



ROLLS-ROYCE SOLUTIONS AMERICA INC.

General Terms and Conditions of Purchase

1. TERMS AND CONDITIONS

- 1.1. These general conditions of purchase are in relation to Rolls-Royce Solutions America Inc. issuing a Order or scheduling agreement ("GCP") together with the terms and special conditions appearing on a Order and/or scheduling agreement ("Order"), any executed supply agreements concerning the Deliverables between the Parties ("Supply Agreement") and applicable Government terms, together called "Procurement Conditions", and are the only conditions on which Rolls-Royce Solutions America Inc. procures services or goods or both ("Deliverables"). Rolls-Royce Solutions America Inc. (or "RRSA") means the entity that has signed a Supply Agreement or created a contract with the supplier accepting an Order ("Supplier"). RRSA and the Supplier are separately and together referred to as "Party" or "Parties". Any terms other than the Procurement Conditions will be null and void.

2. ORDERS

- 2.1. RRSA is bound by written Orders only. The Supplier shall confirm acceptance of RRSA's Order in writing without undue delay (using the order confirmation attached to the order form if available) unless RRSA waives this requirement. If the Supplier's order confirmation deviates from the Order, RRSA will only be bound by the Order if RRSA has consented to the deviation in writing. The acceptance of the Deliverables or payment for same shall not constitute consent. The Supplier shall quote the order number and item, or material number in the order confirmation (where an order confirmation is agreed), in all other written correspondence. If the Supplier fails to accept the Order within three (3) working days, RRSA may revoke the Order.

3. TITLE, TRANSFER OF RISK

- 3.1. Title to goods will pass to RRSA upon receipt at RRSA's designated facility. The Supplier may reserve title to its Deliverables until the consignment has been paid for in full. However, RRSA may continue to use, process, and on-supply the Deliverables, in accordance with their intended use. For goods, the transfer of risk shall pass in accordance with the agreed terms of delivery, or alternatively upon receipt of the goods at the place of performance. For services, the transfer of risk shall pass upon acceptance at the place of installation/performance. If the goods or services are subject to acceptance following delivery or performance as specified in the Order, transfer of risk shall pass upon such acceptance.

4. DELIVERY

- 4.1. 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 RRSA FCA Supplier's location (INCOTERMS® 2010). If the delivery times as set out in the Order cannot be met, or at any time at RRSA's request, the Supplier will provide prompt information to RRSA as to the causes and the mitigation action the Supplier proposes to take. The packaging must be appropriate for the Deliverables being delivered, taking into consideration the means of transport and the route, to ensure that the packaging is able to withstand all the demands of transportation and warehousing. Details are stipulated in the General Conditions for Delivery which is available in the Supplier Downloads section of the RRSA website which is located at <https://www.mtu-solutions.com/eu/en/contact/purchasing/supplier-downloads.html>.
- 4.2. Agreed delivery dates and periods are binding on Supplier. The date on which the Deliverables arrive at the specified delivery address shall be controlling for determining compliance with delivery dates/periods. RRSA may, in its sole discretion, partially rescind the Order with respect to Deliverables not delivered on time.
- 4.3. Partial delivery/performance shall be permitted if specifically agreed to by RRSA, but is otherwise not permitted. If partial or successive delivery/performance is agreed, RRSA may, to the extent reasonable, postpone the dates of delivery/performance and/or quantity of Deliverables to be delivered.
- 4.4. The Supplier shall notify RRSA in writing without undue delay of foreseeable delays in the provision of Deliverables and advise MTU of the anticipated duration of any such delay.
- 4.5. RRSA may postpone the agreed dates for the delivery/performance of Deliverables by the Supplier by up to six (6) months if the anticipated need for the Deliverables is deferred as a result of strikes or other disruptions to RRSA's operations. Any such postponement shall not give rise to any claims of any kind by the Supplier.
- 4.6. RRSA may accept early delivery/performance, to the extent reasonable, by written authorization provided to the Supplier. However, the agreed periods for payment shall still commence on the previously agreed delivery/performance date or subsequent invoice date. The Supplier shall bear any additional warehousing costs RRSA incurs as a result of taking delivery early.
- 4.7. Late Delivery: If delivery is delayed other than for reasons set out in clause 23 (Force Majeure), then without prejudice, and in addition to, RRSA's other rights and remedies, the Supplier will pay RRSA a late delivery charge in an amount equal to two and a half percent (2.5%) of the invoice amount of the delayed Deliverables for each week of delay, calculated on a daily pro-rata basis, not to exceed an aggregate amount of ten percent (10%) of such invoice amount. RRSA and Supplier agree that actual costs suffered by RRSA 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 RRSA, and not a penalty resulting from late delivery. The late delivery charge does not include charges for which RRSA may be/become liable to a third party.
- 4.8. Aftermarket and Service Requirements: Suppliers shall maintain availability of the Deliverables at a reasonable price following cessation of production for a period of fifteen (15) years.

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5. PRICES, INVOICES AND PAYMENT

- 5.1. 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. RRSA will not pay Supplier any state or local sales, use, or similar tax unless Supplier is required by law to collect such taxes from RRSA. Federal excise taxes charged to RRSA will be separately stated or indicated as being included in the unit price. Supplier agrees that no tax for which an exemption exists will be included in the price and will not be subsequently charged. Supplier agrees to pay any and all personal property and/or ad valorem taxes assessed or levied against any property placed with Supplier by RRSA for the purpose of fulfilling the Order.
- 5.2. Where the Procurement Conditions require the Supplier to submit an invoice, the Supplier will post invoices to RRSA's Accounts Payable Department at the address on the Order on the day on which Deliverables are dispatched or completed. The invoice will include the Order number, Deliverable part number and description, the quantity, the price per unit and number, and date of the delivery note. Invoices may relate to no more than one Order.
- 5.3. Each shipment shall be delivered with one delivery note enclosed with the shipping documents, and one delivery note affixed to the package. In addition to the aforementioned information, the delivery notes shall include the date of dispatch, the type of packaging, a description of the goods, the quantity and weight of the shipment (gross and net weight), as well as the delivery address (site and unloading point). Invoices shall not constitute delivery notes. Details are stipulated in the General Conditions for Delivery which is available in the Supplier Downloads section of the RRSA website which is located at <https://www.mtu-solutions.com/eu/en/contact/purchasing/supplier-downloads.html>.
- 5.4. Unless otherwise agreed, payment shall be due, at RRSA's option, with a 2% discount within 60 days of receiving the Deliverables and the invoice, or in full (net) within 90 days, provided that the Supplier has supplied such Deliverables in accordance with the Procurement Conditions and, where the Supplier is required to submit an invoice, such invoice is accurate and was received by RRSA's Accounts Payable Department within seven days of dispatch or completion of the Deliverables. Where RRSA collects Deliverables from non- RRSA premises, "received" means formal receipt by RRSA's goods received area. Without prejudice to RRSA's other rights and remedies, RRSA 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 RRSA may have against the Supplier in connection with the Procurement Conditions. RRSA may implement and pay Supplier based on a procedure for the automatic settlement of goods receipts, such as 'Evaluated Receipt Settlement'.
- 5.5. In addition to any right of setoff provided by law, all amounts due Supplier will be considered net of indebtedness of Supplier to RRSA and its subsidiaries; RRSA may deduct any amounts due or that may become due from Supplier to RRSA and its subsidiaries from any sums due or that may become due from RRSA to Supplier.

6. QUALITY AND WARRANTY

- 6.1. To the extent applicable for the performance of an Order, Supplier will comply with all quality requirements of RRSA, notably the MTQ 5003, MTQ 5012 and the MMN332 as set out on the RRSA website at <https://www.mtu-solutions.com/eu/en/contact/purchasing/supplier-downloads.html>, and with 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 merchantable, 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. Unless otherwise set forth in the Procurement Conditions, the duration of the warranty provided by Supplier to RRSA for the Deliverables will begin on the date of receipt of the Deliverables by RRSA and end on the later of (a) the date of expiration of any warranty period provided under applicable law for the Deliverables or any components, engines, and/or equipment into which the Deliverables are incorporated, including, but not limited to the Clean Air Act, the California Code of Regulations, Title 13, Motor Vehicles, the Canadian Environmental Protection Act, and their respective implementing regulations, as revised from time to time; (b) expiration of any warranty applicable to the Deliverables provided by RRSA to RRSA's end customer for the component, engine, and/or equipment into which the Deliverables are incorporated, or (c) the expiration of any specific warranty period or performance standard provided in any document incorporated by reference into the Procurement Conditions, including in RRSA's specifications or quality standards.
- 6.3. Notwithstanding the foregoing clauses, Supplier warrants and guarantees that the Deliverables covered by the Procurement Conditions will not pose an unreasonable risk to user or equipment safety.
- 6.4. If Deliverables do not conform to the requirements set out in clauses 6.1 and 6.2 above ("Non-Conformance") and without prejudice to other rights and remedies which RRSA may have, the Supplier will promptly replace or, where appropriate, repair or rectify any such Non-Conformance at its own expense within 30 days of receipt of written notice of Non-Conformance. If the Supplier fails to promptly repair, rectify, or replace any Non-Conformance, RRSA may, without prejudice to its other rights and remedies, (a) choose to accept the Non-Conformance and RRSA will be entitled to reasonably adjust the Order price; (b) rectify or arrange to have rectified such Non-Conformance; or (c) procure Deliverables from alternate sources in order to meet customer requirements, without further obligation to Supplier.
- 6.5. Recalls/ Repair Campaigns: If Supplier's Deliverables, or components that make up the Deliverables, or any component, engine, and/or equipment incorporating the Deliverables ("Recalled Deliverables"), create or contribute to a modification, campaign, recall, or other corrective service actions that RRSA must initiate either on its own or under, but not limited to, the Clean Air Act, the California Code of Regulations, Title 13, Motor Vehicles, the Canadian Environmental Protection Act, the National Traffic and Motor Vehicle Safety Act, and the Transportation Recall Enhancement, Accountability, and Documentation (TREAD) Act, and their respective implementing regulations, as revised from time to time, the Supplier agrees to provide reasonable assistance to RRSA in developing a modification, campaign, recall, or corrective service strategy and agrees to cooperate with RRSA and any applicable governmental agency, entity, or authority ("Governmental Body") in monitoring the modification, campaign, recall, or corrective service operation and in preparing such reports as may be required. The Supplier agrees it will not voluntarily initiate any modification, campaign, recall, or corrective service of Recalled Deliverables without the prior written consent of RRSA. Supplier shall, at the request of RRSA, give RRSA all reasonable assistance in locating and recovering any Recalled Deliverables. Supplier shall immediately notify and provide copies to RRSA of any communications, whether

relating to recalls or otherwise, with any Governmental Body. Supplier, at its own cost, shall repair or replace all Recalled Deliverables, including labor and administrative costs, based upon Supplier's proportionate responsibility for the defect or non-compliance with the

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applicable laws, rules, or regulations, and RRSA's reasonable instructions. Supplier will not disclose or make available to any third party any information related to the modification, campaign, recall, or corrective service.

- 6.6. RRSA will be entitled to recover from Supplier any and all damages, including, without limitation, any direct, indirect, incidental, and consequential damages, and all legal and other professional fees and costs incurred by RRSA as a result of Recalled Deliverables, including, without limitation, costs, expenses, and losses incurred by RRSA (a) in inspecting, sorting, testing, repairing, or replacing Recalled Deliverables or components, engines, and/or equipment incorporating the Recalled Deliverables; (b) resulting from production interruptions; (c) in conducting the modification, campaign or recall or other corrective service actions; or (d) resulting from personal injury, including death, or property damage. If requested by RRSA, Supplier will enter into a separate agreement for the administration and processing of warranty chargebacks for nonconforming goods. This clause 6.6 does not limit Supplier's liability under other provisions of the Procurement Conditions.

7. TERMINATION

- 7.1. Without prejudice to any rights and remedies, RRSA 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. RRSA will pay the Supplier in full and final satisfaction of all claims arising out of such termination: (a) 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 RRSA has not paid for; (b) 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 two (2) calendar months of the termination date. Any finished Deliverables and any work in progress paid for by RRSA under clause 7.1 above will be delivered to RRSA or be held by the Supplier as RRSA property in accordance with clause 10 (RRSA Property and Security Interest) below.
- 7.3. If RRSA has reasonable grounds for believing the Supplier will be unable to substantially fulfill its obligations, RRSA may require the Supplier to provide reasonable written evidence that the Supplier will fulfill its obligations. If the Supplier fails to provide such evidence within thirty (30) days of RRSA's request, RRSA may treat that failure as a material breach and terminate the relevant Order or any agreement relating to the Deliverables in whole or part.
- 7.4. Either Party has the right, without prejudice to its other rights and remedies, to terminate any Order or the Supply Agreement without liability, if the other Party (a) commits any material breach of any of its obligations under the Procurement Conditions and fails to rectify said breach within thirty (30) days of written notice (no notice period will apply for a breach of delivery terms), (b) makes a general arrangement with its creditors, ceases or threatens to cease to carry on its business or a substantial part of it, (c) is unable to pay its debts within the meaning of the applicable law as defined below, or (d) enters into liquidation whether compulsory or voluntary, except as a solvent company for the purposes of amalgamation or reconstruction, has an administrator or administrative receiver of the whole or part of its assets appointed, or if any equivalent proceeding under any competent jurisdiction occurs.
- 7.5. Except for clause 7.1 where termination is effective immediately on giving the Notice of Termination, termination will be affected thirty (30) days from the terminating Party issuing a notice of termination to the other Party.

8. INTELLECTUAL PROPERTY

- 8.1. "Intellectual Property" ("IP") includes any and all inventions, whether or not patentable, utility models, trademarks, business methods, technical data, products, component designs, drawings, developments, processes and any improvements or enhancements thereto, copyrights and moral rights, database rights, trade secrets and know-how, in each case whether registered or unregistered, and also including identified technical and non-technical or business-related information such as specifications, computer programs, drawings, or blueprints.
- 8.2. Supplier acknowledges that RRSA is the Original Equipment Manufacturer (OEM) of, and owns all rights and titles to the Intellectual Property provided to Supplier in connection with the Deliverables covered by the Procurement Conditions.
- 8.3. With respect to any Deliverables that arise out of any research or development that is funded by RRSA, Supplier agrees that such Intellectual Property arising therefrom, including, without limitation, new technologies that are developed under such funding and all Intellectual Property rights in and to the same, shall hereby vest solely and absolutely in RRSA. Any and all RRSA owned or licensed Intellectual Property which may be supplied to the Supplier pursuant to any Order will remain the sole and undivided property of RRSA and/or its licensors. The Supplier will require its employees, sub-contractors, and agents to sign all papers and do such acts and things as are reasonably necessary for RRSA to secure title in, and to pursue formal patent grant or registration of, any Intellectual Property and Intellectual Property rights arising out of or in connection with any Order as contemplated by this clause.
- 8.4. If any allegation is made or any claim asserted against RRSA, or any person claiming title from or through RRSA, 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 RRSA and hold RRSA 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 RRSA.
- 8.5. In addition to the indemnity set out in clause 8.4 above, the Supplier will procure for RRSA a worldwide, non-exclusive, royalty-free, irrevocable license to manufacture, use, and sell the Deliverables or have such replaced with substantially equivalent non-infringing Deliverables.
- 8.6. In consideration for the Intellectual Property provided to Supplier by RRSA as well as technical assistance to expedite Supplier qualification, funding for tooling, cost of non-recurring expense, and qualification pieces, Supplier agrees that it may sell Deliverables contemplated by the Procurement Conditions (including revisions over time) only to RRSA or to third parties authorized in writing by RRSA. Any sale of such Deliverables to any third party without express written consent from RRSA will constitute a material breach of the Procurement Conditions,

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for which RRSA will be entitled to obtain immediate injunctive relief without the necessity of posting bond, in addition to any other remedy available at law or in equity.

- 8.7. All Intellectual Property provided to Supplier in connection with its performance under the Procurement Conditions is confidential and proprietary to Supplier, and may not be used by Supplier or disclosed by Supplier to any third party, except as necessary for Supplier to perform obligations under the Procurement Conditions or as otherwise approved by RRSA in writing.
- 8.8. While the United States Government or a foreign government may have rights to some technical data associated with the Deliverables or any engine part covered hereunder, RRSA must protect its Intellectual Property associated with the Deliverables or engine parts. Supplier agrees to promptly notify RRSA in the event it receives a Request for Proposal (RFP), Request for Information (RFI), or similar inquiry from a third party about performing the manufacture or remanufacture of any engine parts, Deliverables, components, or other elements covered by the Procurement Conditions or related Orders. RRSA and Supplier will meet and confer on whether and how Supplier can respond to the inquiry.
- 8.9. If in the course of performing the Order, the Supplier generates work products that are copyright protected, RRSA shall have an exclusive, royalty free, transferable, perpetual, worldwide license to use any such work products in their original or modified form as RRSA sees fit and without restriction as to the type of such use (specifically, to reproduce or have reproduced or to disseminate), and to grant sublicenses to third parties for any and all types of use at RRSA's sole discretion.

9. PROPRIETARY INFORMATION

- 9.1. "Proprietary Information" means all commercial, financial, technical, or operational information, and any Intellectual Property not publicly known or available, which by its nature is confidential, and such information that has been or may be disclosed or otherwise made available, in whole or in part, to a receiving Party or any Representative in any form or medium. "Representative" means any one or more directors, officers, temporarily contracted personnel, or Affiliate of a Party or, in the case of RRSA, any of its risk- and revenue-sharing participants insofar as those participants require Proprietary Information relating to the Supplier including, without limitation, information relating to specifications and directed buy price. "Affiliates" means any entity that controls, is controlled by, or is under common control with either Party, and "control" means (a) an ownership interest, directly or indirectly, of more than fifty percent (50%) in such entity or Party, or the maximum percentage permitted under local laws or regulations in those countries where more than fifty percent (50%) ownership by a foreign entity is not permitted, or (b) the ability to direct the management or policies of such entity or Party, whether through ownership, contract, or otherwise. The Parties agree that they may have to exchange and disclose to each other certain of their Proprietary Information. Such information may include hardware, software, component design, manufacture, inspection, repair and overhaul, business information relating to supplies, pricing, costs, profits, business plans and strategies, customer or vendor lists, and legal or financial advice. Documents containing Proprietary Information should be marked as "Proprietary" and, for non-US purposes, the term "Confidential" may be used instead. However, the Parties agree that such information will be considered Proprietary Information, even if it is inadvertently not marked as such. Proprietary Information will be disclosed only as necessary, and only for the purpose of fulfilling an Order. Title to any Proprietary Information will not be affected by any such exchange or disclosure.
- 9.2. Any Proprietary Information disclosed by one Party to the other in connection with an Order (whether from RRSA and/or any of RRSA's risk- and revenue-sharing participants) or a proposed Order will be treated in confidence and, save in respect of disclosures to Representatives, will not be copied or disclosed to any third party without the prior written consent of the disclosing Party. The receiving Party may only disclose Proprietary Information to its Representatives on a need-to-know basis in connection with these Procurement Conditions. The receiving Party will, at its sole cost and expense, ensure that the nondisclosure obligations of these Procurement Conditions are known, understood by, and complied with by its Representatives. The receiving Party will be liable for any and all breach of confidence by its Representatives. These provisions do not apply to Proprietary Information that: (a) is in the public domain at the time of receipt by the receiving Party through no fault of the receiving Party; (b) is lawfully received by the receiving Party from a third Party who is without an obligation of nondisclosure; (c) is developed by the receiving Party independently of the Proprietary Information, as established by extrinsic evidence, or (d) 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. Subject to clause 9.2, upon completion, cancellation, or termination or expiration of the Procurement Conditions 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 RRSA written permission to disclose RRSA Proprietary Information to a third party, the Supplier will ensure that all RRSA Proprietary Information supplied by RRSA 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 RRSA harmless in the event of any breach of such provisions by any such third parties. Furthermore, the Supplier will notify RRSA immediately on becoming aware of a

breach or a potential breach and will inform RRSA of what actions it is taking to prevent or remedy such breach or potential breach to

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ensure risks to RRSA are mitigated. RRSA 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 RRSA, use any RRSA Proprietary Information to manufacture, supply, design, develop, sell, or provide goods, work, or services to any third party.
- 9.8. Technical Information Disclosed: Any designs, items, components, process drawings, specifications, information, data, or computer programs which Supplier discloses to RRSA in connection with this Order and which Supplier has not marked with a limited rights legend, in accordance with the applicable clause in DFARS part 252.227, will not be considered proprietary to Supplier or in any way restrict RRSA's use of such data.
- 9.9. Each Party agrees not to: (a) act in breach of any duty of confidentiality owed to any third party in the course of performing its obligations under this Agreement, and (b) offer or provide any Proprietary Information, whether specifically related to the subject matter of this Agreement or otherwise.
- 9.10. Personal Information: If the Supplier deals in the personal information of any employee or contractor of RRSA, it will at a minimum, and regardless where it is located and whether it is the controller or processor of such information, comply at a minimum with RRSA's instructions, and the relevant laws on the protection of personal information in the jurisdiction of the RRSA entity placing an Order. The Supplier will, at all times during and after the contract period, indemnify RRSA and keep RRSA 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 RRSA arising from its breach of this clause, except and to the extent that such liabilities have resulted directly from the instructions of RRSA.

10. RRSA PROPERTY AND SECURITY INTERESTS

- 10.1. All tools, equipment, parts, materials, drawings, or other documented data of every description produced and utilized under the Procurement Conditions will be utilized exclusively for the production of the Deliverables for RRSA to be exclusively delivered to RRSA or its specified agents. Unless otherwise agreed in writing, all tools, equipment, parts, materials, drawings, or other documented data of every description furnished to Supplier by RRSA or specifically paid for by RRSA, and any replacement thereof, or any materials affixed or attached thereto, will be and remain the property of RRSA or, if RRSA is not the owner, of the owner. Such property, and whenever practical each individual item thereof, will be plainly and permanently marked or otherwise adequately identified by Supplier as "Property of RRSA" (or, if RRSA is not the owner, "Property of [the owner]") and will be safely stored separate and apart from Supplier's property. Supplier will not substitute any property for the property furnished to Supplier by RRSA, and will not use such property except in filling RRSA's Orders. Such property will be subject to removal at RRSA's written request, in which event Supplier will prepare such property for shipment and will deliver it as directed by RRSA in the same condition as originally received by Supplier, reasonable wear and tear excepted, all at Supplier's expense. The foregoing will not be deemed to affect the rights, if any, of the United States Government in such property.
- 10.2. Supplier will indemnify RRSA against any and all liability for damage to property or injury to or death of persons arising from or incidental to the presence or use of RRSA furnished property, whether such damage, injury, or death be caused by defects in such property, negligence in the use thereof, strict liability, or otherwise.
- 10.3. It will be the responsibility of the Supplier (at Supplier's own cost) to properly maintain and store the tooling, keep the same in good condition, and replace when necessary at Supplier's expense all such tools, material, and equipment in order that such tools, material, and equipment at all times have the capacity to produce parts in conformance with the Procurement Conditions. All such replacements will be the property of RRSA and will be so identified. Any tooling paid for by RRSA is the sole property of RRSA.
- 10.4. Supplier agrees to provide, at any time upon the request of RRSA, a report including a list of all RRSA property, the location of such property, and the condition of such property and, if appropriate, a forecast of the remaining usable life of such property.
- 10.5. Supplier assumes all liability for loss or damage, with the exception of normal wear or tear, and agrees to supply detailed statements of RRSA's property in Supplier's possession, custody, or control at monthly intervals or as otherwise agreed upon to the extent necessary under applicable law.
- 10.6. If Supplier fails to pass the FAIR and RESA/FPA process, Supplier agrees that, upon RRSA's request, it will immediately relinquish or destroy such tools that were created as a result of the Procurement Conditions. Supplier will be solely responsible for the costs associated with the relinquishing or destruction of such tooling. Failure to pass the FAIR and RESA/FPA process will constitute a material breach of the Procurement Conditions, and RRSA may exercise its right to terminate pursuant to clause 7 (Termination) of these Terms and Conditions. If RRSA requests destruction of the tooling, Supplier must certify as to the destruction of the tooling within thirty (30) days of receiving the request.
- 10.7. All such material, tools, and equipment identified by RRSA that are solely used for production of parts identified in the Procurement Conditions, while in the Supplier's possession, custody, and/or control will be held at Supplier's risk and will be kept insured by Supplier at Supplier's expense in an amount equal to the replacement cost with the loss payable to RRSA.
- 10.8. Supplier grants to RRSA a security interest in all such tools, materials, and equipment. The Supplier will, at RRSA's request, execute and deliver to RRSA a brief description of the collateral or such financing statements, amendments, and other necessary documents in order to establish and maintain a valid, attached, and perfected security interest in the tooling referenced in this clause 10 and as may be identified by RRSA, unless otherwise agreed to in writing by both Parties. Supplier acknowledges that failure to do so constitutes a material breach of the Procurement Conditions. Supplier irrevocably authorizes RRSA to file in any jurisdiction any initial financing statements and amendments as required by Article 9 of the Uniform Commercial Code or any equivalent state statute. Supplier agrees to furnish any such information needed to complete these filings to RRSA promptly upon request. Supplier further ratifies and affirms its authorization for any financing statements and/or amendments, executed and filed by RRSA in any jurisdiction prior to the date of this Order.
- 10.9. In addition to the above, Supplier will provide notice to its secured lenders of RRSA interest in the above referenced tooling. Supplier acknowledges that failure to do so constitutes a material breach of the Procurement Conditions.

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- 10.10. In the event of Supplier's bankruptcy or Supplier defaults on any of its realty leases, RRSA reserves the right to enter Supplier's premises during normal business hours to remove such tools, materials, or equipment that is for the sole use of RRSA.
- 11. FURTHER ASSURANCES**
- 11.1. Supplier agrees to do such reasonable acts and things and deliver, or cause to be delivered, such other documents as RRSA may deem necessary to establish and maintain a valid security interest in the equipment, materials, and tooling referenced in clause 10 (free of all other liens and claims except permitted encumbrances), to defend title to the materials, equipment, and tooling referenced in clause 10 against any person(s) claiming any interest therein adverse to RRSA, and to secure the payment and performance of the Procurement Conditions. RRSA will execute and file a financing statement in those public offices deemed necessary to protect the security interests of RRSA herein granted. If permitted by law, Supplier agrees that a carbon, photographic, or other reproduction of a financing statement may be filed as a financing statement.
- 12. SUPPLIER FINANCIAL REPORTS AND CONTROLLING INTEREST**
- 12.1. If requested by RRSA, the Supplier will provide to RRSA the most current financial reports: (a) for the Supplier; and (b) for any related company of the Supplier involved in producing, supplying, or financing the Deliverables or any component part of the Deliverables. Financial reports include income statements, balance sheets, cash flow statements, and supporting data. RRSA may use financial reports provided under this clause only to assess the Supplier's ongoing ability to perform its obligations under the Procurement Conditions and for no other purpose, unless the Supplier agrees otherwise in writing. If requested by RRSA, the Supplier will provide to RRSA the most current financial reports: (a) for the Supplier; and (b) for any related company of the Supplier involved in producing, supplying, or financing the Deliverables or any component part of the Deliverables.
- 12.2. "Competitor" means the acquirer or any entity that is in the same corporate structure as such acquirer, including but not limited to parent, subsidiary, or 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. "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.
- 12.3. While the Supplier is under contract to RRSA, if a Competitor acquires, or is in due diligence to acquire, a Controlling Interest in the Supplier, its sub-contractor, or any holding company, subsidiary, or division of the Supplier performing under an Order, the Supplier will immediately notify RRSA in writing of the actual or potential acquisition, subject to regulatory or statutory obligations and the identity of such likely acquirer, subject to the agreement of such likely acquirer.
- 12.3.1. If the third party directly or indirectly acquiring a Controlling Interest in the Supplier is a Competitor, then RRSA 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.
- 12.3.2. In addition to the provisions in this clause 12.3 above, if during the term of the Supply Agreement any third party or parties (acting together) takes any steps to acquire a Controlling Interest in the Supplier, its sub-contractor, or any holding company, subsidiary, group company, or division of the Supplier, the Supplier shall immediately notify RRSA in writing of the actual or potential acquisition, and the identity of the third party or parties involved. If RRSA determines that such an acquisition is or could potentially be contrary to its commercial interests, or could impair Supplier's performance of its obligations, RRSA may, without prejudice to any other rights and remedies it may have, including specifically under clause 7.3, immediately by written notice terminate an Order or the Supply Agreement in whole or part. In the event of such a termination (a) RRSA will, in full and final satisfaction of all claims arising out of such termination, pay the Supplier the price of all Deliverables which the Supplier has justifiably produced and completed in accordance with such terminated Order or part of the Order before the date of termination and for which RRSA has not paid; and (b) if it has not already done so, the Supplier will promptly deliver all Deliverables produced and completed before the termination date to RRSA, or hold such Deliverables as RRSA property.
- 13. INDEPENDENT CONTRACTOR**
- 13.1. Neither Party will (a) represent itself as the agent or partner of the other Party; nor (b) 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**
- 14.1. 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**
- 15.1. 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**
- 16.1. If there is a conflict of terms, the order of precedence will be: (a) any applicable Government terms; (b) the Supply Agreement; (c) these GCP; (d) terms in an Order other than Government terms; and (e) the statement of work (if any).

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17. TRANSFER AND THIRD-PARTY RIGHTS

17.1. Except as expressly provided, no Party will assign or otherwise transfer any of its rights or obligations to any third party. However, RRSA 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

18.1. All notices must be written in English.

18.2. All non-legal notices which are 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, sent by fax, or recorded delivery post.

18.3. All legal notices 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.

19. AMENDMENTS

19.1. Except as expressly provided in this clause, the Procurement Conditions will not be amended other than by an agreement in writing that is expressly stated to amend the Procurement Conditions, signed by an authorized signatory of the Parties concerned.

20. SEVERABILITY

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

21. REPRESENTATIONS

21.1. 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

22.1. The provisions of clauses 5 through 11, 13 through 24, 30, and 34 will survive any expiry or earlier termination, or after the Order becomes impossible to perform or is otherwise frustrated.

23. FORCE MAJEURE

23.1. Any delay or failure of either Party to perform its obligations hereunder will be excused if, and to the extent that it is caused by an event or occurrence not reasonably foreseeable and beyond the reasonable control of the affected Party and without its fault or negligence, such as, by way of example and not by way of limitation, acts of God, actions by any governmental authority (whether valid or invalid), fires, floods, windstorms, explosions, riots, natural disasters, wars, sabotage, inability to obtain power, material, labor, equipment, or transportation, 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 five days. During the period of such delay or failure to perform by Supplier, and after prompt notice from Supplier to RRSA of the occurrence of such an event, RRSA, 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 RRSA and at the price set forth in the Order. If requested by RRSA, 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, RRSA may immediately cancel an Order without liability. The Supplier will, in any event, make all reasonable endeavors to mitigate the effects of any delay. For the avoidance of doubt, strikes, lock outs, or other industrial action, or disputes specific to the Supplier and/or its subcontractors or agents shall not be considered a force majeure event.

24. INDEMNIFICATION

24.1. **SUPPLIER WILL INDEMNIFY AND HOLD HARMLESS RRSA AND RRSA'S USERS AND 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 (A) SUPPLIER'S BREACH OF THE REPRESENTATIONS, WARRANTIES, OR COVENANTS SET FORTH HEREIN, (B) ANY RECALL OF DELIVERABLES OR ANY RECALL OF ENGINES AND/OR EQUIPMENT INCORPORATING ANY DELIVERABLES, TO THE EXTENT THE LOSSES, LIABILITIES, CLAIMS OR DEMANDS WERE CAUSED BY THE DELIVERABLES SUPPLIED BY THE SUPPLIER, (C) ALL THIRD PARTY CLAIMS BROUGHT AGAINST RRSA, AND (D) 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 ITS 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 RRSA, ITS OFFICERS, AGENTS OR EMPLOYEES).**

25. INSURANCE

- 25.1. The Supplier will maintain in force: (a) product liability insurance with an annual aggregate limit of at least \$20,000,000 (twenty million United States dollars) per claim (or series of connected claims) or its equivalent in US dollars; (b) public liability insurance with a limit of at least \$20,000,000 (twenty million United States dollars) per claim (or series of connected claims) or its equivalent in the currency of the country in which the Supplier is based; (c) any other insurance which the Supplier is required by law to maintain; and (d) any other insurance which another supplier in the same industry as the Supplier or carrying on the same type of business as the Supplier, would usually maintain.
- 25.2. For the insurance policies set out at clause 25.1, the Supplier will: (a) ensure that RRSA's interest is recorded on the policies, either as an 'additional insured' or via an 'indemnity to principal' clause for the benefit of RRSA; (b) include a waiver of subrogation in favor of RRSA; (c) on the renewal of each policy, send to RRSA 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 RRSA 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 RRSA of the policies as provided at the date of this agreement.
- 25.3. The Supplier will, during the term of these Procurement Conditions and for a period of three (3) years thereafter, do nothing to invalidate the insurance policies set out in this clause 25; and will preserve RRSA's entitlement under such policies; and will provide to RRSA, 30 days' notice before any such policy is altered or cancelled in any material respect.
- 25.4. The Supplier will provide RRSA with evidence of compliance with this clause 25 upon request and within 10 days of the Effective Date. If RRSA is not satisfied with the Supplier's compliance with this clause 25, then RRSA may, at its discretion, choose to procure the insurances set out at clause 25.1 on the Supplier's behalf and recover from the Supplier any resulting costs or premiums.
- 25.5. The Supplier's insurance coverage will not be RRSA's exclusive remedy and is without prejudice to any other rights and remedies that RRSA may have.

26. THIRD PARTY MANUFACTURERS

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

27. SUSPENSION AND DEBARMENT

- 27.1. Supplier agrees to comply with the requirements of Executive Order ("E.O.") 12549 and 12689, and 49 CFR Part 29; and certifies that Supplier and none of Supplier's principals or affiliates (in accordance with E.O.s 12549 and 12689, and 49 CFR Part 29), or its suppliers and subcontractors, are excluded or disqualified as defined at E.O.s 12549 and 12689, and 49 CFR 29. In addition, Supplier agrees to include a provision requiring such compliance in its lower-tier subcontracts relevant to the manufacture and supply of Deliverables. Supplier shall provide immediate notice to RRSA in the event it, its principals or affiliates, or its supplier and/or subcontractor is suspended, debarred, or declared ineligible by any federal agency or state government/agency, or upon receipt of a notice of proposed debarment during the performance of this order.

28. SMALL BUSINESS CONCERN SIZE STATUS

- 28.1. Supplier shall notify RRSA in writing if Supplier is qualified as a small business concern, small disadvantaged business concern, veteran-owned small business concern, service-disabled veteran-owned small business concern, HUBZone small business concern, or women-owned small business concern as defined in 48 CFR 52.219-8 or 49 CFR Part 26. Likewise, Supplier agrees to notify RRSA immediately any time Supplier's small or disadvantaged business status changes in any way.

29. COUNTRY OF ORIGIN AND OFF-SET TRADE

- 29.1. Supplier will inform RRSA of foreign content in Deliverables, including but not limited to the country of origin and dollar value of material and labor. Offset credits generated for all Deliverables purchased will be available solely for utilization by RRSA against any offset obligation resulting from sales made by RRSA to the country where such Deliverables were purchased. RRSA may assign such credits generated to an affiliated business entity. Should RRSA, for the sake of realizing a sale of the Deliverables, have to accept offset trade obligations with customers or countries, Supplier will, to support such activities, undertake to do its own offset trade, commensurate with the value of the Deliverable in relation to the Deliverable's price, for credit against RRSA.
- 29.2. The Supplier will submit a valid certificate of origin or a movement certificate for the goods. The Supplier is responsible for any damage that results from any inaccurate or incorrect certificates of origin or movement certificates. To the extent that a declaration of origin is necessary in order to obtain tariff preferences, the Supplier shall provide such declaration in a timely manner in the correct and complete form and using the prescribed wording, with the exact goods description matching that of RRSA, and including the item number, if available.

30. GOVERNING LAW

- 30.1. 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 Michigan without regard to any conflicts of law principles. **SUPPLIER CONSENTS TO THE EXCLUSIVE JURISDICTION OF MICHIGAN COURTS. ANY ACTION ARISING OUT OF OR RELATING TO THE PROCUREMENT CONDITIONS WILL BE BROUGHT IN THE STATE OF MICHIGAN.** Furthermore, to the fullest extent permitted by applicable law, each Party hereby waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action, or proceeding, any claim that it is not personally subject to the jurisdiction of

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the above named courts, that the lawsuit or proceeding is brought in an inconvenient forum, or that the venue of the suit, action, or proceeding is improper. As permitted by Article 6 of the Convention on Contracts for the International Sale of Goods, RRSA and Supplier agree that the Procurement Conditions are not governed by the Convention on Contracts for the International Sale of Goods, and is hereby expressly excluded.

31. TOXIC SUBSTANCES, SDS, INGREDIENTS DISCLOSURE AND SPECIAL WARNINGS AND INSTRUCTIONS

31.1. (a) Supplier warrants that each chemical substance delivered under an Order will, at the time of sale, transfer, and delivery, be on the list of chemical substances compiled and published by the Administrator of the Environmental Protection Agency pursuant to Section 8 (B) of the Toxic Substance Control Act (Public law 94-469); (b) Supplier will submit to RRSA, prior to and with each shipment, Safety Data Sheets prepared in accordance with the OSHA Hazardous Communication Standard, 29 CFR 1910.1200 and Appendix D; (c) If requested by RRSA, Supplier will promptly furnish to RRSA in such form and detail as RRSA may direct: (i) a list of all ingredients in the Deliverables purchased hereunder; (ii) the amount of one or more of the ingredients; and (iii) information concerning any changes in or additions to such ingredients. If Supplier does not have immediate access to this information, Supplier will use all reasonable efforts to obtain this information and furnish it as requested to RRSA as soon as possible after delivery; (d) Prior to and with the shipment of the Deliverables purchased hereunder, Supplier agrees to furnish to RRSA sufficient warning and notice in writing (including appropriate labels on the Deliverables, containers, and packing) of any hazardous material which is an ingredient or a part of any of the Deliverables, together with such special handling instructions as may be necessary to advise carriers, RRSA, and their respective employees of how to exercise that measure of care and precaution which will best prevent bodily injury or property damage in the handling, transportation, processing, use, or disposal of the Deliverables, containers, and packing shipped to RRSA; and (e) Supplier will comply with all laws, orders, and regulations pertaining to the use, storage, and disposal of restricted, toxic, and hazardous materials.

32. PACKING; MARKING AND SHIPPING

32.1. Shipments shall be routed in accordance with RRSA's instructions, and Supplier agrees to reimburse RRSA for all expense incurred by RRSA as a result of improper packing, marking, or routing. Subject to clause 36 below, RRSA's Order number, part number, and Supplier's shipment identification number must appear on each package and bill of lading. Supplier will promptly forward the original bill of lading or other shipping receipt for each shipment in accordance with RRSA's instructions. RRSA may specify the carrier and/or method of transportation, and Supplier will process shipping documents and route shipments of the goods from the delivery point accordingly. Deliverables for two or more of RRSA's locations will be shipped in a separate package for each location. RRSA may, from time to time, change shipping schedules previously furnished to Supplier, or direct temporary suspension of scheduled shipments. In the event of a conflict between the quantity of Deliverables shipped by Supplier and the quantity of Deliverable received by RRSA, RRSA's inventory count will be accepted as final on all shipments. Shipments in excess of those authorized may be returned to Supplier, and Supplier shall pay the transportation charges both ways for such shipments. Unless otherwise expressly agreed to in writing by RRSA, no charge shall be made for containers, crating, boxing, bundling, dunnage, drayage, or storage. If RRSA approves any drawings or sketches of the Supplier, this shall be understood as a mere courtesy, and not binding on RRSA, nor does it release the Supplier from its duty to comply with and satisfy all requirements mandated by law or agreed to in these GCP. CAD and Office data shall be delivered in a form compatible with the systems RRSA currently utilizes.

33. CONFLICT MATERIALS

33.1. In accordance with applicable "Conflict Minerals" laws, RRSA must determine whether its products contain tin, tantalum, tungsten, or gold ("3TG") originating in the Democratic Republic of the Congo and adjoining countries which are defined as Angola, Burundi, Central African Republic, Congo Republic (a different nation than DRC), Rwanda, Sudan, Tanzania, Uganda, and Zambia ("Conflict Minerals"). To the extent Supplier supplies Deliverables containing 3TG to RRSA under any Procurement Conditions, Supplier commits to have a supply chain process to ensure and document a reasonable inquiry into the country of origin of the 3TG minerals incorporated into such Deliverables. If requested, Supplier will promptly provide information or representations that RRSA reasonably believes are required to meet its conflict minerals compliance obligations.

This requirement must be flowed down to all of Supplier's sub-tier suppliers. If at any stage of manufacture or production it is determined by the Supplier or any of the Supplier's sub-tier suppliers that any conflict minerals were incorporated into the Deliverables being delivered to RRSA and originated in a covered country, the Supplier must provide a listing of the conflict mineral(s) and original covered country.

34. COMPLIANCE WITH LAWS

34.1. Supplier 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, applicable rules, and regulations cited in 10 CFR 1040, 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, or under the laws of the state in which the Deliverables are utilized.

35. EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION

35.1. This Order incorporates by reference: (a) all provisions of 41 C.F.R.60-1.4, as amended, pertaining to the equal opportunity clause in government contracts; (b) all provisions of 41 C.F.R.60-300.5(a), as amended, pertaining to affirmative action for veterans; and (c) all provisions of 41 C. F. R. 60-741.5(a), as amended, pertaining to the affirmative action for individuals with disabilities. **Supplier and its subcontractor shall abide by the requirements of 41 C.F.R. 60-300.5(a).** This regulation prohibits discrimination against qualified protected veterans and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified

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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. RRSA requests that Supplier adopt and implement a policy to extend employment opportunities to qualified applicants and employees on an equal basis regardless of an individual's age, race, color, sex, religion, national origin, disability, or any other legally protected characteristic.

36. IMPORTER SECURITY FILING

36.1. To comply with Importer Security Filing (ISF) Requirements for ocean shipments to the United States, the following data elements shall be sent via electronic mail to the RRSA Customs Compliance Office-US at tradecompliance@rrpowersystems.com a minimum of three (3) business days prior to cargo lading: Automated Manifest System (AMS) bill of lading number (lowest level), vessel name, voyage number, cargo lading date, Supplier name and address, RRSA's name & address, Importer of Record number, consignee number, manufacturer (Supplier) name and address, ship-to name and address, container stuffing location name and address, consolidator (stuffer) name and address, and country of origin, harmonized tariff number, and RRSA part number of each invoice line item. The ISF pre-alert shall also include invoice(s) for the shipment.

37. DUTY-FREE IMPORT

37.1. If a United States (US)-located Supplier intends to procure any materials from offshore (non-US) concerns, and to obtain duty free import under RRSA's prime contract, Supplier must obtain permission from RRSA and advise RRSA, in writing, of Supplier's offshore order number and value.

38. C-TPAT

38.1. Supplier will ensure adherence to the security criteria of the Customs-Trade Partnership Against Terrorism (C-TPAT) program of the United States Customs & Border Protection including but not limited to business partner selection, container and trailer security, physical access controls, personnel security, procedural security, physical security, information technology security, and security training and threat awareness, unless otherwise prohibited by law. Detailed C-TPAT minimum security criteria are available at <http://www.cbp.gov/border-security/ports-entry/cargo-security/c-tpat-customs-trade-partnership-against-terrorism/apply/security-criteria>. Supplier will provide a security questionnaire, access to facilities, and/or other written verification of adherence 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 RRSA immediately of any breach of security in the supply chain. Supplier acknowledges that 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.

39. SUPPLIER CONDUCT AND EXPORT CONTROL COMPLIANCE

39.1. Anti-Bribery and Corruption Laws: "ABC Laws" as used in this clause means the United Kingdom Bribery Act 2010, the United States Foreign Corrupt Practices Act 1977 (15 U.S.C. Section 78dd-1, et. seq.), as amended, and any other laws relating to anti-bribery and corruption matters applicable to the subject matter of this Agreement. "Affiliates" means, as to any person, any other person that is in Control of, is Controlled by, or is under common Control with, such person. "Control" means the power, directly or indirectly, either to: (a) vote 50% or more of the securities having ordinary voting power for the election of directors (or persons performing similar functions) of such person; or (b) direct or cause the direction of the management and policies of such person, whether by contract or otherwise in relation to this Agreement and "Controls" and "Controlled" will be construed accordingly. "Inappropriate Inducement" as used in this clause means any payment or thing of value or any financial or other advantage to or for the use or benefit of: (a) any Government Official; or (b) any director, officer, employee, agent, or representative of any commercial organization or private individual; or (c) any other person, entity, or third party intermediary knowing or having reason to know that all or any portion of such payment, thing of value, or advantage would be offered, promised, paid or given to any of the persons described in this definition, for the purpose of influencing any act or decision of any such person, including a decision to do or omit to do any act in violation of the duty of such person in order to obtain or retain business, secure any improper advantage, or obtain any license, permit, approval, certificate, or clearance. "Government Official" as used in this clause means any person who would constitute either: (a) a "foreign public official" as defined in the UK Bribery Act 2010; or (b) a "foreign official" as defined in the United States Foreign Corrupt Practices Act (15 U.S.C. Section 78dd-1, et. seq.), as amended.

Supplier represents, warrants, and undertakes to RRSA that neither it nor its Affiliates, directors, employees, representatives, nor any other person acting on its or their behalf: (i) have engaged, or will engage, in any conduct which was or would be an offence under any ABC Laws (whether or not Supplier is subject to that ABC Law); or (ii) has done, or will do anything, that may put RRSA or any of its Affiliates in breach of any of the ABC Laws. Supplier represents, warrants, and undertakes to RRSA that neither it nor its Affiliates, directors, employees, representatives, nor any other person acting on its or their behalf have authorized, offered, promised, paid or otherwise given, or will authorize, offer, promise, pay or otherwise give, any Inappropriate Inducement. Supplier represents, warrants and undertakes that neither it nor its Affiliates, directors, employees, representatives or any other person acting on its or their behalf, in respect of this Agreement: (i) has undertaken or will undertake any action or activity; or (ii) will refrain from any action or activity; intended directly or indirectly to facilitate any offence of tax evasion. Notwithstanding any other provision of this Agreement, any money due from RRSA to Supplier under this Agreement, or in relation to its subject matter, will not be payable if Supplier has committed any actual or alleged breach of this clause 39.1 or 39.3 of this Agreement until it is ensured that RRSA has not incurred any damages or losses due to the breach. In the event of an alleged breach, payment will only be payable once RRSA has concluded that there has been no actual breach of this clause 39.1. Notwithstanding any other provision of this Agreement, RRSA may, without prejudice to any of its rights under law, contract, or equity,

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terminate this Agreement immediately by written notice if Supplier is in breach of this clause 39.1, or if, at any time, the representations, warranties, and undertakings given by Supplier in this clause 39.1 would not be true and accurate in all respects.

- 39.2. Procurement Integrity: Supplier agrees to comply with the requirements of section 27 of the "Office of Federal Procurement Policy Act" (41 U.S.C. § 423), as amended by section 814 of Public Law 101-189, and with the implementing regulations contained in FAR 3.104, and agrees to indemnify RRSA for any costs and liabilities incurred by RRSA as a result of violations of the act or regulations by Supplier, its employees, its agents, its consultants, its suppliers or subcontractors, or their respective employees.
- 39.3. The Supplier will ensure that it and its personnel will comply with the Rolls-Royce Global Supplier Code of Conduct which is available in the Supplier Downloads section of the RRSA website at <https://www.mtu-solutions.com/eu/en/contact/purchasing/supplier-downloads.html>, all relevant RRSA provisions and codes of practice of RRSA as specified by RRSA and as set on the RRSA website which is located at <https://www.mtu-solutions.com/eu/en/contact/purchasing/supplier-downloads.html>, including without limit, its standard and site-specific security and health and safety requirements as applicable, copies of which are available on request. The Supplier agrees that RRSA 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 RRSA. Such inspection will not constitute or imply acceptance of any Deliverables.
- 39.4. If Supplier performs any work on RRSA's premises or uses RRSA's property either on or off RRSA's premises, Supplier shall take all necessary precautions to prevent the occurrence of any injury to person or property during the performance of such work. Supplier shall indemnify and protect RRSA against all liabilities, claims, or demands for injuries or damage to any person or property arising out of the performance of work on or use of RRSA's property, including without limitation attorney fees and costs.
- 39.5. Export Control: Supplier acknowledges that the Deliverables, any information, and/or related technology or technical data provided or received hereunder are subject to government laws, regulations, orders, and rules concerning export controls and economic and trade sanctions (collectively "Export Controlled Items"). Supplier agrees to comply with all applicable US export control laws and regulations, including, but not limited to, the requirements of the Arms Export Control Act, 22 U.S.C. 2751-2794, the International Traffic in Arms Regulation (ITAR), 22 C.F.R. 120 et seq., the Export Administration Act, 50 U.S.C. 4601-4623, as continued in effect pursuant to the International Emergency Economic Powers Act, 50 U.S.C. 1701-1706, and the Export Administration Regulations, 15 C.F.R. 730-774 as these requirements (collectively the "ITAR/EAR Restrictions") relate to the Deliverables, Proprietary Information and/or RRSA Property.
- 39.6. Supplier expressly represents and agrees that, in performing its obligations under this Agreement: (a) Supplier will strictly comply with all applicable laws, regulations, orders, and rules concerning export controls; and economic and trade sanctions as such may be amended from time to time; and (b) Supplier will not export or transfer, re-export, or re-transfer by any means, electronic or otherwise, any Export Controlled Item without complying in all respects with the applicable export control laws, regulations, orders, and rules as well as economic and trade sanctions legislation, codes of conduct, any relevant export authorization(s), guidelines, notices, and/or instructions in relation to any such export or transfer of the Export Controlled Items.
- 39.7. Supplier agrees to indemnify and hold the RRSA harmless for all claims, demands, damages, costs, fines, penalties, attorney's fees, and all other expenses arising from failure of Supplier to comply with this clause 39.

40. BUY AMERICA(N)

- 40.1. Supplier agrees to comply with all applicable domestic procurement and Buy America(n) rules and regulations as they relate to the Deliverables and agrees to cooperate with RRSA with respect to verifying its compliance to any such applicable rules and regulations.

41. ELECTRONIC DATA INTERCHANGE

- 41.1. If requested by RRSA, Supplier will use commercially reasonable efforts to implement electronic data interchange or another electronic procurement system determined by RRSA for order processing. All transactions shall be in accordance with RRSA's user's manual for electronic data interchange or other electronic procurement system. Implementation of electronic data interchange and transactions by Supplier will be at Supplier's expense.

42. SUBCONTRACTORS

- 42.1. The Supplier must obtain RRSA's prior written consent before engaging or changing subcontractors or using third parties or temporary staff, unless such staff performs incidental functions. The Supplier shall otherwise impose the same obligations on any subcontractors as those it has assumed in its relationship with RRSA. The Supplier shall furthermore be liable for the negligence of its subcontractors/suppliers as it would be for its own negligence.

43. COUNTERFEIT RISK AVOIDANCE

- 43.1. The Supplier shall only deliver goods that (i) are and only contain materials obtained directly from the original component manufacturer (OCM), original equipment manufacturer (OEM), an authorized distributor, or an authorized aftermarket manufacturer, and (ii) are not and do not contain Counterfeit Items or Suspect Counterfeit Items, as defined below; and (iii) contain only authentic, unaltered OCM/OEM labels and other markings. The Supplier shall obtain and retain all documentation required to fully trace the distribution and sale of the goods delivered hereunder back to the relevant OCM/OEM, and, on request of RRSA, shall provide such authenticating documentation. Upon RRSA's request, the Supplier shall provide RRSA certificates of conformance with respect to the goods delivered. **Counterfeit Item** means an unlawful or unauthorized reproduction, substitution, alteration, or the false identification of grade, serial number, lot number, date code, or performance characteristic, that has been knowingly mismarked, misidentified, or otherwise misrepresented to be a new, authentic, unmodified item from the OCM/OEM, an authorized distributor, or an authorized aftermarket manufacturer. A **Suspect Counterfeit Item** means an item for which credible evidence (including, but not limited to, visual inspection or testing) provides reasonable doubt that the item is authentic. Supplier shall not act as or engage an independent distributor, non-authorized distributor, non-franchised distributor, non-authorized supplier, or non-authorized reseller (collectively, Broker), to assist it in delivering goods pursuant to this Order unless RRSA provides prior written approval to do so. Any Supplier request to procure from a Broker shall include complete and compelling support for such request and shall include all actions completed by Supplier to ensure the goods thus procured are not Counterfeit Items. When so

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- authorized by RRSA, Supplier shall be responsible for counterfeit risk mitigation testing and providing traceability identifiers (i.e. Date Code / Lot Code, Serial number) for Broker procured parts, and identifying items delivered to RRSA that contain such parts.
- 43.2. The Supplier shall have a Counterfeit Item risk mitigation process, internally and with its suppliers, that complies with DFARS 252.246-7007 (Contractor Counterfeit Electronic Part Detection and Avoidance System) and SAE standard AS5553, Counterfeit Electronic Parts, Avoidance, Detection, Mitigation, and Disposition, for goods delivered hereunder, and in accordance with the standards or instructions set forth in this Order. Supplier shall provide evidence of the Supplier's risk mitigation process to RRSA upon request. RRSA shall have the right to audit and / or inspect the processes at any time before or after delivery of the goods ordered hereunder. RRSA shall have the right to require changes to the processes to conform to RRSA's standards defined in this Order. Supplier shall immediately notify RRSA with the pertinent facts if Supplier becomes aware of or suspects that items delivered for the Order are, or contain, suspect or confirmed counterfeit items. RRSA shall have the right to quarantine for further investigation any good RRSA discovers to be a Counterfeit Item or Suspect Counterfeit Item. RRSA's investigation may include the participation of third parties or governmental investigative agencies as required by law or regulations by RRSA's customer, or by RRSA, in its sole discretion. The Supplier and/or the Supplier's subcontractors shall cooperate in good faith with any investigation conducted by RRSA. RRSA shall not be required to return the good during the investigation process and thereafter if not found to be authentic. RRSA shall not be liable for payment to Supplier of the price of any Suspect Counterfeit Items until determined to be authentic.
- 43.3. In the event that a good delivered under this Order constitutes or includes a Counterfeit Item, Supplier shall, at its expense, promptly replace such Counterfeit Item with a genuine good conforming to the requirements of this Order. Notwithstanding any other provision in this Order, Supplier shall be liable for all costs relating to the removal and replacement of Counterfeit Item, including without limitation RRSA's costs of removing Counterfeit Item, of installing a replacement good and of any testing necessitated by the reinstallation of the good after Counterfeit Item has been exchanged. The remedies contained in this paragraph are in addition to any remedies RRSA may have at law, equity or under other provisions of this Order.
- 43.4. The Supplier shall include the substance of this Section 43, including this flow down requirement, in procurements for goods at all tiers. Failure of Supplier or any of its subcontractors to conform to the process specifications and provisions of this Section 43, if unexcused, shall be deemed a material breach of this Order.
- 44. WORK CONTAINING COVERED TELECOMMUNICATIONS AND VIDEO SURVEILLANCE EQUIPMENT AND SERVICES**
- 44.1 Supplier shall comply with FAR 52.204-25, Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment and comply with and provide representations required by FAR 52.204-26, Covered Telecommunications Equipment or Services—Representation, even if Supplier provides services, commercial items, or Commercial Off-The-Shelf (COTS) items. In addition, Supplier shall flow-down FAR 52.204-25 to its subcontractors or suppliers at any tier or level. Supplier shall provide its representation as required by FAR 52.204-26, with term "Offeror" as used in the clause meaning "Supplier," and with the term "Government" meaning "RRSA."
- 45. FEDERAL ACQUISITION REGULATION (FAR)**
- 45.1. If this Order contains a U.S. Government Prime Contract Number, a U.S. Government Contract Number, or if any of the items to be supplied under this order are to be used on a U.S. Government contract, the FAR and, if applicable, DFARS clauses listed in **ROLLS-ROYCE SOLUTIONS AMERICA INC. GENERAL TERMS AND CONDITIONS OF PURCHASE - FAR AND DFARS FLOW-DOWNS FOR U.S. GOVERNMENT CONTRACTS** (the "Flow-Downs"), where incorporated herein by reference and made part of these terms and conditions. **ROLLS-ROYCE SOLUTIONS AMERICA INC. GENERAL TERMS AND CONDITIONS OF PURCHASE - FAR AND DFARS FLOW-DOWNS FOR U.S. GOVERNMENT CONTRACTS** can be viewed and downloaded from the RRSA website at <https://www.mtu-solutions.com/eu/en/contact/purchasing/supplier-downloads.html>. Unless specified otherwise, the term "Contractor" will mean "Supplier," the term "Contract" will mean "Order," and the term "subcontractor" will mean Supplier's subcontractors. Supplier agrees to negotiate with RRSA to incorporate additional provisions beyond those identified in the Flow-Downs or to change provisions as RRSA reasonably deems necessary to comply with the applicable government contract. Supplier shall accept mandatory flow-down clauses at no additional cost to RRSA.