

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). If the delivery times as set out in the Order cannot be met or at any time at R-R's request, the Supplier will provide prompt information to R-R as to the causes and the mitigation action it proposes to take.

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.

4.2. Where the Procurement Conditions require the Supplier to submit an invoice, the Supplier will post invoices to R-R's Purchase Accounts Department at the address on the Order on the day on which Deliverables are despatched or completed. The invoice will include the Order number.

4.3. R-R will electronically transfer payment to the Supplier 75 days end of week 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 despatch or completion of goods or services. If such day is not a normal banking day then electronic transfer of payment will be on the next banking day. Where R-R collects goods from non R-R premises, "received" means formal receipt by R-R's nominated courier or where the goods are delivered to R-R's premises, "received" means formal receipt by R-R's goods received area. 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, 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.

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. 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. Supplier will indemnify R-R against any and all liability for damage to property or injury to or death of persons arising from or incidental to the presence or use of R-R furnished property, whether such damage, injury, or death be caused by defects in such property, negligence in the use thereof, strict liability or otherwise.

5.3. 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.

5.4. 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.

5.5. 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.

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 RR 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.

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, 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.

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 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 is the direct result of the Supplier following a design or process required by R-R.

8.4. In addition to the indemnity set out in Clause 8.3 the Supplier will procure for R-R a worldwide, non-exclusive, royalty-free, irrevocable license to manufacture, use and sell the Deliverables or have such replaced with substantially equivalent non-infringing Deliverables.

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.

9. PROPRIETARY INFORMATION:

9.1. "Proprietary Information" means all 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 in any form or medium. "Representative" means any one or more directors, officers, temporarily contracted personnel, or Affiliate of a Party or, in the case of R-R, any of its risk and revenue sharing participants 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 that controls, is controlled by, or is under common control with either Party, and "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. The Parties agree to exchange and disclose to each other certain of their Proprietary Information. Such information may include hardware, software, component design, manufacture, inspection, repair and overhaul, business information relating to supplies, pricing, costs, profits, business plans and strategies, customer or vendor lists and legal or financial advice. Documents containing Proprietary Information should be marked as "Proprietary," and for non-US purposes the term "Confidential" may be used instead however, the Parties agree that such information will be considered Proprietary Information, even if it is inadvertently not marked as such. Proprietary Information will be disclosed only as necessary and only for the purpose of fulfilling an Order. Title to any Proprietary Information will not be affected by any such exchange or disclosure.

9.2. 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 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 its Representatives. The receiving Party will be liable for any and all breach of confidence by its Representatives. These provisions do not apply to Proprietary Information that: (i) is in the public domain at the time of receipt by the receiving Party through no fault of the receiving Party; (ii) is lawfully received by the receiving Party from a third Party who is without an obligation of nondisclosure; (iii) is developed by the receiving Party independently of the Proprietary Information, as established by extrinsic evidence, or (iv) is known by the receiving Party at the time of receipt.

9.3. 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.

9.4. Upon expiry or termination of an Order, the receiving Party will destroy, or return upon request, any Proprietary Information, including all copies, belonging to the other Party disclosed in relation to that Order. The receiving Party acknowledges that it has no rights of use in or to such Proprietary Information after the return date or date of destruction.

9.5. If the receiving Party or any of its Representatives believes it is required by law or is otherwise obliged to disclose any Proprietary Information to any third party for any reason, the receiving Party will provide 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) to enable the disclosing Party to seek appropriate protective relief or to take steps to resist 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 its ability that all Proprietary Information so disclosed is accorded confidential treatment. The receiving Party will always notify the disclosing Party in writing of the means, content and timing of such disclosure prior to such disclosure being made.

9.6. Notwithstanding the Supplier's obligation to obtain R-R written permission to disclose R-R Proprietary Information to a third party, the Supplier will procure that all R-R Proprietary Information supplied by R-R under any Order that is in the possession of the Supplier's sub-tier suppliers, sub-contractors and agents will be held in confidence and that it will take all necessary steps and actions to ensure that any such third party complies with all confidentiality provisions herein. The Supplier will indemnify and hold R-R harmless in the event of any breach of such provisions by any such third parties. Furthermore, 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.

9.7. 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. In addition, 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.

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 LAWS:

12.1 The Supplier acknowledges that any information provided to or received by it in accordance with or in relation to the GCP, the Supply Agreement or an Order may be subject to export control laws and regulations including, without limitation 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 agrees that it will strictly comply with all applicable requirements under such laws and regulations. The Supplier warrants and undertakes that it will not use or permit the use of, export or transfer (by any means, electronic means or otherwise), any information or Deliverables which are subject to export control laws and regulations without complying in all respects with the applicable export control laws and regulations including, without limitation, all codes of conduct, relevant export licence(s), guidelines, notices and instructions in relation to any use, export or transfer of information or Deliverables.

12.2 The Supplier agrees to afford R-R and any competent governmental department or other governmental administrative body access to Supplier's premises, for the purpose of auditing Supplier's compliance with the requirements of 12.1 above and to provide all necessary facilities and assistance for such audit to take place.

12.3 Where the Deliverables to be provided by the Supplier pursuant to any Order include the provision of services to be performed for or on behalf of R-R and which will, or may, involve Supplier's employees having or having the potential to gain access to information which is subject to export control laws and regulations; the Supplier will comply with i) all applicable export control laws and regulations including, without limitation, all codes of conduct, relevant export license(s), agreements, guidelines, notices and instructions in relation to any use, export or transfer of information and ii) all requests and requirements of R-R for the same purpose.

12.4 In the event the Supplier breaches any of the provisions of this clause 12 the Supplier shall indemnify R-R with respect to all losses, damages, claims, compensation, awards, expenses (including without limitation legal fees), fines and judgments incurred by R-R as a result or as a consequence of such breach.

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.

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 or recorded delivery post. 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 authorised signatory of the Parties concerned, which is expressly stated to amend the Procurement Conditions.

20. SEVERABILITY: If any provision of the Procurement Conditions becomes illegal, invalid or unenforceable in any jurisdiction in relation to any Party, that provision 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: The Parties agree that they have not contracted on the basis of any oral or written warranty representations, statements, communications, agreements or undertakings ("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 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, labour, equipment or transportation, 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 5 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 endeavours 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 REACH:

24.1 Supplier warrants that where it sells, supplies or transfers Deliverables to R-R in Europe, and Regulation (EC) No. 1907/2006 of the European Parliament concerning the registration, evaluation, authorisation and restriction of chemicals ("REACH") applies, it has complied with REACH and that each chemical substance constituting or contained in or used in the manufacture of Deliverables sold, supplied or transferred to R-R is, where required, registered; registered for R-R particular use; supplied with a safety data sheet compliant with REACH; is not restricted under Annex XVII of REACH; and if it appears on Annex XIV of REACH is authorised for R-R use.

24.2 Whether or not REACH applies, Supplier will immediately notify R-R if any Deliverables sold, supplied or transferred to R-R contain a substance listed on the Candidate List of Substances of Very High Concern for Authorisation ("the Candidate List") published by the European Chemicals Agency. Supplier will give R-R the name of the chemical substance and any information required by R-R to allow safe use of the Deliverables or to fulfil its own obligations under REACH. This clause 24.2 applies whether the sale, supply or transfer of Deliverables to R-R is inside or outside Europe.

24.3 Whether or not REACH applies to any Deliverables sold, supplied or transferred to R-R, on request by R-R, Supplier will provide all information required by R-R which will enable R-R to comply with its duty to communicate information on substances in articles as required by Article 33 of REACH, including but not limited to chemical composition, test data, hazard information and safety data sheets. This clause 24.3 applies whether the sale, supply or transfer of Deliverables to R-R is inside or outside Europe.

24.4 Supplier will comply with any other request for information by R-R which is required to enable R-R to comply with its obligations under REACH. All information supplied to R-R under clauses 24.1 to 24.4 will comply with REACH and any other requirements of R-R expressly notified to the Supplier by R-R. This clause 24.4 applies whether the sale, supply or transfer of Deliverables to R-R is inside or outside Europe.

24.5 Clause 6.3 will apply if Deliverables do not conform to the requirements set out in Clause 24. Supplier will indemnify R-R against any and all damages, losses, costs, actions, claims, liabilities or expenses suffered or incurred by R-R whether in contract, tort (including negligence) breach of statutory

duty or otherwise, arising out of or in connection with any breach by the Supplier relating to clauses 24.1 to 24.5.

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;
- (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 favour of R-R;
- (c) on the renewal of each policy, send to R-R a broker's letter or certificate of insurance as confirmation of cover; and
- (d) 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 five 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 favourable terms (including at the same or a more favourable 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.