Rolls-Royce Naval - General Conditions of Purchase ("GCP")

1. TERMS AND CONDITIONS: These general conditions of purchase ("GCP") together with the terms and special conditions appearing on a purchase order or a scheduling agreement ("Order"), any executed supply agreements concerning the Deliverables between the Parties ("Supply Agreement"), any specification or statement or schedule of work referenced in the Order or Supply Agreement ("Specification"), any mandatory legislation, and, where Rolls-Royce's customer or the end customer ("Customer") is a government, any government flow-down terms and conditions that apply by law or common industry practice ("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 (separately or collectively with those entities listed in Clause 29 whatever the case may be) that have signed a Supply Agreement or created a contract with the supplier accepting an Order ("Supplier"). R-R and the Supplier are referred to individually as a "Party" and together as the "Parties". The R-R entities listed in Clause 29 will be severally but not jointly liable under the Procurement Conditions. Any terms other than the Procurement Conditions will be null and void. Where Government Terms confer rights on the Customer then, without prejudice to R-R's other rights, R-R will have the right to enforce such rights against the Supplier in its own capacity.

2. TITLE: Title to goods will pass to R-R upon receipt at R-R's designated facility or as otherwise stated in an Order.

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 DDP (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. R-R may, at its sole discretion, require the Supplier to suspend all performance under an Order for a period of up to six months. In the event of any suspension of the Supplier's performance under this Clause, R-R's obligation to pay for such Deliverables will be suspended for the same period of time.

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 in the same language as the relevant Order 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. Unless otherwise stated on the Order, R-R will electronically transfer payment to the Supplier on the first day 75 days after the date on which the relevant goods have been received or services completed, provided that the Supplier has supplied such goods or services in accordance with the Procurement Conditions and, where the Supplier is required to submit an invoice, such invoice is accurate and was received by R-R's Purchase Accounts Department within 7 days of 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.

5. R-R PROPERTY: Any items held by the Supplier which R-R has paid for in full or which R-R may have loaned, bailed, consigned or supplied to the Supplier for the execution of an Order will be at the Supplier's risk until delivered to R-R. The Supplier will be fully liable for any damage caused to such items whilst in its possession. The Supplier will retain such items in good condition during performance and after completion of an Order and will not dispose of such items except in accordance with RR's written instructions nor will such items be used other than for the purpose of such Order without R-R's prior written consent. The Supplier will ensure that such items are at all times identified as the property of R-R and do not become the subject of any encumbrance.

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's website for suppliers at https://suppliers.rolls-royce.com/, the 'Rolls-Royce Supplier Code of Conduct', 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, and for those Deliverables that are services, will be performed with reasonable skill, care and diligence and will conform to any service description and/or required service levels and/or KPIs specified in the Procurement Conditions.

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, including without limitation the right to charge the Supplier the administrative charges set out on R-R's website for suppliers at https://suppliers.rolls-royce.com/, the Supplier will promptly replace or re-perform 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, at the Supplier's cost and risk, (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/ or otherwise provided by R-R 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 of its other 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 under the Procurement Conditions, 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 without any liability.

7.4. Either Party has the right, without prejudice to its other rights and remedies, to immediately 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, if the breach is remediable, it fails to rectify within a reasonable notice period stated by the first Party in its written notice of that breach (no notice period will apply for a breach of delivery terms). Either Party has the right, without prejudice to its other rights and remedies to immediately terminate any Order or the Supply Agreement without liability if the other Party 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.

8. INTELLECTUAL PROPERTY:
8.1. “Intellectual Property” or “IP” includes any and all inventions whether or not patentable, patents, utility models, trademarks, component designs or manufacturing processes and any improvements or enhancements thereto, copyrights and moral rights, design rights, database rights, trade secrets know-how, goodwill, and methods, in each case whether registered or unregistered, and also including identified technical and non-technical or business-related information such as specifications, computer programs, IP addresses drawings or blueprints. “Foreground IP” means any IP that arises or is obtained or developed by a Party, or by a contractor on behalf of a Party, specifically in the course of or in connection with the performance of an Order. “Background IP” means IP brought by either Party for use under an Order which is owned by or licensed to a Party before the date of issue of the Order, or later developed or otherwise acquired by a Party other than through participation in the Order.

8.2. Nothing in the Procurement Conditions shall transfer ownership of Background IP from or to any Party. No rights or licences in IP are granted save as expressly set out in the Procurement Conditions.

8.3. Subject to the Supplier’s compliance with the Procurement Conditions, R-R grants to the Supplier for the period of time needed to fulfil the Order, a non-exclusive, non-transferable, royalty-free, personal license to use R-R’s IP to the extent necessary for fulfilling Supplier’s obligations under the Procurement Conditions. The Supplier may not sub-licence this licence without the express consent of R-R in signed writing. The Supplier hereby grants to R-R the worldwide, perpetual, irrevocable, paid-up, sub-licensable right to use the Supplier's IP (i) to fulfil its obligations under the Procurement Conditions; and (ii) to use and benefit from any IP owned by R-R in accordance with the Procurement Conditions for any purpose whatsoever.

8.4. All Foreground IP will immediately on creation, be owned solely and absolutely by R-R and will be kept confidential by the Supplier whilst in the Supplier's or its sub-contractors' possession and control. To the extent permitted by law, the Supplier hereby assigns (by way of present assignment of future rights) and procures the assignment to R-R, absolutely and with full title guarantee, all rights in and to such R-R owned Foreground IP, created by the Supplier, its employees, Affiliates and subcontractors together with the right to sue for damages and other remedies for any infringement of any of such rights which occurred prior to and after the date of the assignment for the full period of such rights, including all renewals, revivals, re-issues, divisions, continuations or extensions. To the extent permitted by law, the Supplier will hold on trust for the exclusive benefit of R-R any and all R-R owned Foreground IP until the assignment referred to in this Clause for the assignment of such R-R owned Foreground IP to R-R is fulfilled. The Supplier will furthermore assist and co-operate, and procure the assistance and co-operation of its personnel with R-R in filing and presenting patent applications in relation to any invention conceived or made by it, its Affiliates, sub-contractors or agents in respect of the Deliverables during and after the provision of the Deliverables and will do, and procure the doing of, all such acts and things (including the waiver of moral rights by its employees) as R-R deems necessary in connection with such assistance.

8.5. 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 RR.

8.6. In addition to the indemnity set out in Clause 8.5 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.

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. “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 or a proposed Order will be treated in confidence and will not be copied or disclosed to any third party without the prior written consent of the disclosing Party. Such obligation to obtain prior written consent will not apply if a Party is disclosing Proprietary Information to permitted subcontractors, subject always to confidentiality provisions materially the same as those set out herein and subject to such subcontractor not being a Competitor. The receiving Party may only disclose Proprietary Information to its Representatives and permitted subcontractors 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 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 if legally possible immediately notify R-R in writing of the actual or potential acquisition and the identity of the third party or parties involved, subject to regulatory or statutory obligations.

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 without any liability.

11. PERSONAL INFORMATION: To the extent the Supplier is processing personal data of any employee or contractor of R-R for which R-R is the data controller, the Supplier shall: (i) put in place technical and organisational measures to ensure that

personal data is protected against loss, destruction and damage, and against unauthorised access, use, modification, disclosure or other misuse; (ii) use the personal data obtained only for the purposes of fulfilling its obligations under the Procurement Conditions; (ii) comply with the relevant laws on the protection of personal information and with the instructions of R-R from time to time in connection with the use of such personal data; (iv) not transfer personal data which has been obtained by or made available to the Supplier to any country outside its country of incorporation without obtaining the prior written consent of R-R; and (v) upon termination of the Order or the Supply Agreement, for whatever reason, cease processing the personal data. 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 Government Terms; (2) the Supply Agreement; (3) the GCP; (4) terms appearing on the front of an Order; (5) the Specification. Within the Supply Agreement, the schedules will cede precedence to the rest of the Supply Agreement. Within the GCP, the country schedules will take precedence over the rest of the GCP.

17. TRANSFER AND THIRD PARTY RIGHTS: 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: 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 Clause 28.

19. AMENDMENTS: 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. ENTIRE AGREEEMENT AND REPRESENTATIONS: The Procurement Conditions constitute the entire agreement between the Parties with respect of their subject matter. 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 - 29 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 fires, floods, windstorms, explosions, riots, natural disasters, wars, sabotage, embargo, insurrection, requisition, extensive military mobilization, restriction in the use of power, 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, lockouts 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 AND ENVIRONMENTAL REQUIREMENTS:

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 Clause 24 .

24.6 Supplier acknowledges that the manufacture, sale, supply or transfer of Deliverables may be subject to other environmental legislation, regulations and conventions (together the "Environmental Requirements"), including: (i) Appendices 1 and 2 of Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009; (ii) Annex I & II of the Regulation (EU) No. 1257/2013 of the European Parliament and of the Council of 20 November 2013 on Ship Recycling; (iii) the International Convention for the Safety of Life at Sea (SOLAS), specifically the provisions relating to asbestos; (iv) the US Wall Street Reform and Consumer Protection Act of 2010, also known as the Dodd-Frank Act; and, (v) any updates, amendments or replacements of (i)-(v) from time to time.

24.7 Supplier shall comply with all applicable Environmental Requirements. The Supplier will, for each declarable chemical, material or substance (as defined by the relevant Environmental Requirement), notify R-R and provide R-R with a Material Declaration and Suppliers Declaration of Conformity compliant with the relevant Environmental Requirement. The Material Declarations shall confirm the presence (or not), actual amount and location of all relevant chemicals, materials or substances (as defined by the relevant Environmental Requirement). All Deliverables sold, supplied or transferred to R-R are to be supplied free from asbestos and with an 'Asbestos Free Declaration'.

24.8 Supplier will comply with any R-R requirements and requests for information by R-R, or its agents, which are required to enable R-R to comply with its obligations under the Environmental Requirements.

25. SUPPLIER PERSONNEL

25.1. All employees, officers and individuals contracted to the Supplier and involved to any extent in the performance of the Order ("Supplier Personnel") will at all times remain employed or engaged by the Supplier and the Supplier shall meet all employment costs and liabilities in respect of Supplier Personnel.

25.2. If, as a consequence of the termination or expiry of an Order or the Supply Agreement (whether in whole or in part), the contract (or employment or engagement of any Supplier Personnel in providing the Deliverables (or part of the Deliverables) has effect or is alleged to have such effect, as if originally made between R-R, any of its Affiliates, or any successor supplier appointed by R-R (as applicable) and any such Supplier Personnel, then the Supplier shall indemnify R-R (and shall pay to R-R such sums as would, if paid to the relevant Affiliate, successor supplier (as applicable), indemnify the relevant Affiliate or successor supplier

(as applicable) in full against any and all damages, losses, costs, actions, claims, liabilities or expenses suffered or incurred suffered or incurred by R-R, any of its Affiliates 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.

26. GOVERNING LAW AND JURISDICTION:
26.1 All disputes arising out of or in connection with the Procurement Conditions shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said rules. The cost of arbitration and other reasonable fees, including legal, witness, notary and translation fees, shall be borne by the losing party, unless otherwise determined by the arbitration award. Except for the matters under dispute, the Parties shall continue to perform the remaining provisions under this Agreement, unless or until otherwise determined by the arbitration award.

26.2 The Procurement Conditions shall be governed by the substantive law of the country the buying R-R entity has its place of business. The Parties agree that the rules of the Vienna Convention/International Sale of Goods Act do not apply to the interpretation of this Contract.

27. PROVIDING SERVICES ON A ROLLS-ROYCE SITE:
27.1 The Supplier will indemnify R-R against any liability claim or proceedings howsoever arising in respect of death or personal injury to any person, arising out of or caused by the carrying out or provision of the Deliverables, unless due to negligence by RR or its employees, and any damage whatsoever to any property real or personal, arising out of or caused by the carrying out or provision of the Deliverables, provided that the same is due to any act, omission or default of the Supplier or its employees, servants or agents and will maintain such insurances as are necessary to cover its liability. The Supplier will produce for inspection documentary evidence that the insurances required under this Clause 27 are properly maintained, if required to do so by R-R.

27.2 If the Supplier fails to obtain insurance as required under this clause, R-R may itself take out such insurance at the Supplier's cost and expense

28. LEGAL NOTICES:
28.1 All legal notices must be written in English and subject to Clause 26, be delivered by hand or by registered or certified post to the address of the party listed in the relevant Order for the attention of the receiving party's company secretary or equivalent person in charge of legal compliance. Legal notices will not be effective if sent by fax.

28.2 Any communication will be deemed to be given as follows: (a) if delivered in person, at the time of delivery, or (b) if sent by commercial courier service or registered or certified post at the date and time of signature of delivery receipt provided that in each case where delivery occurs after 6.00pm on a business day at the recipient's location or at any time on a day which is not a business day, service will be deemed to occur at 9.00am on the next following business day.

28.3 R-R or the Supplier may change the name and address for service by giving not less than 5 business days' notice to the other.

29. ROLLS-ROYCE MARINE ENTITIES

Rolls-Royce Power Engineering plc	UK	Moor Lane, Derby, DE24 8BJ, England	1305027
Rolls-Royce Marine North America Inc.	State of Delaware,	110 Norfolk Street, Walpole, Massachusetts 02081	
Rolls-Royce Canada Limited	Ontario, Canada	597, The Queensway, Peterborough, ON, K9J 7J6	

30. LATE DELIVERY: If delivery is delayed other than for reasons set out in Clause 23 (Force Majeure) then without prejudice, and in addition to, R-R's other rights and remedies, the Supplier will pay R-R a late delivery charge in an amount equal to two and a half percent (2.5%) of the invoice amount of the delayed Deliverables for each week of delay, calculated on a daily pro-rata basis, not to exceed an aggregate amount of fifteen percent (15%) of such invoice amount. R-R and Supplier agree that actual costs suffered by R-R as a result of a late delivery may be difficult to ascertain, uncertain in nature and incapable of exact determination in each instance, and that the late delivery charge is a good faith estimate of the costs suffered by R-R, and not a penalty, resulting from late delivery. The late delivery charge does not include charges that R-R may be liable to a third party for.

COUNTRY SCHEDULES

FOR ROLLS-ROYCE MARINE NORTH AMERICA INC. THE FOLLOWING PROVISIONS (31-43) WILL ALSO APPLY:

31. GOVERNING LAW: The Procurement Conditions and any claim, controversy or dispute arising under or related to the Procurement Conditions, the relationship of the Parties, or the interpretation and enforcement of the rights and duties of the parties will be governed by the laws of the State of New York without regard to any conflicts of law principles. The application of the United Nations Convention for International Sale of Goods dated April 11th 1980, is hereby expressly excluded. The Parties agree that all actions or proceedings between them shall be tried and litigated in the federal courts of the United States of America, unless no such court has proper jurisdiction over such action or proceeding; provided however, that the Parties may mutually agree in writing to resolve any disputes through arbitration in accordance with Clause 26.

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

contractors, (except where such third party claim, injury to or death of persons or damage to or loss or destruction of property is due solely to the negligence of R-R, its officers, agents or employees).

33. SUBSTANCES: Where required in accordance with local legislation in the countries of destination, Supplier will submit to RR prior to, or with, each shipment of Deliverables, safety data sheets ("SDS") prepared in the official language of each country of destination and in accordance with applicable legislation in those countries. Supplier will provide to R-R all information necessary to ensure the use of Deliverables will not harm health, safety or the environment, including without limitation information on safe usage, storage, transportation and disposal, including any applicable labelling in the official language of the destination countries and in compliance with any local legislation applicable to the Deliverables or substances contained in a Deliverable. For Deliverables, which are Articles, and where reasonably requested, Supplier will promptly furnish to R-R information relating to the Articles in such form and detail as R-R may direct including: (a) a list of all Declarable Substances in the Deliverables; (b) a list of all Declarable Substances used in the manufacturing process of the Deliverables, to include those relied on for manufacture or processing of its constituents; (c) information concerning any changes in or additions to such Declarable Substances in the Deliverables or manufacturing process; and (d) confirmation that presence of a substance in Deliverables or use of a substance in the manufacturing process is in compliance with any applicable regulations in the countries of destination and origin. Clause 7 will apply if Deliverables do not conform to the requirements set out in this Clause 33.

34. CONFLICT MINERALS: The Supplier certifies and warrants that the Deliverables do not contain Conflict Minerals. The Supplier will flow down the requirement in this Clause 34 to all of its suppliers. Without prejudice to R-R's other rights and remedies, if at any stage of manufacture or production, the Supplier or any of its suppliers determines that any Conflict Minerals were incorporated into the Deliverables delivered to R-R, the Supplier must promptly provide a listing of the Conflict Mineral(s) and originating country to R-R.

35. INSURANCE:

35.1 The Supplier will, during and for a period of six (6) years after the completion of the Order, maintain in force: (a) 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; (b) 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; and (c) any other insurance that by law is required to be maintained, that is required in support of the Order, or which another supplier in the same industry as the Supplier or carrying on the same type of business as the Supplier, would usually maintain.

35.2 For the insurance policies set out at Clauses 35.1(a) and 35.2(b) 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) provide on request 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 RR 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 referred to in this Clause 35.

35.3 The Supplier will, during and for a period of six (6) years after the completion of the Order thereafter do nothing to invalidate the insurance policies set out in this Clause 35 and will preserve R-R's entitlement under such policies and, without prejudice to-R's other rights and remedies, will provide to R-R, 30 days' notice before any such policy is altered or cancelled in any material respect.

35.4 The Supplier will provide R-R with evidence of compliance with this Clause 35 on request.

35.5 The Supplier's insurance coverage will not be the exclusive remedy of R-R and is without prejudice to any other rights and remedies R-R may have under the Procurement Conditions.

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

37. EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION: The Procurement Conditions incorporates by reference: (a) all provisions of 41 C.F.R.60-1.4, as amended, pertaining to the equal opportunity clause in government contracts; (b) all provisions of 41 C.F.R.60-300.5(a), as amended, pertaining to affirmative action for veterans; and (c) all provisions of 41 C. F. R. 60741.5(a), as amended, pertaining to the affirmative action for individuals with disabilities. **Supplier and its subcontractor shall abide by the requirements of 41 C.F.R. 60-300.5(a).** This regulation prohibits discrimination against qualified protected veterans, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans. **Supplier and its subcontractor shall abide by the requirements of 41 C.F.R. 60-741.5(a).** This regulation prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action covered by prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities. Supplier certifies that it is in compliance with all applicable provisions of 41 C.F.R.60-1, including but not limited to: (a) developing and presently having in full force and effect a written affirmative action compliance program for each of its establishments as required by 41 C.F.R. 60-1.40, as amended; (b) filing EEO-1 Reports as required by 41 C.F.R. 60-1.7, as amended; and (c) neither maintaining segregated facilities nor permitting its employees to perform services at segregated facilities as prohibited by 41 C.F.R. 60-1.8, as amended. R-R requests that Supplier adopt and implement a policy to extend employment opportunities to qualified applicants and employees on an equal basis,, prohibit discrimination and harassment against any applicant or employee on the basis of race, color, religion, sex, sexual orientation, gender identity and expression, national origin, age, disability, pregnancy, veteran status, genetic information or any other basis prohibited by law, and prohibit any and all forms of retaliation or threats of retaliation against any individual for engaging in protected activity.

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

delivery; and (b) if sent by commercial courier service or registered or certified mail, on the date and at the time of signature of the delivery receipt.

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

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

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

42. C-TPAT: Supplier will review and comply with the security criteria of the Customs-Trade Partnership Against Terrorism (C-TPAT) program of the United States Customs & Border Protection. Detailed C-TPAT minimum security criteria are available at https://suppliers.rolls-royce.com. Supplier will complete a security questionnaire, grant access to facilities, and/or other written verification of compliance to these criteria upon request, including those of sub-tier suppliers or service providers chosen by the Supplier in provision of the Deliverables. Supplier will notify R-R immediately of any breach of security in the supply chain. Supplier acknowledges failure to respond to requests in this Clause and/or subsequent corrective actions will be reasonable grounds for termination of the Deliverable Agreement or an Order. Supplier acknowledges failure to respond to requests in this Clause and/or subsequent corrective actions will be reasonable grounds for termination of the order in accordance with Clause 7.

43. PAYMENT: The Supplier agrees to accept payment by check or, at R-R's discretion, other cash equivalent (including electronic transfer of funds).

FOR ROLLS-ROYCE CANADA LIMITED, THE FOLLOWING PROVISIONS (31-37) WILL ALSO APPLY:

GOVERNING LAW: The Procurement Conditions and any claim, controversy or dispute arising under or related to the Procurement Conditions, the relationship of the Parties, or the interpretation and enforcement of the rights and duties of the parties will be governed by the laws of the State of New York without regard to any conflicts of law principles. The application of the United Nations Convention for International Sale of Goods dated April 11th 1980, is hereby expressly excluded. The Parties agree that all actions or proceedings between them shall be tried and litigated in the Ontario courts, unless no such court has proper jurisdiction over such action or proceeding; provided however, that the Parties may mutually agree in writing to resolve any disputes through arbitration in accordance with Clause 26.

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

32. TAXES:

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

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

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

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

35. PAYMENT: The Supplier agrees to accept payment by check or, at R-R's discretion, other cash equivalent (including electronic transfer of funds).

36. INSURANCE:

37.1 The Supplier will, during and for a period of six (6) years after the completion of the Order, maintain in force: (a) 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; (b) 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; and (c) any other insurance that by law is required to be maintained, that is required in support of the Order, or which another supplier in the same industry as the Supplier or carrying on the same type of business as the Supplier, would usually maintain.

37.2 For the insurance policies set out at Clauses 37.1(a) and 37.2(b) 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) provide on request 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 RR 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 referred to in this Clause 37.

37.3 The Supplier will, during and for a period of six (6) years after the completion of the Order thereafter do nothing to invalidate the insurance policies set out in this Clause 37 and will preserve R-R's entitlement under such policies and, without prejudice to R-R's other rights and remedies, will provide to R-R, 30 days' notice before any such policy is altered or cancelled in any material respect.

37.4 The Supplier will provide R-R with evidence of compliance with this Clause 37 on request.

37.5 The Supplier's insurance coverage will not be the exclusive remedy of R-R and is without prejudice to any other rights and remedies R-R may have under the Procurement Conditions.