrants to the Buyer that each of its Associated Persons that is a legal person has in place adequate policies, systems, controls and procedures to prevent it from violating the Ethical Legislation, and the Supplier undertakes that for the duration of the term of the Contract it will, to the extent it is legally able, procure that its Associated Persons that are legal persons will maintain such policies, systems, controls and procedures and will operate a programme of regular assessments to verify that they are complying with their obligations as set out in clause 19.3.

19.5 The Supplier will keep, and will ensure that each of its Associated Persons will keep, accurate and up to date records and accounts sufficient to demonstrate its full compliance with this clause 19 and will permit the Buyer, or any independent third party nominated by the Buyer, to inspect and take copies of such records and accounts and to meet with the Supplier's or the Associated Persons' personnel, in order to audit the Supplier's and Associated Persons' compliance with this clause 19. Such rights or inspection and audit shall continue for three years after the expiry or termination of the Contract. The Supplier will fully co-operate and assist in any audit carried out under this clause 19.5.

20. COMMUNICATIONS

20.1 All communications under the Contract must be in writing and in English.

20.2 All notices under the Contract must be delivered by hand, by commercial courier or by registered or certified post to the address of the relevant Party listed in the Order for the attention of the person or office specified in the Order or, in the absence of any person or office being specified in the Order, for the attention of the company secretary or equivalent person in charge of legal compliance. Notices delivered by fax or email will not be effective.

20.3 Any notice will be deemed received:

- (a) if delivered by hand, at the time of delivery, or
- (b) if delivered by commercial courier or registered or certified post, at the date and time of signature provided that if delivery occurs after 6 p.m. or on a day which is not a business day at the recipient's location, the notice will be deemed received at 9 a.m. on the following business day.

20.4 Either Party may change its notice details by giving at least seven days notice to the other Party.

21. CONFLICT

21.1 If there is a conflict of provisions, the following order of precedence will apply:

- (a) any provisions referenced to or contained in the Order that are stated in the Order to derive from a contract with a Government;
- (b) any other provisions expressly set out in the Order;
- (c) these GCP; and
- (d) any other document referred to in the Order or these GCP.

22. MISCELLANEOUS

22.1 Each Party agrees from time to time to promptly do and perform such other and further acts and execute and deliver any and all such other instruments as may be required by Law to carry out and effect the intent and purpose of the Contract.

22.2 The rights of each Party may be exercised as often as needed, are cumulative and apply in addition to its rights under Law and may be waived only in writing and specifically. Not exercising, or a delay in exercising, any right is not (and will not be deemed to be) a waiver of that right.

22.3 If any provision of the Contract is or becomes illegal, invalid or unenforceable in any jurisdiction in relation to any Party, that will not invalidate the remaining provisions or affect the legality, validity or enforceability of that or any other provision in any other jurisdiction.

22.4 The provisions of the Contract may be varied only by a written agreement between the Parties that expressly states that it is intended to act as an amendment to the Contract.

22.5 Each Affiliate and Permitted User of the Buyer shall have the benefit of all rights provided for in the Contract and shall be entitled to enforce the Contract subject to and in accordance with its terms.

22.6 Subject to clause 22.5, a person who is not a Party will have no rights under the Contract (Rights of Third Parties) Act 1999 to enforce any term of the Contract. Notwithstanding clause 22.5, no consent of any third party is needed for any amendment (including any release or compromise of any liability) or termination of the Contract.

22.7 Nothing in the Contract will: constitute a partnership or joint venture between the Parties; constitute any Party the agent of any other Party; or create any fiduciary obligations between the Parties and neither Party will: represent itself as the agent or partner of the other Party; or 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.

22.8 The Parties each irrevocably and generally consent to the issue of any process or the giving of any relief in connection with any claim brought against it, including the making, enforcement or execution of any order or judgment against any of its property or assets (regardless of their use or intended use).

22.9 If a Party or any of its property or assets is or are entitled in any jurisdiction to any immunity from service of process or of other documents relating to any proceedings or to immunity from jurisdiction, suit, judgment,

execution, attachment (whether before judgment, in aid of enforcement, or otherwise) or other legal process, that Party irrevocably waives such immunity to the fullest extent permissible under the law of that jurisdiction. Each Party also irrevocably agrees not to claim any such immunity for itself or its property or assets.

- 22.10 The Contract constitutes the entire agreement between the Parties with respect to the Services. Neither Party has placed any reliance on any representations made before the signature of the Contract, whether orally or in writing, relating to the provision of the Services other than those expressly incorporated in the Contract, which has been negotiated on the basis that its provisions represent their entire agreement relating to the Services and supersede all such representations. This clause does not apply to any representation made fraudulently.
- 22.11 The Supplier will not assign, subcontract, delegate responsibility for or otherwise transfer its rights or obligations under the Contract.
- 22.12 All rights and remedies exercisable by Buyer in accordance with the Contract will, unless otherwise expressly specified in the Contract, be without prejudice to any other rights and remedies of the Buyer, whether contained in, or deriving from, the Contract or not.

23. ONGOING OBLIGATIONS

Clauses 1, 2, 6.6, 7.2, 8.1 (in relation to record-keeping and traceability requirements), 9, 10, 15, 16, 17, 18, 19, 21, 22.2, 22.3, 22.5, 22.6, 22.7, 22.8, 23, 24 and 25 of the GCP will survive the termination or expiry of the Contract and such provisions will continue in full force and effect.

24. PUBLICITY

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

25. LAW AND JURISDICTION

- 25.1 The Contract and any non-contractual obligations arising out of or in relation to the Contract, will be governed by and construed in accordance with English law.
- 25.2 The English courts have jurisdiction to settle any dispute arising out of or in connection with the Contract, the legal relationships created by it, and any non-contractual obligations arising out of or in relation to it, and the Supplier submits to the exclusive jurisdiction of the English courts with respect to such disputes.
- 25.3 If the Supplier is not incorporated in the United Kingdom, the Supplier will provide the name and contact details of its process agent under the Contract for service of process in any proceedings before the English courts. If any person appointed as process agent is unable for any reason to act as agent for service of process, the Supplier will immediately appoint another agent on terms acceptable to the Buyer. Failing this, the Buyer may appoint another agent for this purpose. The Supplier agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings. This clause 25 does not affect any other method of service allowed by Law.
- 25.4 Nothing in this clause 25 limits the right of the Buyer to take legal action under the Contract or any Contract in any other courts with jurisdiction. To the extent allowed by Law, the Buyer may take:
- (a) proceedings in any other court; and
 - (b) concurrent proceedings in any number of jurisdictions.
- 25.5 Each Party:
- (a) waives any objection to the courts of England on grounds of inconvenient forum or otherwise as regards proceedings in connection with the Contract; and

- (b) agrees that a judgment or order of a court of England in connection with the Contract will be binding on it and may be enforced against it in the courts of any other jurisdiction; and
- (c) represents and warrants that is subject to civil and commercial Law with respect to its obligations under the Contract.

SCHEDULE 1: INTERPRETATION

1. INTERPRETATION

1.1 Definitions

“**Affiliates**” means as to any person, any other person that is in Control of, is Controlled by, or is under common Control with, such person.

“**Associated Person**” means, in relation to a company, a person (including any director, officer, employee, agent or other intermediary) who performs services for or on behalf of that company (in each case when performing such services or acting in such capacity);

“**Base Rate**” means for the period 1st January to 30th June, the Bank of England base rate at the close of business on 31st December of the previous year and, for the period 1st July to 31st December, the Bank of England base rate at the close of business on 30th June the same year.

“**Buyer**” means the legal entity that issues the Order to the Supplier.

“**Buyer Property**” means any property of the Buyer that the Buyer has loaned, bailed, consigned or supplied to the Supplier in connection with the Contract, including any tooling or equipment.

“**Competitor**” means any entity, or any Affiliate of an entity, that offers or supplies goods or services in competition with any goods or services offered or supplied by the Buyer or any Affiliate of the Buyer.

“**Contract**” means the Order as accepted by the Supplier, these GCP and any other terms and conditions that the Order and these GCP expressly stipulate will apply to the supply of the Deliverables.

“**Control**” means the power, directly or indirectly, either to: (a) vote 50% or more of the securities having ordinary voting power for the election of directors (or persons performing similar functions) of such person; or, (b) direct or cause the direction of the management and policies of such person, whether by contract or otherwise.

“**Data Controller**”, “**Data Processor**”, “**Personal Data**”, “**Supervisory Authority**”, and “**Data Subject**” have the meanings ascribed under the Regulation.

“**Data Privacy Laws**” means all laws that relate to data protection, privacy, the use of information relating to individuals, and/or the information rights of individuals including, without limitation, the General Data Protection Regulation ((EU) 2016/679) (the “**Regulation**”), and all laws implementing them, in each case as may be replaced, extended or amended, as well as all applicable formal or informal guidance, rules, requirements, directions, guidelines, recommendations, advice, codes of practice, policies, measures or publications of the Information Commissioner's Office, other relevant regulator, and/or relevant industry body, in each case in any relevant jurisdiction(s).

“**Effective Date**” means the date the Contract was entered into by the Parties.

“**Ethical Legislation**” means (a) any legislation enacted in the Buyer or Supplier's jurisdiction of incorporation, or in any other jurisdiction where the Services are performed, to enforce or implement either the United Nations Convention against Corruption (being the subject of General Resolution 58/4 of 31 October 2003 of the General Assembly of the United Nations) or the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions adopted on 21 November 1997; and (b) the United Kingdom Anti-Terrorism, Crime and Security Act 2001, the United Kingdom Proceeds of Crime Act 2002, the United Kingdom Bribery Act 2010 and the United States Foreign Corrupt Practices Act (15 U.S.C. Section 78dd-1, et. seq.).

“**Force Majeure Event**” means, subject to such events being (a) unforeseeable at the time the Parties entered into the Contract and; (b) beyond the reasonable control of the Supplier: acts of God; the refusal of any government to grant a necessary export licence or the withdrawal or suspension of such licence; any other government or other legal or regulatory authority action or inaction; fires; floods; wars or threats of war;

riots; national labour disputes; acts of terrorism; disruption to essential services such as electrical power; extreme weather; quarantine or any government or regulatory authority mandated precautions against contagious disease epidemics or pandemics.

“**GCP**” means this document and its contents.

“**Governmental Authority**” means:

- (i) the government of any jurisdiction (or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, central bank or other authority thereof, including without limitation any entity directly or indirectly owned or controlled thereby;
- (ii) any public international organisation or supranational body (including without limitation the European Union) and its institutions, departments, agencies and instrumentalities; or
- (iii) any quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax or other governmental or quasi-governmental authority.

“**Government Official**” means any person who would constitute either:

- (a) a "foreign public official" as defined in the UK Bribery Act 2010; or
- (b) a "foreign official" as defined in the United States Foreign Corrupt Practices Act, including, but not limited to:
 - (i) an individual who holds a legislative, administrative or judicial position, including a government minister, elected representative of a national or regional assembly, official of a political party, civil servant, magistrate or judge; or
 - (ii) an employee, officer, agent or other person acting in an official capacity for a Governmental Authority.

“**Insolvency Event**” means an event where a person (a) is deemed to be or states in writing that it is insolvent, (b) is subject to any types of insolvency or collective judicial or administrative proceedings, including interim proceedings, in which its assets are subject to control or supervision by any court or other governmental entity for purposes of dissolving, liquidating or reorganising that person or its assets, (c) proposes to enter or enters into any composition or arrangement with its creditors generally or any class of creditors, (d) suspends or declares in writing its intention to suspend payments to creditors generally or any class thereof, or suspends or ceases all or substantially all of its business, (e) any other steps are taken to enforce any encumbrance over all or part of that persons assets and/or undertaking, or (f) takes steps, or is subject to actions, analogous to the items specified in (a) to (e) above.

“**Information**” means any commercial, financial, technical or operational information, know-how, trade secrets or other information of or in the possession of a Party in any form or medium (including all data, know-how, calculations, designs, drawings, methods, processes, systems, explanations and demonstrations) which has been or may be disclosed or otherwise made available to the other Party, whether orally or in written, electronic or other form, including any copies or reproductions of such information in any form or medium, and any part or parts of the same, including the provisions and subject matter of the Contract and any other agreements or documents executed by the Parties in connection with the Contract.

“**IPR**” means patents, registered designs, trade marks, service marks (in each case, whether registered or not), domain names, copyright, design rights, database rights, moral rights, trade secrets, know-how, metatags, petty patents, utility models and all similar or equivalent property rights including those subsisting in any part of the world in inventions, designs, drawings, computer programs, semiconductor topographies, business names, IP addresses, goodwill, ‘get-up’ and the style and presentation of goods or services and in applications for protection of the same and any continuations, re-issues or divisions relating to them in any part of the world.

"Law" means all applicable statutes, regulations, regulatory requirements, by laws, ordinances, subordinate legislation and other laws (regardless of their source), including any judicial or administrative interpretation of them, in force from time to time.

"Losses" means any and all: (a) claims, demands, awards, suits, judgments (however obtained), payments by way of settlement and orders; and, (b) taxes, losses, liabilities, damages, costs and expenses including legal expenses (however described, characterised or classified and whether direct or indirect), including loss of profits or revenues, costs of unwinding funding arrangements, liability for professional fees and expenses.

"Offset" means the trade practice by which a Government or a Government entity buying goods and/or services requires an investment to be made in that Government's jurisdiction in return for agreeing to buy such goods and/or services.

"Order" means a purchase order, scheduling agreement or any other form of purchase document issued by the Buyer that incorporates these GCP by reference.

"Parties" means the Buyer and the Supplier; and a **"Party"** means one of them.

"Permitted User" means any Affiliate or customer of the Buyer, notified to the Supplier from time to time as being authorised by the Buyer to receive the benefit of the Services under this Contract.

"Personal Information" means any information (including any Personal Data such as the names, work email addresses, work telephone numbers) relating to employees, directors, officers and other individual representatives of either Party, which is provided or otherwise made available to the other Party in connection with this Agreement.

"Process" means any operation or set of operations which is performed upon Personal Information, whether or not by automatic means, including without limitation collection, recording, organisation, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, blocking, erasure or destruction (and **"Processed"**, **"Processes"** and **"Processing"** shall be construed accordingly).

"Rectification Notice" means as set out in clause 6.3(a)

"Rejection and Termination Notice" means as set out in clause 6.3(c).

"Rejection Notice" means as set out in clause 6.3(b)

"Service Commencement Date" means as set out in clause 5.1(a).

"Services" means those services that the Supplier has agreed to provide to the Buyer as specified in the Order.

"Specified Service Levels" means those service levels set out in the Order, to include any reporting obligations of the Supplier in respect of those service levels.

"Specified Timescales" means any timescales for the provision of the Services specified in the Order or, if no timescales are specified in the Order, any reasonable timescales notified by the Buyer to the Supplier from time to time.

"Staff" means any employees, officers and individuals contracted to the Supplier and involved to any extent in the performance of the Services and/or the performance of this Contract.

"Successor Supplier" means each and any supplier who the Buyer, any of its Affiliates, or any Permitted User, appoints to provide any service equivalent to, or substantially the same as, the Services (or any part thereof) immediately after the termination or expiry of this Contract (whether in whole or in part) or after any occasion of the termination of the Services (whether in whole or in part).

"Supplier" means the entity accepting the Order.

"**TUPE**" means the Transfer of Undertakings (Protection of Employment) Regulations 2006, as amended, consolidated or replaced from time to time.

1.2 **Construction**

- (a) In these GCP unless the context otherwise requires any reference to:
- (i) an "amendment" includes an amendment, supplement, novation, re-enactment, replacement, restatement or variation and "amend" will be construed accordingly;
 - (ii) a clause, sub-clause or a schedule is a reference to a clause or sub-clause of, or a schedule to, these GCP;
 - (iii) a currency is a reference to the lawful currency for the time being of the relevant country;
 - (iv) "include", "includes", "including" or similar terms will not be construed as exclusive or limiting examples of the matters in question and will mean "including, without limitation";
 - (v) a "person" includes any individual, partnership, consortium, joint venture, trust, company, corporation, government, state, agency, committee, department, authority and other bodies, corporate or unincorporated whether having distinct legal personality or not;
 - (vi) a "regulation" includes any regulation, rule, official directive, request or guideline in each case whether or not having the force of law but, if not having the force of law, being of a type the compliance with which is in accordance with the general practice of the persons to whom it is addressed of any governmental, intergovernmental or supranational body, agency, department or regulatory, self regulatory or other authority or organisation;
 - (vii) a provision of any Law is a reference to that provision as extended, applied or amended and includes any subordinate legislation;
 - (viii) words imparting the singular include the plural and vice versa;
 - (ix) unless the context otherwise requires, a reference to one gender will include a reference to the other genders; and
 - (x) "days" is a reference to calendar days.
- (b) The headings in the GCP do not affect its interpretation.