



Rolls-Royce Solutions Asia Pte. Ltd. Purchasing Terms and Conditions

I. General

1. Unless agreed otherwise in writing between the Rolls-Royce Group Company concluding the agreement (named in the footer hereof) (hereinafter referred to as "We", "Us" or "Our") and the Vendor (hereinafter referred to as the "Vendor"), these Standard Terms and Conditions shall apply to this Agreement and any other contract, agreement, amendment, supplement and understandings related to this Agreement entered into between parties. These Standard Terms and Conditions shall apply exclusively, even if We accept any goods/services from the Vendor without reservation, despite being aware of terms of the Vendor which are inconsistent or which deviate from these Standard Terms and Conditions.
2. These Terms and Conditions of Purchase, as amended from time to time, shall be an integral part of all future orders placed by Us. They shall also apply to follow-up orders whether or not We make express reference to said Terms and Conditions again.
3. Our General Specifications for Deliveries, which are available for download on Our website at (<http://www.mtu-solutions.com/eu/en/contact/purchasing/supplier-downloads.html>) shall also be an integral part of these Terms and Conditions of Purchase.

II. Conclusion of Agreement

1. We are bound by written orders only.
2. The Vendor shall confirm acceptance of Our order in writing without undue delay (using the order confirmation attached to the order form if available) unless We waive this requirement. If the Vendor's order confirmation deviates from Our order, We will only be bound by the order if We have consented to the deviation in writing. The acceptance of goods/services or payment for same shall not constitute consent.
3. If the Vendor fails to accept the order within 14 days, We may revoke the order. Any agreements, amendments or supplements thereto must be executed in writing. Oral collateral agreements shall not be recognized.
4. We reserve title to and copyright in any illustrations, drawings, calculations, models, devices, samples or other items or documents We may provide to the Vendor for the purpose of preparing a quote or executing an order. The Vendor shall insure all the aforementioned items or documents against general risks (including fire, storm, etc.) at its own expense.
5. The documents or items set out in paragraph 4 of this clause may not be provided to any third parties without Our prior written consent. The documents and items are to be used solely for purposes of processing the order or performing the Agreement and any follow-up orders, after which time, albeit not later than the date on which the warranty period expires, they must be returned to Us automatically. The documents and items shall be treated as confidential and may not be disclosed to third parties.

III. Provision of materials, provided documents, etc., confidentiality

1. In the event that we are required to furnish any material or parts to the Vendor or have paid in full for any parts or materials to be supplied by the Vendor, these materials or parts shall remain our sole property. In the event of further machining or processing, we shall remain the sole manufacturer.
2. The Vendor shall keep any Material We provide to it or any parts or materials that We have paid for in full separate from other materials, label it as Our property and store it with the due care of a prudent merchant. The Vendor shall prevent any unauthorized access by third parties and notify Us without undue delay of any changes in the quantity (e.g., theft or destruction of the item) or condition (limited usability) of the Material provided.
3. Processing or altering by the Vendor shall be performed on Our behalf. If goods to which We have reserved title are processed along with other items not owned by Us, We shall acquire a co-ownership interest in the new item equivalent to the value at cost plus GST of the goods to which We hold title as a proportion of that of the other items being processed at the time of processing. The foregoing shall apply, *mutatis mutandis*, in those cases where the goods are integrated by virtue of a combining or mixing process, unless another item not owned by Us is deemed the principal component.
4. Where the Vendor receives drawings, models, matrices, tools, templates, samples or similar items for the purpose of executing any order, such items shall remain Our sole property. Furthermore, where such items have been developed by the Vendor with substantial assistance from Us (tests, etc.), or have been manufactured by the Vendor according to Our instructions, they may only be used for the purposes of the order and, if they are Our sole property, shall be returned to Us on request, freight paid, without undue delay. No lien may be exercised in respect of such items, except in the case of undisputed claims or claims that have been confirmed by a final and binding judgment. The Vendor shall keep and carefully store all items of this nature in operating condition.
5. If the Vendor has developed and/or manufactured parts or other items (including software, etc.) for Us using Our specifications or documentation, the Vendor may not supply such parts or items to third parties or use them in any projects for, or to manufacture, supply or provide the same to third parties without Our written consent.
6. Any and all commercial/technical information which is not common knowledge and of which the Vendor becomes aware in the course of Our business relationship, particularly the information referred to in paragraphs 4 and 5 of this clause, shall constitute Our trade secrets and must therefore be treated as confidential. If trade secrets are required to be disclosed to any third party, this shall only be permitted with Our written consent, and shall be subject to the Vendor similarly imposing the obligations under this clause on the relevant third party.

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IV. Drawings and sketches

1. If We approve any drawings or sketches of the Vendor, this shall be understood as a mere courtesy on Our part which is in no way binding on Us nor does it release the Vendor from its duty to comply with and satisfy all requirements mandated by law or agreed by contract.
2. CAD and Office data shall be delivered in a form compatible with the systems We currently employ.

V. Data protection

We may store, transmit, modify and delete personal information about the Vendor and/or any of the Vendor's employees in accordance with the provisions of the Personal Data Protection Act, provided this is necessary in connection with executing and performance of the Agreement.

VI. Transfer of risk/reservation of title

1. Deliveries must comply with the agreed terms of delivery (in accordance with the relevant Incoterms, as amended time to time).
2. For delivery-only orders, the risk of performance and payment shall pass in accordance with the agreed terms of delivery, or alternatively upon receipt of the goods at the place of performance. For orders involving delivery for installation or assembly and for orders involving other services, the risk shall pass upon acceptance at the place of installation/performance.
3. The Vendor may reserve title to its delivered goods until the consignment has been paid for in full. However, We may continue to use, process and on-supply the goods in accordance with their intended use. We also agree to the pre-assignment of Our claims against Our customers up to the value of the Vendor's claim against Us. However, any disclosure of the assignment, including information as to the value of the Vendor's claim against Us, is subject to Our consent, and is only permitted if We are in default and payment is still outstanding even after a reasonable grace period for payment has expired.
4. If in the course of performing the Agreement, the Vendor generates work products that are copyright protected, We shall have an exclusive, transferable, perpetual, worldwide license to use any such work products in their original or modified form as We see 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 our sole discretion.

VII. Labeling requirements

1. The Vendor shall provide order confirmation either by email or post and quote the order number and item or material number in all written correspondence.
2. A delivery note shall be attached in duplicate on the top of each consignment and must state our order number, item numbers, the date of dispatch, the type of packaging, a description of the goods, the quantity and weight of the consignment (gross and net weight) as well as the delivery address (site and unloading area). Invoices shall not constitute delivery notes. Details are stipulated in the General Specifications for Deliveries.

3. In addition to the order number and item or material number, invoices must include a goods/ service description, the quantity, the price per unit or charge out rate of each individual Vendor and number and date of the delivery note/ or when the services were rendered. Any value added tax included in the price must be shown as a separate item. Invoices may relate to no more than one order.
4. The Vendor shall bear any costs incurred as a result of failure to comply with this provision.

VIII. Payment

1. Unless otherwise agreed, payment shall be due, within 75 days of receiving the goods purchased and/or consultancy services and the invoice reaches Us in good order.
2. We may render payment in the form of Our choice, particularly including payment by check. Date of payment shall be subject to the following proviso: "Provided the Deliverables have not been rejected by the Buyer for non-conformity in accordance with the relevant clause in the Purchase Order/Contract, then the Self-billed Invoice or invoice (as applicable) will be due and payable by the Buyer based on the respective date(s) stated in the Purchase Order/Contract after, as applicable, the issue of the Self-billed Invoice or the receipt of a valid, complete and accurate invoice from the Vendor." Cash on delivery arrangements are not permitted. We shall not be deemed in default of payment unless We have already received a written default notice.
3. We may pay in SGD or offset an amount in SGD in order to satisfy claims denominated in a currency other than SGD. The relevant exchange rate shall be the exchange rate applicable in the place of payment at the time of payment, and the rate should be determined by Us.
4. We shall, where necessary, be entitled to any right of set-off and any right to withhold performance. If a party becomes insolvent pursuant to the Bankruptcy Act, it is agreed that the accrued claims of the other party shall fall due upon the commencement of insolvency proceedings. If a court orders the institution of provisional insolvency proceedings, the claims shall fall due when the court order is issued.
5. We have the right to hold payment if we are not satisfied with any of the goods/ services supplied, or if any deliverables pursuant to this Agreement are found to be faulty, damaged, wrong, and incomplete or do not conform to quality or technical specifications. Payment prior to inspection, installation or use shall not constitute an acceptance thereof, nor will it remove Vendor's responsibility for latent defects.
6. For orders involving services, installation or assembly, the agreed term of payment commences on the date of performance. If invoicing follows the date of performance, the term of payment commences upon receipt of invoice.
7. Overseas Vendors shall promptly forward original bill of lading and other shipping documents for each shipment in accordance to instruction issued by Buyer. Any additional cost incurred due to lack of Vendor's documentation shall be borne by Vendor.

IX. Prices

The agreed prices are fixed prices and include all incidental costs incurred up to the agreed unloading point (with the exception of value added tax at the applicable statutory rate). Where it has been

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agreed that a consignment shall be dispatched at Our risk, the prices shall not include any transport insurance or insurance against damage, as We will cover these risks and hereby waive any such insurance. If the Vendor reduces its prices, the possibility of a price reduction for goods/services not yet provided shall be disclosed and price adjustment should be made immediately.

X. Freight and Packaging

In the absence of any specific terms, the Vendor shall choose the most economic form of transportation or packaging of any items that must be delivered to Us. The packaging must be appropriate in view of the nature of the consigned items, the means of transport and the route so as to ensure that the Items are able to withstand all the demands of transportation and warehousing. Details are stipulated in the General Specifications for Deliveries.

XI. Delivery/performance dates

1. Time is of the essence for the performance of the Vendor's delivery obligations and the provision of goods and services under the Agreement. Agreed dates and periods are binding. The date on which the goods arrive at the place of performance shall be controlling for determining compliance with delivery dates/periods.
2. Without prejudice to Our legal and contractual rights, we may partially rescind the Agreement in respect of the goods/services not provided in due time. For the purposes of determining whether a default in performance exists, it is irrelevant whether the Vendor receives its own supplies on time.
3. For each week or part of a week in which that date is exceeded we may demand liquidated damages of 1% of the value of the order/Agreement for each week or part thereof by which the agreed delivery/performance date is exceeded subject to a maximum of ten percent (10%) of the value of the order/Agreement. Liquidated damages may be claimed right up until final payment.
4. Partial delivery/performance shall be rendered if specifically agreed, but is not otherwise permitted. If partial or successive delivery/performance is agreed, We may, to the extent reasonable, postpone the dates and volume of delivery/performance.
5. The Vendor shall notify Us in writing without undue delay of foreseeable delays in the provision of goods/ services under the Agreement and advise Us of the anticipated duration of the delay.
6. Where delays are attributable to Force Majeure, the Vendor shall provide evidence of the existence of Force Majeure. The Vendor shall, at its own expense, do everything in its power to perform the Agreement on time, despite the existence of Force Majeure. If it is highly likely that a delay will continue for more than one month, particularly because the Vendor notifies Us that it will not be able to deliver any earlier than that, We are at liberty to rescind any part of the Agreement which may be affected by the delay. "Force Majeure" means an event or sequence of events that directly prevent that affected Party from performing its obligation(s) under the Agreement that are: (a) unforeseeable at the time that the Parties entered into the Agreement and; (b) beyond the reasonable control and prevention of the affected Party, including acts of God, the refusal of any government to grant a necessary export license or the withdrawal or suspension of such licence, any other government or other legal or regulatory authority action or inaction, fires, collapse

of buildings, floods, wars or threats of war, riots, national labour or trade disputes, strikes, industrial action or lockouts (however to the extent that these relate to the Vendor, Vendor Affiliates, Vendor contractors or agents this will not count as a Force Majeure event), acts of terrorism, disruption to essential services such as electrical power and utility services, extreme weather, quarantine or any government or regulatory authority mandated precautions against contagious disease epidemics or pandemics other than those in each case caused directly or indirectly by the Vendor and excluding any events that could have been avoided or mitigated by the Vendor by implementing and complying with appropriate business continuity procedures.

7. We may postpone the agreed dates for the delivery/ performance of goods/services by the Vendor by up to six months if the anticipated need for the goods/services is deferred as a result of Force Majeure, strikes, disruptions to Our operations of any kind as a result of events beyond our control that may impact on operations in any way. Any such post-ponement shall not give rise to any claims on the part of the Vendor. The foregoing shall not affect the right of rescission under any rescission and termination clause.
8. To the extent reasonable in individual cases, We will accept early delivery/performance of the goods/services. However, the agreed periods for payment shall still commence on the previously agreed delivery/performance date or subsequent invoice date. The Vendor shall bear any warehousing costs We incur as a result of taking delivery early.

XII. Inspection/Acceptance

Defective goods or goods not in accordance with Our specification shall be held for Vendor's verification and at Vendor's risk and if Vendor so directs, shall be returned at Vendor's expense. In case whereby the Vendor is based overseas, Vendor may arrange for independent inspection (third-party) at their own expense to verify the rejected goods. Replacement for rejected goods shall be made within the shortest time at Vendor's expenses. We also reserve the right to ask for change of original shipment mode at Vendor's expense to meet contractual delivery schedule.

XIII. Warranty

1. The Vendor shall provide the goods and services free of defects in quality and defects in title. In particular, the most suitable and sound materials must be used, any statutory/regulatory requirements as of the date of delivery/performance must be met, the goods/services must be of the agreed specifications, condition or quality, unused and fit for their intended purpose or, in the absence of any such agreement, the condition or quality customary in the industry, and they must be state-of-the-art as of the date of contract performance, even if the latest technological developments have not yet been incorporated in the technical norms and standards applicable to the Vendor's goods/services at the place of performance. Unless otherwise agreed upon, the warranty term is 24 months after performance.
2. The Vendor shall, at its own expense and prior to performance, conduct an acceptance test and unit testing, and in so doing shall observe any specific quality requirements specified in the order. The quality control and incoming goods inspection conducted by Us shall

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not release the Vendor from its contractual obligations. We shall conduct an incoming goods inspection to check for any externally visible damage and externally visible discrepancies with regard to the description and quantity of the goods. We will report any such defects without undue delay. We will also report other defects as soon as they are discovered in the ordinary course of business. To this extent the Vendor shall waive the defence of delayed notification of defects.

3. We shall have recourse to the full range of claims to remedy the defects. Irrespective of this, We may ask the Vendor to remedy the defect(s), and in this regard may elect to have the defect repaired or a replacement delivered/manufactured at the Vendor's cost. The Vendor shall remedy the defect(s) without undue delay if We so request.
4. Where the deliverable constitutes a service or other performance not related to the delivery or manufacture of goods, the Vendor warrants that the manner and scope of performance shall reflect professional skill, care and diligence in compliance with the highest standards and methods customary in the industry, profession or trade.
5. The Vendor is liable for any defects in title, including the infringement of third party proprietary rights, irrespective of whether We knew of such defects, and the Vendor shall indemnify Us against any potential third party claims. The foregoing shall not apply if Our drawings, samples or other specifications infringe proprietary rights. If the Vendor does not immediately act upon the request to remedy a defect, we may remedy or have remedied such defect at the Vendor's expense subject to additional claims; the same applies in urgent cases where we can provide for a remedy faster than the Vendor. Unless otherwise provided for above, the warranty is subject to the pertaining legal regulations. The warranty for repaired or replaced parts is 12 months from the warranty performance, but in no case shall it expire before the end of the warranty agreed for the original performance. The Vendor shall, in case of warranty, be liable for the resulting examination costs, all costs for dismantling and assembly, labor and materials, transport and any other cost of sending defective parts and returning replacement parts to and from the place of performance or subject to a specific agreement any place of operation. The Vendor is only liable for further damages in a case of warranty if he holds insurance to cover such damages or if he is responsible for the damages or if a quality or durability guarantee is not met.
6. Our acceptance or approval of any samples or specimens presented may not be construed as a waiver of any warranty claims on Our part.
7. Unless otherwise agreed, claims based on defects shall lapse when the statutory limitations period expires. If a delivered item is used in products We supply to Our customers, the statutory limitations period shall commence when Our customer puts Our product into operation, which shall however be no later than 12 months after the risk for the delivered item has passed to Us. The limitations period shall commence anew for exchanged or replaced parts.

XIV. Quality Management

Quality assurance standard MTQ 5003 applies to deliveries of contractual goods. Quality assurance standard MTQ 5012 also applies to deliveries of contractual goods with electronic parts and components. The Standard Production and Assembly Specifications MMN 332 also apply. The standards are available at <http://www.mtu-solutions.com/eu/en/contact/purchasing/supplier-downloads.html>.

XV. Product Recall

1. Where an authority or government agency with the power to order a recall of the delivered goods has notified Us or the Vendor in writing that, or We or the Vendor may have reason to assume that, the delivered goods:
 - a) pose a potential safety risk or could create or cause dangerous situations, including the risk of serious injury or death;
 - b) have a fault, defect or are otherwise of impaired quality;
 - c) do not comply with statutory or other applicable requirements and standards; and
 - d) to the extent deemed advisable or necessary on these grounds, the delivered goods concerned must be recalled and/or repaired;

We and the Vendor will immediately apprise one another of the situation and of the underlying facts and circumstances.

2. Except in cases where a recall is unavoidable because it has been ordered by the competent authority or government agency, We are entitled to decide whether a recall of the delivered goods concerned ("Recall") is appropriate.
3. If a Recall is necessary pursuant to prevailing laws, regulations and/or other legal provisions, or where We decide that a Recall is appropriate, the Vendor will promptly develop a plan or plans for implementing corrective measures ("Plans for Corrective Measures"), which will include, among other things, all measures that are necessary and required pursuant to the prevailing laws, regulations, legal provisions and/or other requirements and standards applicable in the specific case. The Vendor will present the Plans for Corrective Measures to Us for Our review and approval prior to their implementation.
4. We and the Vendor will work together and jointly ensure that the Plans for Corrective Measures are reasonable and acceptable to both parties before their implementation.
5. We may at any time Ourselves undertake any corrective measures and, if applicable, send information to the competent authorities and government agencies involved. In such cases, the Vendor shall cooperate with Us accordingly and offer its full support.
6. Where it is established that the Recall was caused by a fault, defect or other quality impairment or failure to comply with (in particular) quality standards or legal/regulatory or other applicable requirements and provisions for which the Vendor must accept responsibility, the Vendor will, at its own expense, and depending on Our election, either carry out all of the repairs and adjustments necessary as part of the Recall, or reasonably compensate Us for all costs incurred as a result of or in connection with Us carrying out the repairs and adjustments Ourselves. The foregoing does not apply if the Vendor can clear itself of responsibility.



7. In any case, the Vendor shall reasonably compensate Us for all costs and expenses We incur in connection with the Recall. These costs and expenses shall particularly include all costs and expenses for or due to examinations of the delivered goods concerned, repairing or, where repair is not possible, replacing delivered products, packaging and shipping of recalled delivered products, identifying and notifying affected customers and, to the extent necessary, notifying the public and the media.
8. Each party will consult the other before notifications relating to potential safety concerns associated with the relevant products are released to the public, the media or authorities and government agencies. However, there shall be no obligation to consult if prior consultation would prevent timely notification of such safety concerns under the relevant statutory provisions.

XVI. Third Party Rights

The Vendor shall indemnify Us against any and all claims arising from the infringement of intellectual property rights, copyright or other rights asserted by third parties as a result of the use of the delivered goods/services or parts thereof.

XVII. Modifications

1. We may, to the extent reasonable for the Vendor, request modifications to the design and execution of the goods/services. The consequences of any modifications, particularly any additional or reduced costs and the impact on delivery/performance dates, shall be the subject of a reasonable, mutually agreed arrangement.
2. The Vendor may modify its goods/services from a previous order of the same type or from a specification in the current order, provided the changes are for the purpose of improvement and We have given Our written consent. If a change affects the logistical requirements of an end user, the Vendor shall, in cases where the modification is consented to, take such requirements into account as well. The Vendor is responsible for ensuring that any modified goods/services are also fit and proper for the intended use stipulated by Us.

XVIII. Title

The Vendor may retain title to his goods until complete payment of each delivery of goods. We may however use the goods supplied for our purposes and we may process and pass on such goods.

XIX. Stocks/product availability

1. Subject to paragraph 2 below of this clause, the Vendor guarantees to keep its goods/services in stock/have them available for their normal lifespan, and for at least 10 years from the date of performance. Even in cases where such an obligation has expired in respect of goods/services provided to Us, the Vendor shall give Us timely notice of any intended discontinuation of goods/services so as to ensure that parts can still be delivered for Us to hold in stock.
2. For Vendors that supply goods with short shelf life, such Vendors should ensure that all supplied products carry a valid shelf life of at least 12 months from the date of delivery to Us, unless otherwise agreed. We have the right to reject the goods for non-compliance.

XX. Declaration of Origin

1. To the extent that a declaration of origin is necessary in order to obtain tariff preferences or for any other reason, the Vendor 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 Our own, and including the item number, if available. These documents may include Certificate of Origins, Operating Manuals, Equipment Specification, Material Safety Data Sheet and Product Data Sheet, etc.
2. The Vendor must indicate the country of origin next to each item number or material number appearing on the invoice.
3. The Vendor is reminded that recourse may be had against it for any damages that arise due to false indication of the country of origin.

XXI. Product Liability and Insurance

1. Where the Vendor is liable for loss or damage caused by its goods/services, it shall, on first demand, indemnify Us against damages claims brought by third parties, provided the cause of the loss or damage is within its sphere of organization and control and the Vendor itself is liable as against third parties.
2. In this context, the Vendor shall also reimburse any expenses arising out of or in connection with any recall conducted by Us. If, as a result of an error caused by the Vendor, third parties sue Us on product liability grounds or We are required under the regulations governing the relationship between Us and Our customers to recall products or label them with warnings, the Vendor shall indemnify Us against all third party claims, bear all of the resulting costs, and otherwise use its best efforts to assist Us in defending against the claim, in particular by producing all expedient information and documents. To the extent possible and reasonable, We will inform the Vendor and give it an opportunity to comment on the terms and scope of any recalls to be conducted.
3. The Vendor shall observe its products for their entire normal lifespan and notify Us in writing without undue delay of any product hazards of which it becomes aware.
4. The Vendor shall maintain at its own expense and shall procure that any of its subcontractors shall at their own expense and for the duration of the Agreement procure adequate policies of insurance in respect of the Vendor's potential liabilities arising out of or in connection with the Agreement and at a minimum:
 - a) public and products liability insurance;
 - b) professional liability insurance; and
 - c) crime and fidelity insurance,each with a limit of at least S\$5,000,000 (five million Singapore Dollars) per incident (or series of connected incidents). Any further damages claims on Our part shall remain unaffected.
5. If the contract covers the performance of labour, the Vendor must cover all their workers undertaking jobs with adequate insurance. Vendor agrees to indemnify and protect Buyer against all liability, claim, or demands for injuries or damages to any person or property arising out of the performance by Vendor, its employees, agents or representatives. It is also the responsibility of the Vendor to ensure all their workers have all the necessary work permits/passes as required under the laws of Singapore or any other applicable laws.
6. All the insurance policies specified in this clause must be structured such that



- a) in each case the coverage is not subject to additional conditions and exists even in the event both parties are liable;
 - b) no deductible is agreed;
 - c) We and Our affiliates as well as their governing bodies, managing directors, other agents and employees are named as additional beneficiaries or payees in the event of loss; and
 - d) a waiver of recourse in favor of the aforementioned parties is stipulated in the event of any loss or damage covered by the insurance policies set out in this clause.
7. Where an insurance policy provides for the payment of a deductible or where claims are asserted against Us for payment of a deductible, the Vendor shall in any case be liable for satisfaction thereof or We may request that the Vendor compensate or indemnify us accordingly.
 8. Upon request, the Vendor shall submit to Us the insurance certificate(s) as proof of the terms stipulated in paragraphs 6 and 7 of this clause.
 9. We are under no obligation to verify that the insurance policies and corresponding insurance coverage meet the aforementioned requirements, which shall at all times remain the Vendor's responsibility.
 10. If We accept an insurance certificate despite the fact that the aforementioned requirements have not been met, this shall not constitute any implicit waiver of compliance with the Vendor's obligations to obtain and maintain insurance coverage as set out above.

XXII. Occupational health and safety and environmental protection

1. The Vendor shall provide all of its goods and services in accordance with all applicable occupational health and safety and environmental protection regulations laid down by statute, government agencies or trade associations, and in accordance with the Rolls-Royce HSE Control Standard "HSE CS 06 – Control of Contractors" as applicable at the time the goods or services are provided and having reasonable regard to environmental concerns. The Vendor shall notify Us in writing without undue delay if it has any occupational health and safety or environmental concerns in relation to the manner of execution requested by Us. For details on Safety Regulations for Contractors, please approach WHS Officer.
2. When making deliveries and/or performing its contractual obligations to Us, the Vendor undertakes as a material contractual obligation to comply with all rules and regulations and to take all action necessary regulated by National Environment Agency, CNB Controlled Equipment Material and Substances Agency and any other applicable regulations as applicable on the date of delivery.
3. If the Vendor breaches the aforementioned obligations, We may claim damages and rescind the Agreement. The Vendor shall otherwise, on first demand, indemnify Us against all third party claims arising as a result of the Vendor's breach of the aforementioned obligations. The claim for damages/indemnification shall also cover all of Our expenses such as, in particular, legal defense and administrative costs and all costs associated with any necessary replacement products. If the Vendor's registered office is outside the European Union and the Vendor is unable to notify, register or maintain the authorization for its delivery item or is unable to do so on

reasonable terms, We may rescind the agreement without being liable for damages.

XXIII. Compliance with Applicable Laws

1. In discharging its contractual performance obligations as stipulated hereunder, the Vendor shall at all times observe and act in compliance with:
 - a. all applicable laws; and
 - b. all industry standards, including upholding a standard of due care which may reasonably be expected of an experienced Vendor in that industry under comparable circumstances.
2. Where reference is made in these terms and conditions to (a) the term "**hazardous materials**", this shall mean all those substances or materials declared or identified as such, all substances or materials which are hazardous to health or toxic, pesticides or hazardous goods as well as any other substances or any other materials which may be classified as a potential health or environmental hazard under applicable law or (b) the term "**countries of use or transport**", this shall mean all those territories and countries in which, according to the information We have provided to the Vendor or to the Vendor's knowledge, the delivered goods are to be used or deployed or through which said goods are expected or known to be transported.
3. We have a right to inspect all the Vendor's documents and may reasonably inspect the Vendor's facilities, which in particular serve to ensure the Vendor's compliance with applicable laws and other provisions and industry standards in accordance with these terms and conditions. The Vendor shall provide Us its full support in this regard.
4. At Our request, the Vendor shall also duly and properly furnish Us with all certificates and proof or any other documents to the extent required by law.

XXIV. Endorsements/Advertisings

The Vendor shall not, without first obtaining Our written consent, in any manner advertise or publish the fact or details that the Vendor has entered into a contract with Us.

XXV. Rescission, termination

1. Without prejudice to any other remedies, We have recourse to the full rights of rescission and termination.
2. In particular, We may rescind the Agreement in whole or in part if:
 - a) We have substantially less demand as a result of Force Majeure, industrial disputes, interruptions to operations for which We are not responsible, riots and unrest, regulatory action or unavoidable events; or
 - b) the goods to be delivered are intended for on-supply to a third party and the agreement with such third party fails to be performed for reasons for which We are not responsible, in particular if insolvency or similar proceedings are instituted against the third party, or the third party otherwise suffers financial collapse or discontinues operations.
3. We are further entitled to terminate the Agreement effective immediately if:



- a) the Vendor is responsible for the breach of a material contractual obligation;
 - b) the Vendor discontinues its operations or threatens to do so; or
 - c) an application to institute insolvency proceedings is filed against the Vendor, or We receive a written credit report indicating that the Vendor is not creditworthy.
4. We may, on two weeks' notice, terminate continuing obligations at any time even where none of the aforementioned grounds exist.

XXVI. Subcontractors

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

XXVII. Anti-Bribery and Corruption Clauses

1. Vendor represents, warrants and undertakes to Us that neither nor its Associated Persons:
 - (a) have engaged, or will engage, in any conduct which was or would be an offence under any of the ABC Laws (whether or not the Vendor is subject to that ABC Law); or
 - (b) has done, or will do anything, that may put Us or any of our Associated Persons in breach of any of the ABC Laws.
2. Vendor 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 Prohibited Information, whether specifically related to the subject matter of this agreement or otherwise.
3. Notwithstanding any other provision of this Standard Terms and Conditions of Purchase, We may, without prejudice to any of our rights under law, contract or equity, terminate this agreement immediately by written notice if the Vendor is in breach of clauses XXXVII.1; XXXVII.2; XXXVII.4 or XXXVII.6 of this present clause. If the breach can be remedied, we will set the Vendor a reasonable period of time to cure which will, however not exceed 2 weeks.
Vendor will comply in full with the Global Supplier Code of Conduct in the version applicable at the time the contract comes into force, to be downloaded at <https://www.mtusolutions.com/eu/de/contact/purchasing/supplier-downloads.html> via the button Supplier Guideline – Global Supplier Code of Conduct.
4. Notwithstanding any other provision of this Standard Terms and Conditions of Purchase, any money due us to Contractor under this contract, or in relation to its subject matter, will not be due for payment if Vendor has committed any breach of clauses XXXVII.1; XXXVII.2; XXXVII.4 or XXXVII.6 of this present clause.
5. Notwithstanding any other provision of this Standard Terms and Conditions of Purchase, any money due by us to Vendor under this contract, or in relation to its subject matter, will not be due for

- payment if Vendor has committed any breach of clauses XXXVII.1; XXXVII.2; XXXVII.4 or XXXVII.6 of this present clause.
6. Vendor represents, warrants and undertakes that either he or its Associated Persons, in respect of this Agreement:
 - (a) has not undertaken or will not undertake any action or activity; or
 - (b) will refrain from any action or activity; intended directly or indirectly to facilitate any offence of tax evasion.
 7. Definitions:

"ABC Laws" 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, the Malaysian Anti-Corruption Commission Act 2009 and any other laws relating to anti-bribery and corruption matters applicable to the subject matter of the 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;

"Associated Persons" means any:

 - Affiliates of a Party; or
 - any directors, owners, employees or representatives of that Party or its Affiliates; or
 - any other persons acting on behalf of that Party or its Affiliates.

"Control" means the power, directly or indirectly, either to: (i) 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 (ii) direct or cause the direction of the management and policies of such person, whether by contract or otherwise; and "Controls" and "Controlled" will be construed accordingly;

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

XXVIII. Offset

The Vendor will hereby be informed that individual orders are placed subject to our offset entitlements worldwide. Therefore, the procurements and activities done based on individual orders will be reported as offset in each order country by Us or Our customer. The Vendor undertakes to assist Us at the best possible rate in connection with the recognition process and to fulfill the requirements of offset of the respective country and its current offset policy. Our offset management will inform the Vendor about the country and the for the country valid offset policy.

XXIX. Severability

If any provision of these Standard Terms and Conditions is or becomes invalid, in whole or in part, this shall not affect the validity of the remaining terms. If an invalid clause or part thereof cannot be substituted by reference to any existing law, We and the Vendor shall



substitute the invalid term or the invalid part thereof with a term that most closely reflects both parties' interests as manifested in these Standard Terms and Conditions.

XXX. Assignment of claims

The assignment of claims by the Vendor under the Agreement is subject to Our written approval.

XXXI. Foreign Trade Law

The Vendor will advise Us upon conclusion of the Agreement if export of the Vendor's goods or services is precluded or subject to approval under the applicable export regulations of Republic of Singapore. The Vendor shall compensate for any loss or damage sustained by Us as a result of any breach of this notification requirement.

XXXII. Place of performance, jurisdiction, governing law

This contract is to be construed according to the law of the Republic of Singapore. We shall not be liable to Vendor for any legal fees, court costs, or other legal expenses arising from the interpretation or enforcement of the Agreement, or from any other matter generated by or relating to the Agreement. Any dispute, controversy or claim arising out of or relating to this Agreement, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration administered by the Singapore International Arbitration Centre ("SIAC") in accordance with the Arbitration Rules of the SIAC for the time being in force, which rules are deemed to be incorporated by reference in this clause. The seat of the arbitration shall be Singapore. The tribunal shall consist of one (1) arbitrator. The language of the arbitration is English.

XXXIII. Singapore Withholding Tax

We shall be obligated to withhold an amount of tax from the payment at the relevant withholding tax rate and in accordance with the laws of Singapore. We shall remit the invoiced amount net of relevant withholding tax to the Vendor. The withholding tax so deducted shall be paid to the relevant tax authority and appropriate relevant supporting evidence will be provided to the Vendor.

XXXIV. Resource Changes

Vendor has to inform and receive Our prior approval before work commencement if there are changes in Vendor resources (e.g. change of production site, change of processes, additional processes, change of machines or skill labor, etc.) which may have impact on quality of our product or service to our customers. We reserve the right to cancel the order if we are not convinced that the quality of service and/or goods will not be compromised.

XXXV. "UK Product Safety and Metrology Guidance for the market of Great Britain" / "Supply of Machinery (Safety) Regulations 2008"

1. The Vendor shall ensure that the goods comply with the requirements of UK law, including but not limited to the UK Product Safety and Metrology etc. (Amendment etc.) (EU Exit) Regulations 2019 as amended from time to time. (Amendment etc.) (EU Exit) Regulations 2019 ("UK Product Safety and Metrology Regulations 2019") as amended from time to time, including any product safety

regulations referred to therein or amended thereby as amended from time to time. The Vendor shall transmit the associated records and documentation to Us and the respective supervisory authorities and shall accept any liability on the basis of these standards. In particular, the Vendor shall be obliged to affix the corresponding UK Conformity Assessed ("UKCA") marking - insofar as this is required by law - to the delivery items with the participation of the corresponding bodies (UK notified bodies), if required, and to fulfil their requirements.

2. The Vendor shall in particular provide machinery covered by the Supply of Machinery (Safety) Regulations 2008 and electrical equipment covered by the Electrical Equipment (Safety) Regulations 2016, as amended from time to time, with a UKCA marking and supply operating instructions. The Vendor shall provide Us with the declaration of conformity and the operating instructions in text form. Incomplete machineries shall be delivered to Us with a declaration of incorporation and detailed assembly instructions/operating instructions taking into account the requirements of the Supply of Machinery (Safety) Regulations 2008.

XXXVI. Cancellation

1. Provided the goods have not yet been delivered to Us, We may at any time, on written notice (including emailed notice) to the Vendor, cancel its order under the Agreement in respect of some or all of the goods ("Cancelled Deliverables"), after which the Vendor will immediately stop all work in respect of such Cancelled Deliverables and will ensure that its subcontractors and suppliers immediately stop all work in respect of such Cancelled Deliverables.
2. If We exercises Our right to cancel under this clause, the Vendor will repay to Us any payment made in respect of the Cancelled Deliverables and We will pay to the Vendor in full and final satisfaction of all claims arising out of such cancellation any costs of any work-in-progress that the Vendor can prove it has reasonably and properly incurred in respect of the Cancelled Deliverables up to the date on which We notified the Vendor of its intention to cancel the order, provided that the total amount payable by Us to the Vendor under this clause will in no circumstances exceed the total price of the Cancelled Deliverables.
3. The Vendor must submit its full claim to the Buyer within 60 (sixty) days of the date on which We notified the Vendor of Our intention to cancel some, or all, of the goods. If the Vendor fails to submit its full claim within such 60 (sixty) day period, the Vendor's right to make such a claim will lapse and We will have no further liability to the Vendor arising out of the relevant cancellation.
4. If We have exercised Our right under this clause, We reserve the right to, at Our sole discretion, require the Vendor to deliver to Us all work-in-progress and any material purchased by the Vendor, in connection with the Cancelled Deliverables.

XXXVII. Export control and Sanctions Compliance

1. The Vendor acknowledges that any information provided to or received by him in accordance with or in relation to an order may be subject to export control laws and regulations including, without limitation, the US International Traffic in Arms Regulations ("ITAR"), the US Export Administration Regulations ("EAR") and the EU Council Regulation ("EC") No. 428/2009.

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2. The Vendor warrants and undertakes that he will not use or permit the use of, export or transfer (by any means, electronic 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 relevant export authorisation(s), notices and instructions in relation to any use, export or transfer of information or deliverables.
 3. When requested, Vendor must provide Us with the export classifications of the products and, where applicable, the associated technology. The export classifications must be those contained in the regulations of the country from where the products/technologies are to be shipped, and those of any other jurisdictions that may apply. The Vendor must notify Us immediately should an export classification change. All shipping documentation must state the export classification(s) of the deliverables, together with any application export authorisation information. We reserve the right to reject delivery of any consignment that does not comply with this requirement.
 4. Vendor must identify any products that originate from the US or which have US content, along with the applicable US export classification(s) and export authorisation(s). In order to satisfy the requirements of the US Department of Commerce "de minimis" rules, We may request from the Vendor the proportionate value of US content in the products supplied.
 5. The Vendor undertakes to give Us reasonable advance written notice with reference to the respective contract (order / release order) if, according to any export control laws and regulations, the export of the information or deliverables provided by it is banned or subject to an export authorisation. The Vendor must compensate for any damage sustained by Us as a result of any breach of this notification requirement.
 6. We may defer or decline entering into a contract or placing orders until such time that the export classifications, export authorization and US content information has been received.
 7. Vendors seeking to transfer work or production to another individual, legal entity, factory or country, must advise Us of the proposed transfer as soon as possible so that regulatory approval can be sought and export authorisations can be amended or re-applied for (where necessary). Delays in advising Us may result in suspension of work, delays in product shipment or exports of technology. Where it is the Vendor's responsibility to do so, the Vendor must ensure that all applicable export authorisations are in place in time to ensure the work transfer can lawfully take place without delay to agreed delivery schedules.
 8. The Vendor must advise Us as soon as possible of any change in the Vendor's business, including, but not limited to:
 - I. Change of company name and/or company registration;
 - II. Change of addresses of head offices and/or other facilities in which products are manufactured for Us;
 - III. Any change in company ownership;
 - IV. Any change in parent company ownership;
 - V. Any novation or assignment of contracts to another legal entity;
 - V. Any other material changes of legal entity status.
- Any changes to a company's legal entity status may require regulatory approval in multiple jurisdictions and may result in the suspension or revocation of export authorisation(s), either permanently or until such time that regulatory approval is obtained.
9. Where applicable, any conditions or restrictions in any export authorisation(s) (e.g., restrictions relating to employment status, nationality or re-export) must be advised in order that We can maintain compliance with the export authorisation(s) when incorporating, re-exporting or transferring the items as part of business activities.
 10. The Vendor agrees to afford Us and any competent governmental department or other governmental administrative body access to Vendor's premises for the purpose of auditing Vendor's compliance with the requirements of this clause, and to provide all necessary facilities and assistance for such audit to take place.
 11. Where the deliverables to be provided by the Vendor pursuant to any contract or order include the provision of services to be performed for or on behalf of Us, and will or may involve Vendor's employees having or having the potential to gain access to information which is subject to export control laws and regulations, the Vendor will comply with;
 - i) all applicable export control laws and regulations and;
 - ii) all requests and requirements of Us for the same purpose.
 12. The Vendor warrants to Us that neither it nor any of its subsidiaries or affiliates or, to the Vendor's knowledge, any director, officer or employee of the Vendor or any of its subsidiaries or affiliates is:
 - i) an individual or legal entity ("Person") currently on a sanctions list, including, but not limited to, the US Consolidated Screening List ("CSL", http://export.gov/ecr/eg_main_023148.asp) and the EU Consolidated Sanctions List;
 - ii) is located in a country or territory that is a target of sanctions or whose government is currently the target of sanctions;
 - iii) is a Person who is directly or indirectly owned or controlled by any Person currently on a sanctions list, or is directly or indirectly owned or controlled by any Person who is in a country or territory that is a target of, or whose government is currently a target of, sanctions;
 - iv) is a Person subject to ongoing investigations into possible sanctions; and
 - v) the Vendor will not directly or indirectly supply or otherwise make available any export-controlled items, whether;
 - (i) to a subsidiary or affiliate, joint venture partner or other Person or country or territory whose government is the target of sanctions, or;
 - (ii) in any other way that would result in a violation of sanctions
 13. We may, at our sole discretion and without notice or liability of any kind, terminate the contract and the business dealings with the Vendor if we find that the Vendor is not complying with one of the warranties given under this clause XXVIII., and the matter cannot be resolved to an extent which shall be stipulated by Us only and which must be within the bounds of legal permissibility.
 14. In the event the Vendor breaches any of the provisions of this clause XXVIII., the Vendor shall indemnify Us with respect to all losses, damages, claims, compensation, awards, expenses (including without limitation legal fees), fines and judgments incurred by Us as a result or because of such breach.

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XXXVIII. Human Rights, environmental protection, social responsibility and sustainability

1. The Vendor hereby enters into an obligation to download the Rolls-Royce Power Systems ESG Code ("ESG Code") at <https://www.mtusolutions.com/eu/de/contact/purchasing/supplierdownloads.html> via the link button ESG Code and to comply at all times during the existence of the contractual relationship with Us with the standards specified therein during its actions in performing the contract with Us in its own business area. The standards specified in the ESG Code are an integral part of these Standard Terms and Conditions of Purchase. The Vendor's own business area comprises all activities of the Vendor in Germany and abroad that are required to meet its contractual obligation towards Us; this covers in particular all processes from the extraction of the raw materials to the supply of the products or the provision of the service.
2. We will perform regular and event-related risk analyses regarding the Vendor in line with the provisions of the LkSG. Should additional expectations arise in relation to the Vendor to achieve the protective goals of the LkSG, e.g. on account of an increased risk situation, We will notify the Vendor thereof in writing. The Vendor is then required to satisfy these additional expectations within a reasonable period as from receipt of the notification, normally no later than one month after receipt thereof. The above sentences of this paragraph will apply mutatis mutandis in the event that We adjust the ESG Code to the extent required within the supply chain to definitely ensure an adequate standard of protection required in relation to the human rights-related and environment-related protected interests. An adjustment will be required in particular where, owing to the risk analysis required by law, such need for adjustment by Us is identified due to new findings or assessments.
3. The Vendor is obliged to commit its employees and direct subcontractors to comply with the standards of the ESG Code or other standards that at least and in every respect ensure a comparable level of protection for all protected interests specified in the ESG Code. The Vendor is also required to make its best efforts to ensure as far as possible compliance with the standards specified in the ESG Code also in relation to indirect suppliers, e.g. by agreeing on pass-on clauses with its direct subcontractors.
4. The Vendor is required to perform risk analyses on a regular and event-related basis if the risk situation changes (e.g. in the event of changed political conditions regarding the subcontractor) for risks relating to the legal goods within its supply chain specified in the ESG Code, and take appropriate measures to avoid or avert such risks or potential violations of protected interests. In the event that violations of protected interests are suspected, the Vendor is required to clarify this suspicion without delay. In the event that violations of protected interests are suspected and to avoid violations of protected interests in supply chains with increased risks, the Vendor is required to inform Us without delay of a suspected violation of

5. a protected interest or of the identified violations of protected interests and risks along with the measures taken and establish joint measures to terminate the risks of potential violations of protected interests along the supply chain permanently and without delay.
5. The Vendor is required to agree on auditing and information rights with its direct subcontractors that allow the Vendor appropriate and effective monitoring of compliance with the subcontractors' aforementioned obligation. The Vendor will use these auditing and information rights to ensure that the aforementioned undertaking is complied with on a regular and also at least random basis such as to facilitate representative and appropriate monitoring.
6. The Vendor must inform Us in written form at least once a year, of its own accord, about the implementation of the aforementioned obligations in the previous reporting period. The report must provide an overview of all material developments and events in this area, describe the measures taken and in particular list the cases in which difficulties existed and still exist in the course of the implementation. The Vendor must inform Us in writing without delay after obtaining knowledge of material developments, in particular difficulties in complying with the ESG Code in its own business area and in addressing expectations in the supply chain. This communication must safeguard the legitimate interests of the Vendor and observe the rights of employees, in particular as regards data protection and the protection of business secrets. This also applies to violations by third parties used by the Vendor (e.g. suppliers or subcontractors). Upon request, the Vendor must provide Us with all of the necessary information in text form which We legitimately request for auditing compliance with the standards pursuant to the ESG Code along the supply chain and auditing compliance with the Vendor's obligations.
7. We may audit the Vendor, at the Vendor's own expense, for compliance with the aforementioned obligations on a regular basis, at least once a year, as well as more than once a year on an event-related basis. In order to make such auditing possible, the Vendor must document its compliance with the aforementioned obligations in a suitable and appropriate manner at its own expense. The auditing must be carried out during the Vendor's normal business hours and, for the purpose of an effective control, We need not announce it in advance. The Vendor must grant Us access to all of the internal documents, business areas and spaces relevant for the audit and cooperate with Us to the best of its ability during the audit. In the course of the audit, We must take the Vendor's legitimate business interests and data protection requirements appropriately into account. Moreover, We are obliged to maintain confidentiality vis-à-vis third parties with regard to the subject matter and outcome of the audit. We may have the audit carried out by a third party company, while protecting the Vendor's legitimate business interests and data protection requirements, e.g. by concluding a corresponding confidentiality agreement with the third party company.
8. The Vendor must work together with Us to remedy violations of the ESG Code and ensure the fulfilment by the Vendor of its

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obligation to comply with the standards in its own business area and the greatest possible compliance with the standards along the supply chain while exercising due care. The Vendor must in particular participate at least once a year with a suitable number and a suitable group of employees in training measures conducted for it free of charge by Us which serve to prevent violations of human rights-related and environment-related obligations.

9. The Vendor must inform its employees and subcontractors of the accessibility and anonymous usability of Our whistleblower system and request them to pass the information on to the whistleblower system along the supply chain. The Vendor assures that it will refrain from any detrimental measures or disciplinary measures against whistleblowers in connection with the use of the whistleblower system
10. Should the Vendor violate its aforementioned obligations in this section XXXVIII. or should a violation be imminent, appropriate remedial action must be taken immediately to avert, end or minimise the extent of the violation. Where possible, We must first give the Vendor together with Us the opportunity in that regard to draft a binding schedule without delay to avert, end or minimise the violation or the risk. Should the drawing up of such a schedule quite obviously be unsuitable for averting, ending or minimising the violation or the risk or should such schedule fail to be drafted by the Vendor without undue delay or the implementation of the schedule fail, We may suspend the business relationship until the Vendor has ended the violation. We will furthermore have the right to terminate the contractual relationship with the Vendor for good cause if the statutory requirements are met. Such good cause would comprise in particular (a) a serious culpable violation or (b) repeated culpable violations of the aforementioned obligations or (c) a culpable failure to bring a violation to an end within a period set for bringing it to an end or (d) a culpable refusal of auditing in accordance with the above provisions.
11. The Vendor must indemnify Us against all claims and demands of third parties, including public authorities or other state actors, in particular penalties or fines or comparable sanctions which they assert against Us, insofar as these claims and demands of third parties are based on culpable violations by the Vendor of the obligations set out in section XXXVIII. or of the ESG Code or result from them. Damages claims of Us remain unaffected.

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