

**ROLLS-ROYCE - GENERAL CONDITIONS OF PURCHASE FOR GOODS & SERVICES
(GERMANY)**

1. INTERPRETATION

The definitions and rules of interpretation set out in **Schedule 1** (Interpretation) shall apply to these GCP.

2. APPLICABILITY, SCOPE, ORDERS

- 2.1. These GCP shall apply to the exclusion of any other terms and conditions of business contained or referenced by the Supplier (whether written or otherwise), or implied by trade custom, practice, or any course of dealings between the Parties unless such terms and conditions are expressly stated by the Buyer in the Order to apply.
- 2.2. The Buyer explicitly rejects any contradicting or deviating terms and conditions of the Supplier, which applies, in particular, towards penalties set out therein. It does not constitute an acceptance of the Supplier's terms and conditions if the Buyer accepts any Services or Deliverables without reservation in full awareness of contradictory or deviating terms and conditions of the Supplier unless expressly agreed thereto in writing.
- 2.3. In addition, these GCP shall apply to all future business transactions with the supplier. This shall also apply even if these GCP are not expressly agreed upon again.
- 2.4. Any and all agreements between the Parties shall be documented in writing.
- 2.5. These GCP only apply towards businesses pursuant to section 14 para. 1 of the German Civil Code (*Bürgerliches Gesetzbuch* – "**BGB**") and legal entities under public law as well as special funds under public law within the meaning of section 310 para. 1 BGB.
- 2.6. The Buyer is bound to its Order for a reasonable time only, whereas any time after 10 calendar days from issuing the Order is deemed to be not reasonable.

3. REPRESENTATIONS AND WARRANTIES

- 3.1. The Supplier represents and warrants to the Buyer that, on the Effective Date and on an ongoing basis:
 - 3.1.1. 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;
 - 3.1.2. the obligations expressed to be assumed by it in the Contract are legal, valid, binding, and enforceable obligations;
 - 3.1.3. 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;
 - 3.1.4. 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;

- 3.1.5. that on delivery it will pass title to the Deliverables to the Buyer with full title guarantee, free from all Security Interests;
 - 3.1.6. neither it nor any employee of it has 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
 - 3.1.7. 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.
- 3.2. The Supplier represents and warrants to the Buyer that each Deliverable will, on its delivery:
- 3.2.1. fully conform and perform in accordance with the requirements of the Contract, including any specification referenced in or attached to the Order;
 - 3.2.2. be free from any defects (whether actual or latent) in workmanship and materials; and
 - 3.2.3. where the Buyer is not responsible for the design of the Deliverables, be free from defects (whether actual or latent) in design.

4. PRICE AND PAYMENT

- 4.1. The price of the Services and/or Deliverables 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.
- 4.3. Subject to clause 4.2, the Supplier will be responsible for, and shall be liable for 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 and/or delivery of Deliverables under the Contract.
- 4.4. The Supplier shall submit an invoice to the Buyer upon completion of the Services or delivery of the Deliverables. Apart from the legal requirements of an invoice, the invoice shall (i) comply with the terms of the Order (ii) include the use of an online portal if and as directed by the Buyer, (iii) quote the number of the Order and (iv) include 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) and (v) any other relevant references.
- 4.5. In respect of Deliverables only:
 - 4.5.1. Subject to compliance with applicable Law, where the Supplier has registered to participate in a goods collection service with the Buyer or an Affiliate of the Buyer (for example, 'E-Manifest' or 'Matrix') then, after the later of the Scheduled Delivery Date or the delivery of all the Deliverables, the Buyer will raise an invoice on the behalf of the Supplier for the Deliverables that will serve as a VAT invoice (a “**Self-billed Invoice**”). The Supplier will, either before or as soon as practicable after the Effective Date, provide the Buyer with the Supplier's VAT registration number and any other details reasonably requested by the Buyer for the purposes of raising the Self-billed Invoice; and
 - 4.5.2. where the Supplier has not registered to participate in a goods collection service with the Buyer or an Affiliate of the Buyer, the Supplier will submit an invoice to the Buyer's Financial Service Centre after the later of the Scheduled Delivery Date or the delivery of all the Deliverables. The Supplier will agree the format of the invoice in advance with the

Buyer's Financial Service Centre and will comply with the prerequisites set out in clause 4.4.

- 4.6. The Self-billed Invoice or invoice (as applicable) will be due and payable by the Buyer seventy-five (75) calendar days at the end of the week after the Provision of the Service or delivery of the Deliverable or, as applicable, the issue of the Self-billed Invoice or the receipt of a valid, complete, and accurate invoice from the Supplier, whichever is later.
- 4.7. The Buyer will electronically transfer payment to the Supplier. The Buyer shall not make payments to third parties (other than to the Supplier's account with a reputable bank).
- 4.8. The Supplier will notify the Buyer as soon as practicable if: (i) its VAT registration number changes; (ii) it ceases to be VAT registered; and/or (iii) there are any other changes which may affect how VAT is assessed in relation to the Contract.
- 4.9. Without any prejudice to any other right or remedy, the Buyer will be entitled to set-off any claims owed by it to the Supplier under the Contract against any claims of the Supplier to the Buyer under the Contract or under any other agreement.
- 4.10. No variation in the price nor extra charges can be made (whether on account of increased material, labour or transport costs, fluctuation in rates of exchange or otherwise) without the prior written consent of the Buyer.

5. PERFORMANCE OF SERVICES AND DELIVERY OF DELIVERABLES

5.1. In respect of Services:

5.1.1. The Services will be provided to the Buyer and any Permitted Users:

- (a) from the date(s) of commencement of the Services as set out in the Order;
 - (i) until the service completion date as 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;
 - (ii) any Specified Service Levels;
 - (iii) any Specified Timescales; and
- (c) at the location specified in the Order (where applicable).

5.2. In respect of Deliverables:

- 5.2.1. the Supplier will, unless otherwise stated in the Order, deliver the Deliverables to the relevant Buyer in accordance with Delivered At Place (Incoterms 2020) ("**DAP**") RRD nominated place on the Scheduled Delivery Date to the address stated in the Order and with all documentation required by the Contract;
- 5.2.2. accept any deliveries from Buyer in accordance with DAP (Incoterms 2020) Supplier facility;
- 5.2.3. the Supplier will participate in a goods delivery service with the Buyer;

- 5.2.4. the Supplier warrants that, title to a Deliverable transfers to the Buyer on delivery with full title guarantee and free from all Security Interests. Notwithstanding anything contained in the Incoterm, risk of loss or damage to a Deliverable will pass to the Buyer on delivery and not before; and
- 5.2.5. in the event the Deliveries are made due to a purchase contract (*Kaufvertrag*), the Buyer's inspection and notification obligations pursuant to Sec. 377 and Sec. 381 of the German Commercial Code (*Handelsgesetzbuch, HGB*) are considered to be exercised in due time if the Supplier is notified of obvious defects within five (5) calendar days from receipt of the goods or five (5) calendar days from the identification of any non-obvious defects.
- 5.3. Notwithstanding any further rights set out in statutory law,
- 5.3.1. in the event the Buyer is purchasing Deliverables based on a purchase contract (*Kaufvertrag*), the delivery of a defective Deliverable entitles the Buyer to claim subsequent performance towards the Supplier at the Buyer's option either by repair or replacement with non-defective Deliverables and the Supplier bears all costs that the Buyer incurs in relation to the subsequent performance, including the cost for returning the Deliverables. If the Supplier fails to meet this obligation two times within a reasonable period of time set by the Buyer or if subsequent performance is unreasonable (*unzumutbar*), the Buyer may reduce the purchase price, rescind the Contract and/or claim damages in accordance with the applicable statutory provisions;
- 5.3.2. in the event the Buyer is purchasing Services and Deliverables based on a contract for works and services (*Werkvertrag*), the delivery of a defective Deliverable entitles the Buyer to claim subsequent performance at the Buyer's option either by repair of the defect or by delivery of a Deliverable which is free from defects and the Supplier bears all costs that the Buyer incurs in relation to the subsequent performance, including the cost for returning the Deliverables. If the Supplier fails to meet this obligation within a reasonable period set by the Buyer or if setting a period is unreasonable, the Buyer may remedy the situation on its own and/or by using a third party and demand reimbursement, reduce the purchase price, rescind from the Contract and/or claim damages according to the applicable statutory provisions; and/or
- 5.3.3. in the event the Buyer is purchasing Services, the Buyer can claim damages based on statutory provisions.
- 5.4. If the Supplier is in default (*Verzug*) with
- 5.4.1. any provision of Services, notwithstanding any further rights or claims for damages that the Buyer may have, and if the default (*Verzug*) is in relation to
- (a) Specified Timescales, the Buyer shall be entitled to claim liquidated damages from the Supplier in the amount of two and a half percent (2.5%) of the net price of the Services in default (*Verzug*) for each completed seven (7) day period of default (*Verzug*) subject to a maximum of ten percent (10%) of the net price for the Services in default (*Verzug*); and/or
- (b) Specified Service Levels, the Buyer shall be entitled to claim liquidated damages from the Supplier in the amount of two and a half percent (2.5%) of the net price of the Services in default (*Verzug*) for each completed thirty (30) day period of default (*Verzug*), subject to a maximum of ten percent (10%) of the net price for the Services in default (*Verzug*); and/or
- 5.4.2. any delivery of Deliverables, notwithstanding any further rights or claims for damages that the Buyer may have, the Buyer shall be entitled to claim liquidated damages from the Supplier in the amount of two and a half percent (2.5%) of the net price of the Deliverable in default (*Verzug*), for each completed seven-day (7) period of default (*Verzug*), subject to a maximum of ten percent (10%) of the net price of the Deliverable in default (*Verzug*),.

The Supplier has the right to dispute such amounts if it can demonstrate that the Buyer did not suffer any damage or that such damage was lower than set out above. The claim for liquidated damages due to the delay will be set off against further claims for damages.

- 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

- 6.1. Where either statutory law or an agreement between the Parties stipulates that acceptance tests or inspections will apply to the Service Outputs and/or Deliverables, the Services and/or Deliverables will not be deemed accepted until the completion of such acceptance tests or inspections to the satisfaction of the Buyer.
- 6.2. In the event an acceptance requirement is stipulated by law or agreement, the following process applies:
 - 6.2.1. The Supplier shall notify the Buyer once the Deliverable is completed and shall provide the Buyer with all associated documents.
 - 6.2.2. The Buyer shall declare acceptance of the Deliverable or its refusal within a reasonable period of time after receiving notice of the completion of the Deliverable.
 - 6.2.3. If an acceptance requires that the Deliverable be put into operation for testing purposes, acceptance will only be declared upon a successful completion of the tests.
 - 6.2.4. The Supplier will prepare an acceptance certificate to be signed by the Buyer.
 - 6.2.5. The mere use of the Deliverable by the Buyer or any third party shall not replace the formal declaration of acceptance.
 - 6.2.6. Any acceptance inspection reports shall be sent to the Buyer by email to the email address of the Buyer's contact person.

7. BUYER PROPERTY

- 7.1. Buyer Property and title therein shall remain the property of the Buyer or its Affiliate (as applicable) at all times.
- 7.2. Buyer Property while in the Supplier's custody or control will be held at the Supplier's risk and the Supplier will at all times:
 - 7.2.1. be responsible for any loss of, or damage to any Buyer Property;
 - 7.2.2. only use the Buyer Property for the purposes of the Contract or fulfilling Orders or as otherwise instructed or authorised in writing by the Buyer;
 - 7.2.3. at the Supplier's expense, keep the Buyer Property insured in an amount equal to the replacement cost with insurance proceeds payable to the Buyer or its Affiliate or their nominee;
 - 7.2.4. warrants that the Buyer Property is kept separate from other property and plainly and permanently marked or otherwise adequately identified by the Supplier as belonging to the Buyer or its Affiliate (or their nominee) or to such other third party as notified by the Buyer;

- 7.2.5. at the Supplier's expense, maintain and keep in good condition the Buyer Property (fair wear and tear excepted) at such locations as specified in the Order or as otherwise approved in advance in writing by the Buyer; and
- 7.2.6. 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.
- 7.3. The Supplier will without undue delay (*unverzüglich*) provide the Buyer with a list of the Buyer Property and the location of such Buyer Property and, if appropriate, a forecast of the remaining usable life of such property:
 - 7.3.1. within thirty (30) days of each anniversary of the Effective Date;
 - 7.3.2. on the request of the Buyer;
 - 7.3.3. on the termination of the Contract; and/or
 - 7.3.4. when all of the Services and/or Deliverables have either been cancelled, performed or delivered.
- 7.4. Unless required for the performance under the Contract or any Order, 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 and shall not dispose of the Buyer Property at any time other than in accordance with the Buyer's written instructions or authorisation.

8. QUALITY

The Supplier will comply in full with any requirements set out in the Global Supplier Portal , 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 Deliverables and/or Services being supplied by the Supplier under the Contract.

9. REMEDY FOR NON-CONFORMANCE AND/OR DEFECTS

- 9.1. If the Contract or the affected elements thereof are deemed to be a contract for services (*Dienstvertrag*), in the event of non-conformance, the Buyer may claim its statutory rights.
- 9.2. If the Contract or the affected elements thereof are deemed to be a purchase contract (*Kaufvertrag*) and if a Deliverable has a defect, then, without prejudice to any other rights and remedies the Buyer may have (e.g., further damage claims), the Buyer may:
 - 9.2.1. require the Supplier, at the Buyer's choice, to repair or replace the Deliverable at the Supplier's sole cost (such costs to include any transportation costs, any costs related to the removal or re installation of the Deliverable from any higher-assembly item or any other costs that the Buyer incurs that it would not have incurred but for the defect); and
 - 9.2.2. if the Supplier fails to comply with its obligations under clause 9.2.1, two times, the Buyer at its sole discretion may:
 - 9.2.2.1. withdraw from the Order;
 - 9.2.2.2. reduce the price and/or
 - 9.2.2.3. claim damages or lost investments incurred by the Buyer.

- 9.3. If the Contract or the affected elements thereof are deemed to be a contract for works and services (*Werkvertrag*) and if a Deliverable has a defect, then without prejudice to any other rights and remedies the Buyer may have (e.g., further damage claims), the Buyer may:
- 9.3.1. require the Supplier, at the Buyer's choice, to repair or replace the Deliverable at the Supplier's sole cost;
 - 9.3.2. if the Supplier fails to comply with its obligations under clause 9.3.1; the Buyer at its sole discretion may:
 - 9.3.2.1. claim reimbursement for the cost incurred to the Buyer to remedy the defect on its own;
 - 9.3.2.2. withdraw from the Order; or
 - 9.3.2.3. reduce the price and/or
 - 9.3.2.4. claim damages or lost investments incurred.
- 9.4. The warranty period is 3 years from handover or acceptance, respectively unless the Deliverable (i) is a building or (ii) was intended and used in a building causing a defect to the building, (iii) is a right in rem or (iv) is a right entered into a land register; in which case statutory law applies.

10. LIABILITY

- 10.1. The Supplier is liable in accordance with statutory law.
- 10.2. The Buyer's liability is limited as set out below:
- 10.2.1. The Buyer is fully liable for loss or damage due to intent and gross negligence.
 - 10.2.2. If the Buyer breaches a contractual obligation in a slightly negligent manner, which is essential for the purpose of the transaction, and if the Supplier relies on this obligation's fulfilment (cardinal duty), the Buyer is only liable for foreseeable damage that typically occurs in these kinds of contractual relationships. With respect to any other damage resulting from slight negligence, the Buyer's liability shall be excluded.
 - 10.2.3. The foregoing limitations of liability or exclusions shall not apply to claims resulting from fraudulent concealment of a defect, acceptance of a guarantee, claims pursuant to the German Product Liability Act (*Produkthaftungsgesetz*, ProdHaftG) and to damage arising from injuries to life, body, or health.
 - 10.2.4. If the Buyer's liability is excluded or limited, this also applies to the personal liability of its employees, representatives, and vicarious agents.

11. FORCE MAJEURE

- 11.1. 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, though not longer than for four (4) months and provided the Force Majeure Event is not finally preventing the performance (*endgültiges Leistungshindernis*). In the event the Force Majeure Event is longer than four (4) months or the Party is finally prevented from providing the services, statutory law applies.
- 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:
- 11.3.1. full details of the Force Majeure Event;
 - 11.3.2. its anticipated effect; and
 - 11.3.3. 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 the Services and/or Deliverables. If the Order is cancelled in whole the Contract will immediately terminate pursuant to this clause 11.4 and for any Order cancelled in part the Contract shall remain in force in respect of such part of the Services and/or Deliverables that have not been cancelled pursuant to this clause 11.4.
- 11.5. In the event of cancellation pursuant to clause 11.4:
- 11.5.1. in respect of Services, neither Party will have any other liability to the other in respect of such cancellation; and/or
 - 11.5.2. in respect of Deliverables, the Supplier will repay to the Buyer any amount paid by the Buyer in respect of the cancelled Deliverables before their cancellation and clause 16 (Cancellation of Deliverables) will not apply to any cancellation made under clause 11.4 and 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 inspect, or nominate professionally qualified independent auditors to inspect, in connection with the performance of the Services or supply of the Deliverables reasonably required and during regular business hours:
- 12.1.1. the Supplier's premises where any work related to the Contract is, was or will be carried out, including any tooling or equipment used;
 - 12.1.2. any processes, procedures, policies, systems, or plans used by the Supplier;
 - 12.1.3. any materials used, or to be used, by the Supplier;
 - 12.1.4. the Services or Deliverables themselves, regardless of what stage they are at in the manufacturing, assembly, or supply process; and
 - 12.1.5. 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 enable a proper inspection.
- 12.2. The Supplier may refuse access to any information that constitutes a trade secret.
- 12.3. The Buyer shall give the Supplier reasonable written notice of its intention to exercise its inspection rights.
- 12.4. 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.

- 12.5. If the Buyer has reasonable grounds for believing 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.
- 12.6. Without prejudice to clause 17.2.4, 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 confidentiality obligations imposed by Law, the Supplier will immediately notify the Buyer with full details of such an entity.
- 12.7. Any inspections carried out in accordance with this clause will not imply an acceptance of the Services and/or Deliverables or any waiver of the Supplier's obligations under the Contract.
- 12.8. The Supplier shall, on request, without undue delay (*unverzüglich*) provide the Buyer with any point of origin certifications in relation to any Deliverable or part of any Deliverable.

13. SUBCONTRACTORS

- 13.1. The Supplier shall not, without prior written notice to the Buyer, sub-contract, transfer or part with any right or obligation under the Contract nor delegate any of its responsibilities or obligations thereunder, provided always that the Supplier shall be liable for the acts and omissions of the sub-contractor and warrants that such sub-contractor's performance and/or delivery in connection with the Contract conforms to the requirements of the Contract ("**Authorised Subcontractor**"). The Buyer may, taking into account the Supplier's reasonable interests, at any time giving the Supplier sufficient notice during the term of the Contract, prohibit the use of a sub-contractor by the Supplier for good cause and the Supplier shall not utilise such sub-contractor in the performance of the Supplier's obligations under the Contract.
- 13.2. The Supplier warrants that any sub-contract agreed between the Supplier and an Authorised Subcontractor shall be subject to:
 - 13.2.1. the Supplier entering into a legal binding agreement or commitment with the Authorised Subcontractor that contain clauses that are materially similar to those in the Contract; and
 - 13.2.2. each sub-contract containing a term prohibiting the Authorised Subcontractor from sub-contracting any of its obligations.
- 13.3. The Supplier shall document all instructions given to any Authorised Subcontractor relating to the processing of Personal Data and shall provide details of such instructions to the Buyer without undue delay (*unverzüglich*) on request.
- 13.4. The Supplier shall, immediately on the Buyer's request, terminate the relevant sub-contract with the Authorised Subcontractor.

14. WORKFORCE MATTERS

- 14.1. The Supplier warrants that all Staff:
 - 14.1.1. are in sufficient number, suitably experienced, qualified, skilled and trained to the level expected of a specialist professional providing services similar to the Services or those services required for the performance of the Contract to customers of the same nature as the Buyer, its Affiliates and any Permitted Users and warrants that such Staff shall act at all times in a professional manner;
 - 14.1.2. observe and comply with all health and safety rules and regulations and security requirements and other procedures and other regulations (including health, safety, and site policies) in force at any relevant Buyer or Permitted User premises; and

14.1.3. observe and comply with the Global Supplier Code of Conduct and any other applicable codes of practice as set out on Global Supplier Portal.

- 14.2. If any member of Staff is sub-standard, or the performance or behaviour of any person engaged in performing the Services on any of the Buyer's sites or services required for the performance of the Contract is dissatisfactory, or the member of Staff otherwise unsuitable to perform their obligations in connection with the Contract, 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 or services required for the performance of the Contract. The Supplier shall (at its own cost) without undue delay (*unverzüglich*) arrange for the removal of such Staff from the performance of the Contract and shall without undue delay (*unverzüglich*) provide a substitute person satisfactory to the Buyer and, as applicable, its Affiliates and/or the Permitted User at no additional cost to the Buyer.
- 14.3. 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.
- 14.4. If, as a consequence of the termination or expiry of the 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 section 613a BGB, as if originally made between the Buyer, any Affiliate of the Buyer, 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 Affiliate of the Buyer, 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.
- 14.5. The Supplier shall not without the prior consent of the Buyer allow any person on to any of the Buyer's sites other than those persons directly engaged in performing the Services or services required for the performance of the Contract.

15. CYBER SECURITY

- 15.1. The Supplier shall and shall procure that any Authorised Subcontractor(s) will comply with the Rolls-Royce Supplier Minimum Cyber Security Standard together with any applicable laws, in connection with the provision of the Services and/or supply of Deliverables under the Contract
- 15.2. If the Supplier is unable to comply with, or at any time during the term of the Contract ceases to comply with, any security measures contained in the Rolls-Royce Supplier Minimum Cyber Security Standard (including any changes to certifications and accreditations) the Supplier will immediately notify the Buyer and unless otherwise directed by the Buyer, the Supplier will provide the Buyer with a cyber implementation plan within thirty (30) days from the date of such notification and the Parties will agree in good faith the remedial actions required.
- 15.3. Unless otherwise agreed between the Parties, the Supplier agrees to complete all remedial actions agreed pursuant to clause 15.2, to the Buyer's reasonable satisfaction within six (6) months from the date of suppliers Notification pursuant to clause 15.2 and the Parties shall review progress of such cyber implementation plan no less than once every four (4) weeks.

- 15.4. The Supplier shall (and shall procure that any Authorised Subcontractor shall) if so requested by the Buyer on reasonable notice and no more than once per annum, submit to periodic formal security reviews conducted by the Buyer or the Buyer's third-party representatives (or by the Supplier on any Authorised Subcontractor to the extent the Supplier was able to agree such right with the Authorised Subcontractor) to:
- 15.4.1. review and verify the confidentiality, integrity and security of any data relating to the Contract; and
 - 15.4.2. review the Supplier's compliance with the Rolls-Royce Supplier Minimum Cyber Security Standard and the Contract.
- 15.5. The Supplier shall (and shall use its best endeavours to procure that any Authorised Subcontractors shall) submit to a review by the Buyer and/or its third-party representatives in the event of a Cyber Security Incident in order to assess the impact of the Cyber Security Incident on the Buyer.
- 15.6. In the event of a breach of this clause 15 by the Supplier, including failure by the Supplier to provide a cyber implementation plan in accordance with clause 15.2 and/or complete the remedial actions within any agreed timelines pursuant to clause 15.3, the Buyer may, in its sole discretion:
- 15.6.1. extend the timeline for submission of a cyber implementation plan or completion of the remedial actions (if, and as, applicable);
 - 15.6.2. suspend the Contract for the time of the breach, but no longer than for four (4) months;
 - 15.6.3. agree in good faith any additional measures (including technical and organisational) to protect and secure the Buyer's Information and implement the same within timescales to be agreed between the Parties; or
 - 15.6.4. terminate the Contract for good cause to the Supplier.
- 15.7. The Supplier shall (and shall procure that any Authorised Subcontractors shall) notify the Rolls-Royce Security Operations Centre and submit a summary report to the Buyer, as soon as reasonably practicable, in the event of:
- 15.7.1. a Cyber Security Incident or any action that causes or in the Supplier's (and/or the relevant Authorised Subcontractor's) reasonable opinion may cause a Cyber Security Incident;
 - 15.7.2. a breach of this clause 15; and/or
 - 15.7.3. a breach of clause 18 (Confidentiality).

16. CANCELLATION OF DELIVERABLES

If the agreement is a purchase agreement for which the Deliverables are manufactured (*Werklieferungsvertrag*) or an agreement for works and services (*Werkvertrag*), provided the Deliverables have not yet been completed by the Seller, the Buyer may at any time, cancel its Order under the Contract in respect of some (if not unreasonable for the Supplier) or all of the Deliverables, after which the Supplier will immediately stop all work in respect of such cancelled Deliverables and warrants that its Authorised Subcontractors and suppliers immediately stop all work in respect of such cancelled Deliverables. The consequences of such cancellation are set out in section 648 BGB.

17. TERMINATION

- 17.1. The Buyer has the right to terminate the Contract at any time for convenience with an appropriate notice period.
- 17.2. The Buyer may terminate the Contract in whole or in part (if applicable) to the Supplier for good cause. It is deemed to constitute good cause (but not limited to) if
- 17.2.1. the Supplier suffers an insolvency or similar event;
 - 17.2.2. the Supplier ceases or threatens to cease to carry on its business;
 - 17.2.3. the financial position of the Supplier deteriorates to such an extent that in the opinion of the Buyer the capability of the Supplier to adequately fulfil its obligations under the Contract has been placed in jeopardy;
 - 17.2.4. there is a Change of Control of the Supplier;
 - 17.2.5. the Supplier becomes an Affiliate of a Competitor;
 - 17.2.6. the Supplier breaches clauses 18 (Confidentiality) or clause 21 (Compliance with Law and Data Protection) or clause 23 (Ethics); or
 - 17.2.7. the Supplier does not comply with its obligation of clause 12.1; or
 - 17.2.8. if any representation or warranty made by the Supplier in clause 3.1 is or becomes incorrect;
 - 17.2.9. the Buyer reasonably apprehends that any of the events mentioned above is about to occur in relation to the Supplier;
 - 17.2.10. the grounds for a termination pursuant to clauses 11.4, 15.6.4 and 23.4; are given or
 - 17.2.11. as otherwise set out in an Order.
- 17.3. On termination of the Contract, for whatever reason, the Supplier shall:
- 17.3.1. without undue delay (*unverzüglich*) return to the Buyer or at the Buyer's request destroy (and the Supplier shall provide written certification of such destruction) so that the Information is no longer retrievable, all Information relating to the Contract and all copies thereof and all other materials, data, information, documentation and the like (including such materials which are electronically stored) which have been provided, used or processed or created by or on behalf of the Buyer in respect of the Contract;
 - 17.3.2. immediately cease processing any Personal Data; and
 - 17.3.3. in respect of Services, provide all assistance as the Buyer may reasonably require to ensure an orderly transition of the Services to the Buyer or any Successor Supplier.
- 17.4. On termination for good cause by the Buyer, the Supplier will, if required by the Buyer to do so, without undue delay (*unverzüglich*) provide the Buyer (and any Permitted User and/or a third party engaged by the Buyer to complete the Deliverables (for the purposes of this clause 17.4 only, together the "Users")) with and licence the Buyer (and any Users) to use, or ensure that the Buyer (and any Users) is without undue delay (*unverzüglich*) provided with and the Buyer (and any Users) is (or are) licensed to use, all such designs, documentation, IPR and information as may be necessary to enable the Buyer (and any Users) to provide the Services itself, or have a third party provide the Services and/or complete the Deliverables, over the period of time the Supplier would have performed the Services and/or completed the Deliverables if the Contract had been performed as originally intended by the Parties. Subject to clause 20 (Intellectual Property Rights), the Buyer (and any Users) will have no right to use such designs,

documentation and information provided under this clause 17.4 for any purpose other than providing the Services and/or completing the Deliverables and/or having a third party provide the Services and/or complete the Deliverables.

18. CONFIDENTIALITY

18.1. Subject to clause 18.2, each Party acquiring Information directly or indirectly from the other Party (“**Receiving Party**”) agrees to hold in confidence any Information that it acquires directly or indirectly from the other Party (“**Disclosing Party**”) or the Affiliates of the Disclosing Party and agrees:

18.1.1. 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);

18.1.2. not to use the Information other than for the purposes of the Contract;

18.1.3. not to disclose the Information at any time or to any third party without the written approval of the other Party; and

18.1.4. not to remove, alter or deface any proprietary, confidentiality or security designations denoted on the Information.

18.2. The provisions of clause 18.1:

18.2.1. do not apply to Information which is:

- (a) or becomes publicly known or generally available, but only if this happens without the Receiving Party acting at least with simple negligence in this regard;
- (b) received from a third party who is without an obligation of non-disclosure; or
- (c) already known (without any obligation of confidentiality) by the Receiving Party at the time of receipt;
- (d) independently discovered or created by the Receiving Party without the use of the Information provided by the disclosing Party;

18.2.2. will not prevent either Party from disclosing the Contract and financial information concerning the business between the Parties to appointed auditors, legal advisers, insurers, accountants and in respect of the Buyer, to any relevant Government(s);

18.2.3. will not prevent the Buyer from disclosing Information to its suppliers and sub-contractors solely to the extent necessary for the purposes of using the Services and/or the Deliverables (as applicable) and/or exercising its rights and performing its obligations under the Contract;

18.2.4. will not prevent the Supplier from disclosing Information to its Authorised Subcontractors solely to the extent necessary for the purposes of providing the Services and/or supplying the Deliverables (as applicable);

18.2.5. will not prevent the Buyer from disclosing Information to its Affiliates and/or Permitted Users; and

18.2.6. will not prevent the Buyer from disclosing Information protected by the Supplier’s IPR, if and to the extent that it is entitled to sublicense the use of such IPR.

18.3. Each Party will be responsible for the observance of the provisions of this clause 18 by its employees or any other third parties to whom Information is disclosed in accordance with this clause 18.

- 18.4. If the Receiving Party believes it is required by law, a regulatory, other authority or court to disclose any Information to any third party:
- 18.4.1. such 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 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
 - 18.4.2. 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, a regulatory, other authority or court to disclose, and will use all reasonable endeavours to warrant that all Information so disclosed is accorded confidential treatment on materially similar confidentiality terms as contained in 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.
- 18.5. Upon request of the Disclosing Party and upon the termination or expiry of the Contract, the Receiving Party shall return, delete, or destroy all documents or files containing Information, provided and still in its possession within ten (10) calendar days in full and undamaged condition. The obligation to return, delete or destroy shall not apply to electronically stored copies made in the course of routine information technology backup, provided that such electronically stored confidential information shall be subject to an obligation of confidentiality unlimited in time.
- 18.6. The obligations of this clause will expire five (5) years after the end or termination of the respective Order.

19. GOVERNMENT FLOW DOWNS

The Supplier acknowledges that the Buyer and its Affiliates (from time to time) has customers including governmental or other public bodies which may require, pursuant to their agreements and arrangements with the Buyer and/or a Buyer Affiliate, that the Buyer and/or a Buyer Affiliate complies with terms, conditions, restrictions and other obligations of such government or other public body and the Supplier shall and shall procure that its Authorised Subcontractors comply with any such terms, conditions, restrictions and other obligations provided to the Supplier in writing from time to time.

20. INTELLECTUAL PROPERTY RIGHTS

- 20.1. Subject to clauses 20.2, 20.520.6, 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.
- 20.2. 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, reports, diagrams, documentation, business methods or methods of manufacture ("**Foreground IP**") together with any Enforcement Rights will vest in and become the absolute property of the Buyer. The Supplier hereby assigns (and Buyer accepts such assignment), and will ensure that any third party creating Foreground IP on the Supplier's behalf assigns, all Foreground IP to the Buyer with full title guarantee together with all Enforcement Rights, with effect immediately on creation of such Foreground IP, free from any Security Interest and the Supplier will:
- 20.2.1. take all necessary actions, or will ensure that the necessary actions are taken, (including signing any documents) to ensure that such Foreground IP vests in full with the Buyer immediately on creation;

- 20.2.2. take any steps reasonably required by the Buyer to enable the Buyer to register its ownership of such Foreground IP.
- 20.3. If assignment and transfer of such rights according to clause 20.2 is not permissible under applicable law, then the Supplier shall grant the Buyer an exclusive, royalty-free, transferable, perpetual, irrevocable, worldwide, freely sub-licensable and unlimited right and license to use any Foreground IP in all types of use (whether known or unknown). The Supplier shall ensure that its and its suppliers' employees and contractors waive any moral rights in or relating to any works to which such Foreground IP relates and will on request provide the Buyer with written evidence of such waiver.
- 20.4. The Supplier will not use, exploit, develop, transfer, or licence any Foreground IP or any other IPR belonging to, or provided to the Supplier by, the Buyer and any Affiliate of the Buyer for any purpose other than fulfilling its obligations to the Buyer under the Contract.
- 20.5. The Buyer hereby grants to the Supplier a non-exclusive, royalty-free, non-transferrable, non-sub-licensable licence to use, for the sole purpose of and to the extent necessary for performing the Contract, any of the Buyer's IPR that the Buyer discloses or makes available for such purpose.
- 20.6. The Supplier hereby grants to the Buyer a non-exclusive, royalty-free, transferable, perpetual, irrevocable, worldwide, freely sub-licensable and unlimited licence to use any IPR owned by the Supplier or licensed to the Supplier on terms permitting the grant of this licence for the purpose of possessing, using, distributing, copying, exploiting, developing, repairing or selling the Deliverables and/or the Service Outputs.
- 20.7. The Supplier will be liable for any loss suffered by the Buyer as a result of a third party allegation or claim that the possession, use, exploitation, development, sale or repair of the Deliverables and/or Service Outputs infringes such a third party's IPR (an "IPR Claim"). This clause 20.7 will not apply where the IPR Claim is not due to Supplier's negligence or wilful intent.
- 20.8. Notwithstanding clause 20.7, if there is an IPR Claim or if the Buyer reasonably suspects that there will be an IPR Claim and notifies the Supplier in writing thereof, the Supplier will take all steps required by the Buyer to ensure that the Buyer can continue to use the Deliverables and/or Service Outputs without infringing a third party's IPR, which may include obtaining for the Buyer a non-exclusive, royalty-free, irrevocable, sub-licensable and perpetual licence to possess, use, exploit, develop, sell or repair the Deliverables and/or Service Outputs (or any part thereof) (and in respect of Deliverables to manufacture or have manufactured the Deliverables) which are the subject of the IPR Claim or, at the Buyer's sole discretion, replacing such Deliverables and/or Service Outputs with a substantially equivalent non-infringing Deliverables or Service Outputs.

21. COMPLIANCE WITH LAW AND DATA PROTECTION

21.1. General Compliance With Laws

21.1.1. The Supplier will, at all times:

- (a) obtain, maintain, and observe all regulatory approvals applicable in connection with the supply of the Services and/or the Deliverables;
- (b) comply with all applicable laws, including those relating to and governing:
 - (i) employment;
 - (ii) health and safety;
 - (iii) environmental protection;

- (iv) the disposal of any waste;
- (v) human rights (including in relation to harassment, discrimination, and child labour);
- (vi) minimum wage requirements;
- (vii) any materials, chemicals or processes used in connection with the provision of the Services and/or supply of the Deliverables (including Regulation (EC) No. 1907/2006 of the European Parliament concerning the registration, evaluation, authorisation and restriction of chemicals (“**REACH**”)) and any other applicable chemical legislation;
- (viii) data protection laws;
- (ix) ABC Laws;

and

- (c) comply with the duties of cooperation and standards set out in the “Special Agreement with Suppliers of Rolls-Royce Deutschland on compliance in the Supply Chain” (“**Special Agreement RRD Suppliers**”) and the “Rolls-Royce Deutschland German Supply Chain Act Code” (“**SCA Code**”), (which is Appendix A to the Special Agreement RRD Suppliers) at all times during the contractual relationship with the Buyer. Both documents can be viewed and downloaded from the Global Supplier Portal via the link [Special Agreement RRD Suppliers and SCA Code](#) (together referred to as “**RRD Supply Obligations**”), and to warrant that its subcontractors also act accordingly. The RRD Supply Obligations relate to the protection of international human rights, the abolition of forced labour and child labour, the elimination of discrimination in respect of employment and occupation, and environmental responsibility;

21.1.2. Notwithstanding clause 13.1, the Supplier warrants that all persons associated with the Supplier or other persons who are performing services or providing goods in connection with the Contract (including any Authorised Subcontractors) comply with this clause 21.

21.2. Information and Notification obligations

21.2.1. The Supplier will, at all times:

- (a) to the extent that this is the Supplier’s obligation to know, notify the Buyer of any restrictions or provisions:
 - (i) that exist in respect of any regulatory approvals granted in connection with the provision of the Services and/or the supply of the Deliverables;
 - (ii) that exist under any applicable law; or
 - (iii) confirm in writing that no such restrictions apply; and
- (b) 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 the applicable laws.

21.2.2. Any Services provided and/or any Deliverables supplied or installed under the Contract shall be so formulated, designed, constructed, finished, packaged, and performed so as to be safe and without risk to health and all Deliverables will be supplied with full instructions for their proper use maintenance and repair and with any necessary warning notices clearly displayed.

21.2.3. The Supplier agrees before delivery to furnish the Buyer in writing with a list, by name and description, of any harmful or potentially harmful properties or ingredients in the Deliverables whether in use or otherwise and following delivery to notify the Buyer of any changes in such properties or ingredients.

21.2.4. The Supplier represents and warrants that any information provided by the Supplier in accordance with clause 21.2.3 will be true and accurate in all respects and the Supplier hereby acknowledges that the Buyer will rely on such information to satisfy its own obligations under the laws, in particular the applicable health and safety laws.

21.3. Provisions on human labour

21.3.1. The Supplier shall, and shall procure that all its officers, employees, subcontractors (including any Authorised Subcontractors) and agents shall:

- (a) comply with any anti-slavery laws and, without limiting the generality of this clause 21.3.1, only employ individuals whose presence is voluntary and not use forced, indentured, involuntary, prison, or uncompensated labour under any circumstances;
- (b) ensure that its employees and other personnel have the right to work in the territories appropriate to their engagement and comply with applicable government guidance on appropriate right to work checks; and
- (c) be compliant social security, wage tax obligations, and employment rights of employees or other personnel not engaged in an employee capacity.

21.3.2. Neither the Buyer nor the Supplier shall be responsible or authorised for directing, supervising, or controlling the other party's officers, directors, employees, consultants, contractors, personnel and any other of its representatives or its relevant Affiliates involved in the performance of their respective obligations under the Contract.

21.3.3. The Supplier represents and warrants that neither the Supplier nor any of its officers, employees, subcontractors (including Authorised Subcontractors) and agents:

- (a) has been convicted of any offence involving slavery and human trafficking; and
- (b) to the best of its knowledge, has been or is the subject of any investigation, inquiry, or enforcement proceedings by any governmental, administrative, or regulatory body regarding any offence or alleged offence of or in connection with slavery and human trafficking.

21.3.4. The Supplier shall implement due diligence procedures for its own suppliers, subcontractors (including Authorised Subcontractors) and other participants in its supply chains, to ensure that there is no slavery or human trafficking in its supply chains.

21.3.5. The Supplier shall notify the Buyer as soon as it becomes aware of any actual or suspected slavery or human trafficking in a supply chain which has a connection with the Contract.

21.4. Provisions on declarable substances

21.4.1. For the purposes of clauses 21.4.1 to 21.4.4, references to:

- (a) "**Declarable Substance**" means any substance for which information is requested by the Buyer; and
- (b) "**Article**" means any Deliverable that falls within the definition of an "article" under the EU REACH regulation (EC) No 1907/2006.

21.4.2. Where required in accordance with laws in a particular destination country, the Supplier will prior to and at the time of any shipment of Deliverables, submit to the Buyer safety data sheets prepared in the official language of the destination countries and in accordance with the laws applicable in those countries.

21.4.3. The Supplier will provide the Buyer with all information necessary to ensure the use of the Deliverables will not cause harm to health, safety or the environment, such information to include information on safe usage, storage, transportation and disposal and any applicable labelling in the official language of the destination countries and other information required by the laws applicable to the Deliverables or any substances contained in a Deliverable in the country of destination.

21.4.4. In respect of Articles and where reasonably requested by the Buyer, the Supplier will without undue delay (*unverzüglich*) furnish to the Buyer information relating to the Articles in such form and detail as the Buyer may direct including:

- (a) a list of all Declarable Substances in the Deliverables;
- (b) a list of all Declarable Substances used in the manufacturing process of the Deliverables, to include those relied on for manufacture or processing of its constituents;
- (c) information concerning any changes in or additions to such Declarable Substances in the Deliverables or manufacturing process of the Deliverable; and
- (d) confirmation that the presence of a substance in the Deliverable or use of a substance in the manufacturing process of the Deliverable, is in compliance with any applicable Laws in the country of origin of the Deliverable and the country of destination.

21.4.5. Notwithstanding clause 13.1, the Supplier shall ensure that all persons associated with the Supplier or other persons who are performing services or providing goods in connection with the Contract (including any Authorised Subcontractors) comply with this clause 21.4.

21.5. Provisions on data protection

21.5.1. Each Party acknowledges and agrees that it may need to Process Personal Data in relation to the other Party's representatives (in its capacity as a Controller) in order to (as appropriate):

- (a) administer and provide the Services and/or Deliverables;
- (b) request and receive the Services and/or Deliverables;
- (c) compile, dispatch and manage the payment of invoices relating to the Services and/or Deliverables;
- (d) manage the Contract and resolve any disputes relating to it;
- (e) respond and/or raise general queries relating to the Services and/or Deliverables; and
- (f) comply with its regulatory obligations.

21.5.2. Each Party shall Process such Personal Data for the purposes set out in clause 21.5.1 in accordance with its privacy policy. Each Party acknowledges that it may be required to share Personal Data with members of its Group and other relevant parties, within or outside of the country of origin, in order to carry out the activities listed in clause 21.5.1,

and in doing so each Party will ensure that the sharing and use of this Personal Data complies with applicable data protection laws.

21.5.3. The Parties do not envisage that either Party will Process any Personal Data for or on behalf of the other Party, under or in connection with the Services and/or Deliverables. Where and to the extent that in undertaking the obligations set out in the Contract, either Party anticipates that the other will Process Personal Data for and on behalf of the other Party it shall notify the other Party and the Parties shall agree a change to the Contract to incorporate appropriate provisions in accordance with Article 28 of the UK GDPR, or as otherwise required by applicable data protection laws.

21.5.4. For the purpose of clause 21.5, "**Controller**", has the meaning given to such terms in the applicable data protection laws.

22. OFFSET

22.1. The Supplier agrees that the Buyer's decision to enter into the Contract involves consideration of the potential for such work to count towards any current or future Offset obligations whether in the Supplier's country of incorporation or elsewhere in the world.

22.2. The Buyer may include within an Offset arrangement, in whole or in part, the value of business to which the Contract applies. On the Buyer's request the Supplier will support any submission(s) the Buyer may make in this respect.

22.3. On the Buyer's request the Supplier will enter into good faith discussions with the Buyer to source work with technically competent suppliers of materials, capital goods and/or services in support of work that is the subject of the Contract, in countries that the Buyer or any Buyer Affiliate has Offset requirements, the sourcing of which will not incur a further cost increase unless previously agreed by the Buyer in writing.

22.4. Without prejudice to the other rights and obligations in this clause 22, on the Buyer's request the Supplier shall enter into good faith discussions with the Buyer as to whether it can support the Buyer in countries where the Buyer or the Buyer's Affiliates have or may have Offset requirements by entering into an agreement with the Buyer that would allow the Buyer to capture and use for its own (or the Buyer Affiliates) purposes Offset benefits that may be available as a result of the Supplier's operations and/or purchases. As part of the foregoing, the Supplier shall provide the Buyer with a written summary of the countries from which it operates and/or purchases goods and/or services not the subject of the Contract (such summary to be without undue delay (*unverzöglich*) updated at intervals reasonably requested by the Buyer).

23. ETHICS

23.1. The Supplier represents that neither the Supplier nor its Associated Persons have been convicted of violating any ABC Laws.

23.2. The Supplier warrants that neither it nor its Associated Persons:

23.2.1. will engage in any conduct which was or would be an offence under any of the ABC Laws (whether or not the Supplier is subject to that ABC Law); or

23.2.2. will do anything that may put the Buyer or any of its Associated Persons in breach of any the ABC Laws.

23.3. The Supplier warrants that neither it nor its Associated Persons:

23.3.1. act in breach of any duty of confidentiality owed to any third party in the course of performing its obligations under the Contract; and/or

- 23.3.2. offer or provide any Prohibited Information, whether specifically related to the subject matter of the Contract or otherwise.
- 23.4. The Supplier shall ensure that neither it nor its Associated Persons, in respect of the Contract has or will:
- 23.4.1. undertake any action or activity; or
- 23.4.2. refrain from any action or activity,
- where doing so is or was intended directly or indirectly to facilitate any offence of tax evasion.
- 23.5. Notwithstanding any other provision of these GCP, the Buyer may, without prejudice to any of its rights under law, contract, or equity, terminate the Contract for good cause, if the Supplier is in breach of this clause 23.
- 23.6. The Supplier will comply in full with, and acknowledges receipt of, the Global Supplier Code of Conduct, as in force from time to time.
- 23.7. Notwithstanding any other provision of these GCP, any money due from the Buyer to the Supplier in connection with the Contract will not be payable if the Supplier or any of its Associated Persons has committed any breach of any of the ABC Laws, or has caused the Buyer to breach any of the ABC Laws, until the time that the Buyer was able to verify that its payment of the money would not cause the Buyer to commit any violation of law.
- 23.8. The Supplier will comply with all applicable laws, enactments, orders, and regulations in connection with this Agreement and each Order.

24. EXPORT CONTROL AND SANCTIONS

- 24.1. The Parties acknowledge that there may be products, engines, parts, services and/or related technology, software or technical data provided or received pursuant to the Contract that are subject to government export control laws, regulations, and orders (collectively and individually "**Export Controlled Items**").
- 24.2. In performing their respective obligations under the Contract, each of the Parties will strictly comply with all applicable requirements under any government export control laws, regulations and orders as they be amended from time to time.
- 24.3. If a Service and/or Deliverable or any information provided, or to be provided, by (or on behalf of) 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 Deliverable or 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: (i) whether the Deliverable, information or Service is of a military or dual-use; (ii) the export control classification(s) of the item(s); (iii) which export control law(s) the Deliverable, information or Service is restricted under; (iv) a full description of the Service and/or Deliverable and/or information concerned; (v) full details of any applicable export licence or technical assistance agreement; (vi) details of any authorised end-users; (vii) full details of any applicable restriction or proviso; and (viii) any other information requested by the Buyer.
- 24.4. Each Party warrants and undertakes that it will not export or transfer, re-export, or re-transfer by any means, electronic or otherwise, any Export Controlled Item(s) without complying in all respects with the applicable export control laws and regulations and export authorisation(s) in relation to any such export or transfer of the Export Controlled Items.
- 24.5. Each Party acknowledges the importance and responsibilities of full compliance with all applicable economic and trade sanctions laws, regulations, and orders administered or enforced by the United States, the United Nations Security Council, the European Union, or any member

state thereof, the United Kingdom, Canada, or other sanctions authority of any relevant jurisdiction (collectively “**Sanctions**”). With regard to Sanctions against states only to the extent that economic sanctions measures have been decided by (i) the Security Council of the United Nations in accordance with Chapter VII of the Charter of the United Nations, (ii) the Council of the European Union according to Chapter 2 of the Treaty on European Union, or (iii) the Federal Republic of Germany.

24.6. Each Party represents and warrants to the other, in respect of the Contract, that neither such Party, nor any of its subsidiaries or Affiliates, to the knowledge of such Party, or any director, officer or employee of such Party or any of its subsidiaries or Affiliates, is an individual or entity:

24.6.1. listed on any Sanctions List;

24.6.2. located or resident in, or incorporated or organized under the laws of a country or territory that is, or whose government currently is, the target of any Sanctions;

24.6.3. directly or indirectly owned or otherwise controlled by, acting on behalf, or at the direction, of any person that are listed on any Sanctions List, or directly or indirectly owned or controlled by any person who is located or resident in, or incorporated or organized under the laws of a country or territory that is, or whose government currently is, the target of any Sanctions;

24.6.4. has received notice of, is currently the subject of, or is aware of, any claim, action, suit, proceeding or investigation against it with respect to Sanctions, or is directly or indirectly owned or controlled by any person who is currently the subject of a Sanctions investigation;

24.6.5. is or has been engaged in any transaction, activity or conduct that is, or could reasonably be expected to result in, a breach of Sanctions applicable to it (either directly or indirectly) in connection with the subject matter of the Contract; or

24.6.6. otherwise a target of Sanctions that would prohibit either Party from engaging in any conduct contemplated under the Contract.

24.7. Each Party hereby acknowledges and agrees that it will not directly or indirectly deliver or otherwise make any information or Deliverable available to a legal entity (including any subsidiary, Affiliate, joint venture partner), individual, country or territory in any manner that would result in a violation of Sanctions.

25. INSURANCE

25.1. The Supplier shall at its own expense and shall use its best endeavours to procure that any Authorised Subcontractors shall at their own expense, and for the duration of the Contract procure adequate policies of insurance with a reputable insurance company in respect of the Supplier’s relevant potential liabilities arising out of or in connection with the Contract and at a minimum:

25.1.1. workers compensation, employer’s liability and/or any other similar social insurance;

25.1.2. public and products liability insurance;

25.1.3. if applicable, professional indemnity insurance; and

25.1.4. if applicable, aviation products legal liability insurance,

each with a limit of at least £5,000,000 (five million pounds sterling) per incident (or series of connected incidents) save in respect of aviation products legal liability insurance which shall have a limit of £100,000,000 (one hundred million pounds sterling).

25.2. The Supplier shall produce to the Buyer on request such evidence as the Buyer may reasonably request to demonstrate that the insurance required in clause 25.1 has been procured and maintained in force in accordance with clause 25.1.

26. AUDIT

26.1. The Supplier shall, and shall ensure that its Authorised Subcontractors shall, maintain and make available to the Buyer complete auditable records related to its performance of the Services and/or supply of the Deliverables and compliance with its obligations under the Contract in order for the Buyer to verify:

26.1.1. the accuracy of the charges and invoices;

26.1.2. the Supplier's conformance to the terms of the Contract;

26.1.3. the Supplier's policies and the Supplier's compliance with applicable Buyer policies and training requirements; and

26.1.4. the Supplier's risk management and monitoring activities with respect to any Authorised Subcontractors.

26.2. During the term of the Contract and for the period thereafter that the Supplier is required to maintain records hereunder, the Supplier shall, and shall cause its Authorised Subcontractors to provide to the Buyer, its auditors (internal and external), inspectors, regulatory authorities and other applicable entities as the Buyer may from time to time designate in writing, access at regular business hours, with a reasonable notice period (and in the case of regulators at any time required by such regulators) to any facility or part of a facility at which either the Supplier or any Authorised Subcontractor is providing the Deliverables and/or the Services, to Staff, and to data, records, systems and applications relating to the Services and/or Deliverables, for the purpose of performing audits and inspections related to this clause 26.

26.3. The Supplier may refuse access to any information that constitutes a trade secret.

27. COMMUNICATIONS

27.1. All communications under the Contract must be in writing and entirely in the English language.

27.2. All notices under the Contract must be delivered by hand, by commercial courier, by registered or certified post to the address or email-address (if applicable) of the relevant Party and for the attention of the person or office set out and 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.

27.3. Notice delivered by fax will not be effective.

28. CONFLICT

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

28.1.1. any provisions referenced to or contained in the Order that are stated in the Order to derive from a contract with a Government;

28.1.2. any other provisions expressly set out in the Order;

28.1.3. these GCP; and

28.1.4. any other document referred to in the Order or these GCP.

29. ASSIGNMENT

- 29.1. The Supplier shall not assign or delegate responsibility for or otherwise transfer or purport to assign or transfer to any other person any of its rights or subcontract any of its rights and obligations under the Contract.
- 29.2. The Buyer may assign its rights and obligations under the Contract or any part thereof to any person.

30. MISCELLANEOUS

- 30.1. Not exercising, or a delay in exercising, any right is not (and will not be deemed to be) a waiver of that right.
- 30.2. 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.
- 30.3. The provisions of the Contract, including this clause, 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.
- 30.4. The Buyer may make changes to the Contract after its conclusion, however, only related to the quantity of the Deliverables or Services and if the Buyer has a justified interest, it is reasonable for the Supplier and taking into account both Parties' interest.
- 30.5. The Buyer may perform any of its obligations and may exercise any of its rights under the Contract either itself or through an Affiliate.
- 30.6. Nothing in the Contract will:
- 30.6.1. constitute a partnership or joint venture between the Parties;
 - 30.6.2. constitute either Party the agent of the other Party; or
 - 30.6.3. create any fiduciary obligations between the Parties.
- 30.7. Neither Party will:
- 30.7.1. represent itself as the agent or partner of the other Party; or
 - 30.7.2. 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.
- 30.8. All rights and remedies exercisable by the 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.

31. PUBLICITY

The Parties will not and will procure that none of their Affiliates and in the case of the Supplier any Authorised Subcontractors, disclose the existence of the Contract during its term or at any time following its expiry or termination in any journal, magazine or publication or any other medium or otherwise use the other Party's trademark, trade name or logo in any of its advertising or publicity material without the other Party's prior written consent.

32. LAW AND JURISDICTION

- 32.1. 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 German law.
- 32.2. The United Nations Convention for International Sale of Goods dated April 11, 1980 will not apply to the Contract.
- 32.3. Exclusive jurisdiction for any issues arising from or in relation to the Contract is with the courts in Berlin, Germany.
- 32.4. If the Supplier is not incorporated in Germany, 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 Berlin 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 32.4 does not affect any other method of service allowed by law.

SCHEDULE 1: INTERPRETATION

Definitions

"**ABC Laws**" means any applicable laws relating to anti-bribery and corruption matters applicable to the subject matter of the Contract.

"**Affiliates**" means the companies as set out in Sec. 15 et seqq. of the German Stock Corporation Act (*Aktiengesetz*, AktG).

"**Associated Person**" means

- (a) Affiliates of a Party;
- (b) any directors, owners, employees or representatives of that Party or its Affiliates; and/or
- (c) any other persons acting on behalf of that Party or its Affiliates.

"**Authorised Subcontractor**" shall have the meaning given to it in clause 13.1 (Subcontractors).

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

"**Buyer Property**" means all materials, equipment, tools, drawings, Specifications, property, data, including Personal Data of the Buyer, Affiliate of the Buyer or a nominee provided, loaned, bailed, consigned, or supplied to the Supplier by or on behalf of the Buyer and/or Affiliate of the Buyer in connection with the Contract.

"**Change of Control**" means, in relation to the Supplier:

- (a) the Supplier becoming Controlled by a new person or ceasing to be Controlled by any other person; or
- (b) a person holding (directly or indirectly) more than a ten (10) per cent ownership interest in the Supplier for the first time at any time throughout the duration of the Contract.

"**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 legally binding contract between the Buyer and the Supplier for the provision of Services and/or supply of the Deliverables in accordance with these GCP in the form of an Order, comprising these GCP, the Specification (if applicable), the Order and any other documentation and/or terms and conditions specifically referred to in the Order.

"**Control**" means the power, directly or indirectly to: (a) vote more than fifty percent (50%) or more of the securities having ordinary voting power of that person at a general meeting of that person; or (b) appoint or remove more than fifty percent (50%) of the directors (or persons performing similar functions) of such person; or (c) direct or cause the direction of the management and policies of such person, whether by contract or otherwise.

"**Cyber Security Incident**" means an adverse event or chain of events in or affecting an information system that constitutes actual harm or the attempt to harm, including any events that compromises the confidentiality, integrity or availability of business information to include a policy violation(s), unauthorised access attempts or usage, or changes made without the owner's (of the information system or business information (as applicable)) knowledge, instruction or consent.

"**Deliverables**" means those products or goods that the Supplier has agreed to supply to the Buyer as specified in the Order.

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

“Enforcement Rights” means the right to sue for damages and other remedies for any infringement of IPR (irrespective of when it occurred) for the full duration of such IPR, including all renewals, revivals, re-issues, divisions, continuations, or extensions.

“Export Controlled Items” shall have the meaning given to it in clause 24.1.

“Force Majeure Event” means an event or sequence of events that directly prevent that Party from performing its obligation(s) under the Contract that are: (a) unforeseeable at the time of the Parties entered into the Contract and; (b) beyond the reasonable control and prevention of the affected Party, and (c) of extraordinary nature. This includes, to the extent that the respective Party did not cause these events with negligence or wilful intent, 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, collapse of buildings, floods, wars or threats of war, riots, national labour or trade disputes, strikes, industrial action or lockouts, acts of terrorism, disruption to essential services such as electrical power and utility services, extreme weather, quarantine or any government or regulatory authority mandated precautions against contagious disease epidemics or pandemics.

“Foreground IP” shall have the meaning giving to it in clause 20.2.

“GCP” means these General Conditions Of Purchase For Goods & Services.

“Global Supplier Code of Conduct” means the Buyer’s Global Supplier Code of Conduct as in force from time to time and available on the Global Supplier Portal.

“Global Supplier Portal” means the Buyer’s website for suppliers at <https://suppliers.rolls-royce.com/>, as updated and amended from time to time.

“Government” 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 any entity directly or indirectly owned or controlled thereby;
- (ii) any public international organisation or supranational body (including 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.

“Group” means in respect of either Party, that Party, its holding company, its subsidiaries and any other direct or indirect holding company or subsidiary from time to time of such holding company or subsidiary.

“Information” means any commercial, financial, technical, business 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, design rights, petty patents/utility models (in each case, whether registered or not), copyright and neighbouring and related rights, database rights, moral rights, trade secrets, know-how, metatags, rights to inventions and all similar or equivalent intellectual and industrial property rights including those subsisting in any part of the world in inventions, designs, drawings, computer programs, semiconductor topographies, business names, domain 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.

"Losses" means any and all: (a) claims, suits, judgments (however obtained) and orders; and (b) taxes, losses, liabilities, damages, costs and 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" (otherwise known as industrial participation or industrial cooperation) 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, which may include a less formal or ad hoc request by a Government or a prime manufacturer to which the Buyer supplies its products and/or services..

"Order" means a purchase order, scheduling agreement or any other form of purchase document issued by the Buyer or Affiliate of the Buyer to the Supplier 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 the Contract.

"Personal Data" has the meaning set out in applicable data protection laws and for the purposes of the Contract, includes special categories of Personal Data (as set out in Article 9 of the GDPR/ UK GDPR) and criminal conviction data (as set out in Article 10 of the GDPR/ UK GDPR).

"Process" means any operation or set of operations which is performed upon Personal Data, whether or not by automatic means, including 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).

"Prohibited Information" means any information whether offered in written, verbal, or other form that such Party is not authorised to have and use in connection with the Contract, including any information from a competitor's confidential proposals, bid terms or contract and pricing terms.

"Rolls-Royce Security Operations Centre" means the Rolls-Royce security operations centre contactable at sec.reporting@rolls-royce.com.

"Rolls-Royce Supplier Minimum Cyber Security Standard" means the Rolls-Royce's minimum cyber security requirements as amended or replaced from time to time by the Buyer and available on the Global Supplier Portal.

"RRD Supply Obligations" means as set out in clause 21.1.1 (c).

"SCA Code" means as set out in clause 21.1.1 (c).

"SABRe" means the 'Supplier Management System Requirements' which is the supplier element of the Buyer's management system, including addendums, reference documents, forms, guidance and deployment and assessment document, as may be updated from time to time and which is available on the Buyer's Global Supplier Portal.

"Sanctions" has the meaning given to it in clause 24.5.

"Sanctions List" means any list of individuals or entities subject to asset freeze or blocking sanctions, including: (i) the "Specially Designated Nationals and Blocked Persons" (SDN) maintained by the Office of Foreign Assets Control, U.S. Department of the Treasury; (ii) the Denied Persons List and Entity List maintained by the U.S. Department of Commerce; (iii) the consolidated list of persons, groups and entities subject to EU financial sanctions maintained by the EU; (iv) the Consolidated List of Financial Sanctions Targets maintained by His Majesty's Treasury; and/or (v) any similar lists or public

announcement of Sanctions designations, each as amended, supplemented or substituted from time to time.

"Scheduled Delivery Date" means the delivery date as agreed between the Parties.

"Security Interest" means any mortgage, charge, pledge, encumbrance, lien, right of set-off, assignment, hypothecation or any other arrangement or agreement having the effect of conferring security.

"Self-billed Invoice" means as set out in clause 4.5.1.

"Service Output" means any tangible and intangible outputs of and results of the Services including any new technologies, products, processes, reports, diagrams, information, documentation and business methods or methods of manufacture.

"Services" means those services that the Supplier has agreed to provide to the Buyer as set out and described in the Order (including any of them or part of them).

"Special Agreement RRD Suppliers" means as set out in clause 21.1.1 (c).

"Specified Service Levels" means those service levels for the Services 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.

"Specification" means the description of the Services set out or referred to in the Order or subsequently supplied to the Supplier by the Buyer or as otherwise advised by the Buyer to the Supplier.

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

"Successor Supplier" means each and any supplier who the Buyer, any Affiliate of the Buyer, 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 the 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 person, firm, company, or entity entering into the Contract.