Standard Terms and Conditions of Purchase

I. General information

1. These standard terms and conditions of purchase ("Conditions") apply – unless otherwise agreed in writing between Rolls-Royce Solutions Malaysia Sdn. Bhd. (hereinafter the "Client") and the Contractor – to all Goods and Services ordered by the Client. They apply exclusively; other provisions, in particular the Contractor's general terms of business, shall not apply regardless of whether the Client has explicitly rejected such general terms of business or not. These Conditions shall apply exclusively even if the Client unconditionally accepts the Goods/ Services supplied with the knowledge of Contractor's conditions which contradict or differ from these Conditions.
2. These Conditions shall also apply as worded at the time of contract conclusion with the Contractor to all future legal transactions of the same type between the Client and the Contractor. The Client reserves the right to revise, amend or update these Conditions at any time as it deems appropriate.
3. Agreements made between the Client and the Contractor in individual cases shall take precedence. Unless the opposite is proven, a written Contract or a written confirmation on the part of the Client shall be relevant to the contents of the Contract concerned.
4. Amendments or additions to the Supply Contracts for Goods/Services must be made in writing. The same shall apply to the removal of the requirement for amendments and additions to be made in writing. The requirement for the written form shall be satisfied by simple e-mails, faxes or electronic data interchange (EDI). No verbal side agreements exist. The above shall not affect any individual agreements which take precedence.
5. References to the applicability of statutory requirements shall be for clarification only. Even without such clarification, the statutory requirements shall apply provided they have not been directly amended or expressly excluded in these Conditions or the Contract concerned.
6. Our "General Specifications for Deliveries", downloadable from https://www.mtu-solutions.com/eu/de/contact/purchasing/supplier-downloads.html via the link button Standard Terms and Conditions of Purchase Rolls-Royce Solutions Malaysia Sdn. Bhd. form an integral part of these Conditions. The Contractor undertakes to fully comply with those General Specifications for Deliveries.
7. Definitions
   a) "Contract" means the contract between the Client and the Contractor for the supply and purchase of the Goods and/or Services as set out in the purchase order in accordance with these Conditions.
   b) "Goods" means the good(s) or any part of them as set out in the purchase order.
   c) "purchase order" means the Client's order for the Goods or Services to which these Conditions apply.
   d) "Services" means the Services(s) or any part of them as set out in the purchase order.

   In these Conditions, except where the context provides otherwise: (i) the singular includes the plural and vice versa; (ii) "including", "such as" and similar expressions are not words of limitation; (iii) where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have corresponding meanings; (iv) headings are for ease of reference and do not affect the construction of these Conditions; and (v) "days" shall refer to calendar days.

II. Contract conclusion

1. Quotations, cost estimates and other Services on the part of the Contractor which serve as preparations for Contract conclusion shall be free of charge. The Contractor shall be bound by its quotation for at least 4 weeks.
2. Only written purchase orders from the Client shall be legally binding. Purchase orders issued verbally or by telephone shall require a subsequent written confirmation in order to be valid. The requirement for the written form shall be satisfied by a letter but also by a simple e-mail, fax or EDI.
3. The Contractor shall confirm acceptance of purchase orders from the Client (using the acceptance confirmation attached to the purchase order where present) without delay (in any case within 14 days) in writing, i.e. in written or text form (e.g. by letter, simple e-mail, fax or EDI) or by delivery unless the Client has waived such requirement. If the Contractor's order acceptance differs from the Client's purchase order, the Client shall only remain bound by the purchase order if it has agreed in writing, i.e. in written or text form (e.g. by letter, simple e-mail, fax or EDI), to the amended order, which shall constitute a new quotation. The acceptance of Goods/Services supplied or payment for the same shall not constitute agreement.
4. By confirming acceptance of the purchase order, the Contractor is giving an assurance that it meets the statutory requirements and the requirements regarding technical competence for execution of the purchase order.

III. Modifications

1. The Client may within reasonable limits for the Contractor demand modifications to the Goods/Services supplied in terms of design and execution. In such cases, the effects – particularly with regard to higher or lower costs and delivery deadlines – are to be suitably dealt with by mutual agreement.
2. If the Contractor wishes to modify the Goods/Services supplied compared with a previous purchase order of the same type or a specification in the current purchase order, it shall be possible in the case of improvement modifications with the written agreement of the Client. Where a modification affects logistical concerns of an end user, the Contractor must also take account of such notified concerns if the modification is agreed to. The Contractor holds responsibility for ensuring that the modified Goods/Services supplied remain faultless in terms of the intended use specified by the Client.

IV. Drawings and sketches

1. Where the Client approves drawings and sketches by the Contractor, it shall merely constitute a no-obligation accommodation in favour of the Contractor and shall not relieve the Contractor of its duty to observe and comply with all statutory and contractually agreed specifications and requirements.
2. Computer-aided design (CAD) and Office files shall be supplied in a form which can be processed by the systems currently used by the Client.

V. Identification obligations

Our "Identification Specifications", downloadable from https://www.mtu-solutions.com/eu/de/contact/purchasing/supplier-downloads.html via the link button Standard Terms and Conditions of Purchase Rolls-Royce Solutions Malaysia Sdn. Bhd. form an integral part of these Conditions. The Contractor undertakes to fully comply with those Identification Specifications.

VI. Materials provided by the Client, loaned documentation etc. and secrecy

1. Materials or parts ("Materials") provided by the Client shall remain the property of the Client alone.
2. Materials provided by the Client to the Contractor shall be separated from other materials, marked as the property of the Client and looked after with the due care of a prudent commercial business. The Contractor shall be obliged to prevent access by third parties and to inform the Client without delay of any changes in the quantity (e.g. theft or perishing of the Goods) or condition (limitation of usability) of the Materials provided.
3. Any processing or reconfiguration by the Contractor of the Materials supplied shall be performed on behalf of the Client. If the Goods of which the Client has retained ownership are processed together with other items not belonging to the Client, the Client shall acquire co-ownership of the new item in proportion with the purchase price plus any value-added tax, sales and service tax or any other statutory charges imposed by competent authorities in any other relevant jurisdiction, of the Goods owned by the Client relative to the other processed items at the time of processing or reconfiguration. The above shall apply by analogy to mixing and combination unless another item not owned by the Client is to be considered the main component.
4. Where the Contractor is provided with drawings, calculations, models, patterns, tools, templates, samples or the like for the purposes of producing the quotation or executing the purchase order, such items shall remain the property of the Client alone and may not be made available to third parties unless the Client has given written consent in advance. Also, where such items are developed by the Contractor with significant involvement of the Client (tests, etc.) or produced by the Contractor according to specifications by the Client, they may only be used for the purposes of the purchase order and – if they are the sole property of the Client – are to be returned without delay free of charge on demand. Except in cases of undisputed or legally established claims, the exercise of a right of retention shall not be permissible. All such items shall be maintained in ready-for-operation condition and carefully looked after by the Contractor.
5. Where the Contractor has developed and/or produced components or other items (including software and the like) for the Client with the aid of the Client's specifications or according to the Client's documentation, the Contractor may not supply such components/items to third parties or use the same for manufacturing products for third parties without the Client's prior written consent.
6. If the results of work achieved by the Contractor in the course of the Services to be supplied are protected by copyright, the Contractor shall grant the Client the exclusive right unlimited by time or place and transferable by the Client alone to use those work results in altered or unaltered form for all types of use (especially to reproduce them or have them reproduced and to distribute them) and to grant third parties rights of use for all types of use – at the sole and unlimited discretion of the Client.
7. The Contractor acknowledges that all technical, commercial and financial data, including the system operations and maintenance manuals, disclosed to the Contractor by Client as well as any information acquired in any manner by the Contractor by virtue of the Services rendered and Goods delivered to Client, except for information already in public domain is the confidential information of Client. The Contractor will safeguard Client confidential information in the same manner as it protects its own proprietary information, and shall not disclose any such confidential information to any third party and shall not use any such confidential information for any purpose other than as agreed by the parties. If the parties had previously signed any non-disclosure agreement, the terms of such non-disclosure agreement shall apply accordingly to the Contract. In case of conflict between these Conditions and the non-disclosure agreement, the more restrictive terms shall apply.
8. In addition, any commercial and/or technical information not in the public domain, especially such information as per Sections VI.4 and VI.5, which becomes known to the Contractor in the course of the business relationship shall constitute a trade secret of the Client and, therefore, be treated as confidential. Where trade secrets are disclosed in individual cases and solely with the written consent of the Client, the Contractor shall impose the obligations in this provision on the third party in the same way.

VII. Deadlines for delivery of Goods/Services

1. Agreed deadlines and time limits shall be binding.
2. Unless otherwise agreed, delivery terms shall be FCA (Incoterms® 2020) to the address specified in the purchase order.
3. In the event of failure to meet delivery deadlines for Goods/Services, the statutory provisions shall apply. To that extent the Client shall also be entitled to partial withdrawal from the Contract. It shall be of no consequence when determining overdue delivery whether or not the Contractor itself has been supplied on time.
4. In the event of overdue delivery, for every week or part thereof by which delivery is overdue the Client may claim a contractual penalty in the amount of 0.5% but not exceeding 5% of the contract value. An incurred contractual penalty may be claimed at any time up to the date of final payment. The Client's right to claim greater loss or damage shall be unaffected. The contractual penalty shall be offset against any compensation for overdue delivery payable by the Contractor.
5. The Contractor must notify the Client in writing without delay of any foreseeable delays to delivery of Goods/Services – whatever their cause – citing the expected length of the delay.
6. The agreed delivery deadlines for Goods/Services may be extended by up to a maximum of 6 months if force majeure events such as strikes or business disruptions of other kinds cause delays to the expected demand on the part of the

Client. The Contractor shall not be entitled to claims of any kind in such events. The right of withdrawal as per Section XV.1(a) shall be unaffected by the above.

VIII. Prices

1. The agreed prices are fixed prices. Unless otherwise agreed, they shall be taken as inclusive of packaging and delivery as per FCA Incoterms® 2020 to the address specified in the purchase order and exclusive of value-added tax at the applicable statutory rate if separately itemised on the invoice.
2. If the Contractor reduces its prices, the possibility of a price reduction for Goods/Services not yet supplied shall be agreed.
3. The costs of stamp duty and similar charges (if any) imposed by the relevant authorities under the applicable law shall be borne by the Contractor.
4. Prices are exclusive of goods and services tax, value added tax or any other similar tax ("VAT") payable in the Client's jurisdiction of incorporation but includes all other taxes, duties and levies. If VAT is chargeable in the Client's jurisdiction of incorporation, it will be separately identified on the invoice and will be payable by the Client subject to the Contractor's compliance with the applicable VAT laws and issuance of a VAT-compliant invoice.
5. Subject to Section VIII.3, the Contractor will be responsible for, and will indemnify the Client in full, from and against any and all taxes, duties, fines, penalties and interest thereon, imposed on the Client, or the Contractor, its personnel or any Affiliate of the Contractor/Client, by the government or other lawful taxing authority of any country for or on account of any payment made by the Client to or earned by the Contractor in connection with the supply of Goods and/or Services under the Contract.

IX. Payment

1. Unless otherwise agreed, payment shall be due within 90 days of completion of full delivery of the Goods/Services (including any agreed acceptance process) and receipt of a proper invoice.
2. In the event of bank transfers, the payment shall be deemed to have been received on time if the transfer mandate from the Client is received by the Contractor's bank before expiry of the payment deadline. The Client shall not be held responsible for delays caused by the banks involved in the payment process.
3. The Client shall be entitled to satisfy demands made in a currency other than euros by payment or offsetting in euros. The exchange rate shall be based on the definitive rate for the place of payment at the time of payment.
4. The Client shall have the right to offset or withhold payment to the extent allowed by law. Where required, the Client may withhold an amount of tax from the payment at the relevant withholding tax rate and in accordance with the laws of Malaysia. The Client shall remit the invoiced amount net of relevant withholding tax to the Contractor. The withholding tax so deducted shall be paid to the relevant tax authority and appropriate relevant supporting evidence will be provided to the Contractor.
5. Payments by the Client shall not constitute recognition of the Goods/Services supplied as compliant with the Contract.
6. Overdue payment shall not be deemed to have occurred unless prior written warning has been given.
7. If the Client should be in arrears with its payments, the Contractor may demand interest in the amount of five percent above the applicable base rate in each case.

X. Passage of risk/Retention of ownership by the Client

1. All details regarding the delivery destination of the Goods supplied shall be in accordance with Incoterms® 2020.
2. The risk of accidental loss or deterioration of the items shall pass to the Client on handover at the agreed place according to the agreed Incoterms® 2020 in the case of delivery and, in the case of delivery for installation or assembly and comparable Services, on acceptance at the place of installation/performance.
3. Where an acceptance process after handover has been agreed, it shall be definitive with regard to the passage of risk. In all other respects, the statutory requirements under work contract law shall apply in the case of an acceptance process.
4. Retention of ownership on the part of the Contractor which goes beyond simple ownership retention shall be excluded. Where the Contractor retains ownership of the Goods it supplies, such retained ownership shall apply only until full payment for the Goods supplied has been made unless the Client has already become the owner of the items concerned by way of processing, combination or mixing.

XI. Liability for defects

1. The Client's rights in the event of material and title defects shall be determined according to the statutory provisions (including in respect of the Contractor's obligation to update) unless otherwise specified below.
2. Under the statutory provisions, the Contractor is liable in particular where the Goods supplied are not free of material and title defects on passage of risk to the Client. The Goods supplied shall be deemed free of material defects if they meet the statutory requirements and in particular match the agreed characteristics at the point of passage of risk.
3. The agreement regarding the characteristics of the Goods supplied shall be formed in particular by the product descriptions, drawings, specifications and quality requirements or other descriptions approved or adopted by the Client which are the subject of the Contract concerned by virtue in particular of being specified or referred to in the purchase order or which have been included in the Contract in the same way as these Conditions. In that regard it shall be of no consequence whether the product description, drawing, specification or quality requirement originates from the Client, the Contractor, the manufacturer or another third party.
4. Unless otherwise specified in writing in individual cases, the agreed characteristics shall furthermore specify that the Goods supplied are new, of merchantable quality, unused, not reconditioned or manufactured from reconditioned materials and are suitable for use in accordance with the purpose specified in the purchase order. Where such a purpose is not agreed, the standard fitness for purpose owed under normal use shall be taken as agreed.

5. Notwithstanding statutory provisions, a material defect also exists in the event of an (exploitable) vulnerability in the software delivered.
6. Contrary to Section XXVIII.16(1) of the Sale of Goods Act 1957, the Client shall also be entitled to unlimited claims for defects where the defect was unknown to the Client at the time of contract conclusion due to gross negligence.
7. Unless otherwise agreed in writing (e.g. as part of the quality requirements), the Client's inspection obligations shall be limited to such defects as are easily identifiable during on-receipt inspection of the Goods by the Client in the course of external examination including inspection of the delivery documentation or during quality-checking of random samples (e.g. transit damage, incorrect or short deliveries). Where an acceptance process has been agreed there shall be no obligation to inspect. In all other respects it shall depend on the extent to which inspection is practicable in the normal conduct of business taking account of the circumstances of the individual case. The Client's obligation to raise a complaint in the case of defects discovered at a later date shall remain unaffected. In all cases, the Contractor shall refrain from objection against the Client on the grounds of late reporting of defects.
8. The following shall apply without prejudice to the Client's statutory rights: if the Contractor fails to meet its re-performance obligation – either by elimination of the defect (rectification) or supply of a defect-free replacement (re-supply) at the Client's choice – within an appropriate time limit set by the Client, then the Client may rectify the defect itself and demand reimbursement by the Contractor of the costs and expenditure required to do so and/or an appropriate advance. If re-performance by the Contractor has failed or is unreasonable for the Client (e.g. due to particular urgency, risk to operating safety or the need to avert occurrence of disproportionate loss or damage) no time limit need be set; in such cases the Contractor is to be informed without delay and if possible beforehand.
9. The Contractor shall be obliged to eliminate title defects within an appropriate time limit once claimed provided that the title defects are not attributable to the Client's failure to meet an undisputed payment obligation within the parameters of the purchase order concerned.
10. As part of rectification, the Contractor shall also be obliged to carry out any necessary tests and examinations on the Goods supplied and – where required – to ship and exchange the replacement Goods at its own expense.
11. In all other respects the Client shall be entitled in the event of material or title defects according to the statutory provisions to a reduction in the purchase price or to withdraw from the Contract. Furthermore, where the Contractor is culpable under the statutory provisions, the Client shall be entitled to compensation for loss or damage and expenditure.
12. Where the subject of the Contract is provision of a service or other work not related to the supply or manufacture of an object, the Contractor shall guarantee that performance of the service matches that of a proper commercial enterprise in accordance with the highest typical standards and methods in the industry.
13. Acceptance or approval of submitted patterns or samples shall not constitute relinquishment of the Client's warranty claims.
14. The Contractor shall be obliged to eliminate all defects occurring and reported during the limitation period for defect claims. The reporting of a defect in writing by the Client shall prevent expiry of the limitation period of claims in respect of a specific defect until such time as the defect is rectified. Such prevention of expiry shall, however, come to an end three months after receipt of a written declaration that the defect has been rectified or that no defect exists.
15. The limitation period for defect claims founded on a contract or on tort shall be six years from the date on which the applicable cause of action accrued.

XII. Quality management

Supply of the Goods shall be subject to the quality standard MTQ 5003. In addition, the supply of parts and components for the electronics in the Goods supplied shall also be subject to the quality standard MTQ 5012. To the cybersecurity of the Goods the MTQ 5014 quality standard applies. The MTQ 5013 quality standard applies beyond to the development and delivery of electronics and software. Furthermore, the general manufacturing and assembly specifications MMN 332 shall also apply. The standards are retrievable from https://www.mtu-solutions.com/eu/de/contact/purchasing/supplier-downloads.html via the link button General Quality Guidelines. The Contractor undertakes to fully comply with those standards. The Contractor is obliged to conduct suitable product safety training for all employees on a regular and ongoing basis and, upon request from the Client, to provide appropriate evidence of the implementation of such training.

XIII. Corrective measures and product liability

1. Where a public authority or government body that is responsible for market regulation of the Goods supplied informs the Client or the Contractor in writing that, or where the Client or the Contractor has reason to assume that, the Goods supplied
   a) contain potential safety risks or are capable of creating or causing dangerous situations including the risk of serious injury or death, or
   b) contain a deficiency, defect or other quality impairments, or
   c) do not meet the statutory or other applicable requirements and standards,
   d) and where for that reason it is a legal requirement or appears advisable or necessary to take appropriate corrective action, i.e. in particular to recall and/or repair/retrofit the supplied Goods in question, take them back, stop further sales or issue a public warning,

   the Contractor and Client shall inform each other without delay of the situation and the underlying facts and circumstances.
2. The Client shall be entitled to decide whether the corrective action concerned, in particular the recall of the supplied Goods concerned ("the recall operation") is appropriate where it is not already unavoidable due to a notification to

that effect from the competent public authority or other government body.

3. Where the corrective action is necessary due to legal requirements or if the Client decides that the corrective action is appropriate, the Contractor shall immediately draw up a plan or plans for implementation of the corrective action ("corrective action plans") which shall include all measures that are required and necessary according to the legal requirements or other regulations and standards and any public authority requirements applicable in the particular case concerned. The Contractor shall submit the corrective action plans to the Client for inspection and approval before they are implemented.
4. The Client and Contractor shall work together and jointly ensure that the corrective action plans are appropriate and acceptable to both Parties before they are implemented.
5. Should the Client be subject to a statutory or legitimate public-authority imposed time limit regarding the corrective action plans, the Client shall, contrary to Paragraph 4 of this Section, be entitled to independently implement corrective measures to ensure compliance with the time limit. Any expenditure or loss accruing to the Client as a result of delay of the corrective action plans owed by the Contractor shall be reimbursed by the Contractor.
6. The Client shall be entitled at any time to carry out any corrective measures or send any necessary communications to the competent authorities and government bodies itself. In such cases, the Contractor shall be obliged to cooperate with the Client accordingly and provide the latter with its full support. In particular, the Contractor shall be obliged to assist compliance with any legitimate information requests to the Client on the part of the competent public authority by fully supplying all necessary information within the required time limit.
7. Each Party shall consult the other Party in each case before passing any information about possible safety concerns or other specific details regarding the supplied Goods in question to the public, media or public authorities and government bodies. That consultation obligation shall not apply, however, if prior consultation would prevent notification as required by the statutory provisions being given in time. The Parties shall in any case notify each other without delay of any information disclosure regarding the contractual relationship and subject of the Contract to public authorities of any kind.
8. If the Contractor is responsible for a product failure and the associated expenditure, it shall be obliged to indemnify the Client against third party claims to the extent that the cause is within its own sphere of influence and organisation and the Contractor itself is liable for outside claims.
9. As part of its obligation to indemnify the Client, the Contractor shall reimburse the Client for any expenditure incurred by the Client arising from or in connection with corrective action taken by the Client. Such expenditure shall include in particular all costs for or as a result of inspecting the supplied Goods concerned, repairs or, where repairs are not possible, the replacement of Goods supplied, packing and shipping of recalled Goods supplied, identifying and notifying the customers affected and informing the public and the media where that is necessary. Further legal claims shall remain unaffected. Should the Client, with regard to a fault caused by the Contractor, receive product liability claims from third parties or be obliged to issue product warnings or recalls under the legal requirements applicable to the relationship with its customers, the Contractor shall indemnify the Client internally against any third party claims and be liable for all costs arising therefrom.
10. The Contractor shall be liable for costs incurred by the Client as a result of failure to meet the statutory obligation to take suitable precautionary risk prevention measures for which the Contractor is responsible.

XIV. Insurance

1. For the duration of contract fulfilment and a period of 10 years from delivery of the Goods supplied or completion of all service obligations under this Contract the Contractor shall be obliged to take out insurance at its own expense with renowned and solvent insurers (i.e. insurers with a minimum rating of A-VII or S&P A), in particular:
   a) business/product liability insurance with a sum insured of at least EUR5m per personal injury/property damage claim,
   b) property insurance covering replacement of all tangible assets owned, rented or leased by the Contractor or otherwise used by the Contractor in connection with fulfilment of the Contract and all tangible assets of the Client which are in the care of the Contractor,
2. All insurance policies referred to in this section must be designed in such a way that
   a) the cover provided is not subject to any additional conditions and also remains applicable where both Parties are liable,
   b) no excess or deductible is agreed,
   c) the Client and its associated companies, their executive organs, directors, other agents and staff/employees are specified as additional beneficiaries/insured parties in the event of insured loss/damage, and
   d) a recourse waiver in favour of the Client and/or its associated companies is provided for against all loss or damage that is covered by the insurance policies referred to in this section.
3. Where an insurance policy provides for the payment of an excess or deductible or where an excess or deductible is claimed against the Client, it shall in any case be charged to the Contractor or else the Client may demand corresponding reimbursement from the Contractor.
4. On appropriate request, the Contractor shall provide the Client with the insurance certificate(s) as proof of the provisions set out in Sections XIV. 1. and XIV. 2.
5. The Client shall not be under any obligation with regard to the insurance policies and corresponding insurance cover to inspect the same for compliance with the aforementioned requirements.
6. Where the Client accepts an insurance policy even though the aforementioned requirements are not satisfied, no conclusive relinquishment of compliance with the relevant obligations of the Contractor to obtain and maintain the aforementioned insurance cover shall follow therefrom.

XV. Withdrawal and termination

1. Notwithstanding the statutory rights of withdrawal or termination or any other claims, the Client shall in particular

be entitled to withdraw partially or completely from the Contract if:

a) the Client's demand is substantially reduced as a result of force majeure events such as industrial disputes, business disruptions for which it is not at fault, civil unrest, public authority action or unavoidable occurrences and the force majeure event lasts 6 weeks or more, or
b) the Goods supplied are intended for onward supply to a third party and the Contract does not come into effect for reasons for which the Client is not responsible, especially where insolvency or comparable proceedings are instituted against the third party's assets or the third party otherwise falls into financial decline or ceases trading.

2. The Client shall furthermore be entitled to terminate with immediate effect Contracts for which there is a statutory right of termination if:
   a) the Contractor is responsible for violating essential contractual obligations, especially its obligations under Sections VI.4, VI.6 and XIV.,
   b) the Contractor ceases trading or threatens to do so, or
   c) an application for commencement of insolvency proceedings against the Contractor's assets is filed or the Client receives a written credit rating report indicating that the Contractor is not creditworthy.
3. Unless otherwise agreed, the Client may terminate continuous debt relationships at any time at reasonable notice without the existence of any of the aforementioned reasons.
4. In addition to Sections XV.1 – XV.3, the Client shall be entitled, at any time by giving 14 days' prior written notice to the Contractor, to terminate the Contract for its convenience and without further obligation or liability in respect of all or part of the Goods and/or Services. In such an event, the Client shall pay a fair and reasonable sum for all accepted Goods and Services properly rendered at the date of the termination notice, provided such sum does not exceed the part of the price of the Contract corresponding to the accepted Goods and Services.

XVI. Subcontracts

The engagement or change of a subcontractor or the employment of outside or temporary staff by the Contractor shall require the Client's prior written consent. In all other respects the Contractor shall impose the same obligations on the subcontractor as the Contractor has entered into towards the Client. Moreover, the Contractor shall be liable for any fault on the part of its subcontractors/suppliers in the same way as for its own fault.

XVII. Stocking of parts/order fulfilment

The Contractor must ensure that stocks of parts/order fulfilment capability are maintained for the normal life of its Goods/ Services and in any case for at least 10 years from delivery of the Goods/ Services. Even where such an obligation no longer exists in respect of Goods/ Services supplied to the Client, the Contractor shall notify the Client of any intention to discontinue supply of the Goods/ Services long enough in advance to be able to supply sufficient parts for the Client to establish its own stocks.

XVIII. Assignment of receivables

The assignment of receivables arising from the contractual relationship shall be subject to the Client's prior written consent.

XIX. Rights of third parties

The Contractor shall ensure that no intellectual property rights or other third-party rights anywhere are contravened in connection with the Goods/ Services supplied or the intended use of the supplied Goods ordered. If a third party brings a claim for contravention of rights against the Client, the Contractor shall indemnify the Client against all claims and reimburse the Client for all expenditure incurred by the Client as a result of or in connection with the third-party claim provided the loss/damage caused originates from the Contractor's sphere of influence and organisation.

XX. Data protection

The Client shall be entitled to store, use, share, edit and delete personal data relating to the Contractor where necessary for the purposes of the Contract subject to the provisions of the German Data Protection Act, the EU General Data Protection Regulations and the Malaysian Personal Data Protection Act 2010

XXI. Declaration of origin

Where a declaration of the origin of Goods is required in order to obtain customs preferences, the Contractor shall submit the declaration correctly, completely and on time using the specified wording in which the precise designation of the Goods shall use the Client's own designation and article number – where a Client's article number exists.

XXII. Origin of Goods and preferences

1. Proof of preference entitlement

   In order to obtain preferential customs handling where it is possible, a Contractor domiciled in a country with which the EU has concluded a preference agreement (see www.zoll.de) must submit a valid declaration of origin or Goods movement certificate stating the precise designation of the Goods using our own designation and – if it exists – our article number. The Contractor shall be liable for any loss or damage arising from a wrongfully issued declaration of origin or Goods movement certificate.

2. Supplier declaration

   In order to provide – where possible – proof of origin status of the Goods it supplies, a Contractor domiciled the EU must submit a valid long-term supplier declaration with preferential origin status (see www.zoll.de) citing the precise designation of the Goods using our own designation and – if it exists – our article number. The Contractor should be aware that it may be subject to recourse for any loss or damage arising as a result of a wrongfully issued supplier declaration.

3. Country of origin

   The Contractor shall, where possible, state the country of origin (for trade policy purposes) on the invoice for each item number/article number. Otherwise the origin for trade policy purposes must be stated on another commercial document or by means of a supplier declaration or a certificate of origin referring to the Goods supplied.

XXIII. Occupational health & safety and environmental protection, REACH regulations and compliance with statutory provisions

The regulations on "Occupational Health & Safety and Environmental Protection, REACH Regulations and Compliance with Statutory Provisions", downloadable from https://www.mtu-solutions.com/eu/de/contact/purchasing/supplier-downloads.html via the link button Standard Terms and Conditions of Purchase Rolls-Royce Solutions Malaysia Sdn. Bhd. form an integral part of these Conditions. The Contractor undertakes to fully comply with those regulations.

XXIV. Product conformity of the delivery items/supplied Goods

1. Compliance with legal requirements

   The Contractor undertakes to comply with all applicable laws, technical regulations, standards, and other regulatory requirements in connection with the manufacture, delivery, marketing, and operation of the delivery items/supplied Goods. This includes, but is not limited to, the following obligations:

   a) The Contractor is obliged to ensure that the delivery items/supplied Goods comply with all legal and technical requirements with regard to their placing on the market, further use, and marketing in the EEA (European Economic Area) at the time of transfer of risk.

   b) If the use and marketing of the delivery items/supplied Goods in countries other than the member states of the EEA has been agreed with the Contractor, the items/supplied Goods must comply with all legal and technical requirements with regard to placing on the market, further use, and marketing in the agreed countries at the time of transfer of risk. If this is not possible in whole or in part, the Contractor must notify the Client immediately in writing.

   c) The Contractor shall ensure that all information, approvals, certificates, and declarations of conformity required for the use or marketing of the delivery items/supplied Goods in accordance with the legal and official requirements of the respective target markets are available and shall be made available to the Client without request at the latest upon transfer of risk.

   d) If necessary, the Contractor shall, at the request of the Client, provide all further technical documentation, risk assessments, and test reports required by the authorities or certification bodies in the respective countries, even after the delivery items/supplied Goods have been placed on the market.

   e) The Contractor is obliged to comply with all applicable statutory and contractual accident prevention and occupational safety regulations.

   f) The Contractor shall inform the Client in writing immediately, but no later than one week after the purchase order, if the delivery items/supplied Goods or their packaging are subject to legal restrictions on materials or information requirements (e.g., RoHS Regulation, REACH Regulation).

   g) The Contractor shall inform the Client in writing immediately, but no later than one week after the order, if the delivery items/supplied Goods are classified as dangerous Goods according to international regulations.

2. Conformity with Malaysia Product Safety Laws and Regulations

   a) The Contractor shall be obliged to ensure that the Goods supplied meet the safety standards and requirements imposed by the regulatory authorities in Malaysia, including but not limited to the following legislations, and the subsidiary legislations, regulations, directive and/or orders made by the regulatory authorities ("MY Regulations"): (i) mandatory safety standards prescribed under the Consumer Protection Act 1999 and the Occupational Safety and Health Act 1994; (b) safety mark registration requirements formulated by the Ministry of Domestic Trade and Cost of Living, and the Department of Occupational Safety and Health; and (c) national standards framework developed and/or adopted by the Department of Standards Malaysia under the Ministry of Investment, Trade and Industry.

   b) The Contractor shall send the Client and the regulatory authorities concerned the relevant documentation in that regard and shall accept any and all liability on the basis of those directives and standards which falls within the Contractor's area of responsibility.

3. Indemnification

   The Contractor undertakes to indemnify the Client in full against all third-party claims, damages, losses, or costs arising from fines, recalls, or other measures imposed due to the Contractor's failure to comply with the above obligations.

XXV. Export control and sanctions compliance

Our "Export Control and Sanctions Compliance" requirements, downloadable from https://www.mtu-solutions.com/eu/de/contact/purchasing/supplier-downloads.html via the link button Standard Terms and Conditions of Purchase Rolls-Royce Solutions Malaysia Sdn. Bhd. form an integral part of these Conditions. The Contractor undertakes to fully comply with those requirements.

XXVI. Countertrade transactions

The Client hereby draws the Contractor's attention to the fact that the purchase orders meet the criteria for offset realisation worldwide. Procurements carried out on the basis of the purchase orders are reported as offset by the Client or the Client's customer in the country of order. The Contractor undertakes to assist the Client to the best of its ability in connection with the recognition process and to meet the requirements for offset of the country concerned and its applicable offset policy. The Client's Offset Management unit shall provide the Contractor with the details of the country concerned and its offset policy.

XXVII. Anti-corruption and bribery clauses

1. The Contractor assures, guarantees and undertakes to the Client that neither it nor its associated entities:

   (a) have carried out or will carry out actions which constitute a contravention of ABC legislation (regardless of whether the Contractor is subject to the ABC legislation); or

   (b) have carried out or will carry out actions which could expose the Client or any of its associated entities to contravention of ABC legislation.

2. The Contractor hereby undertakes:

(a) in the course of fulfilment of its obligations under this Contract not to breach a confidentiality obligation owed to third parties; and

(b) not to offer or provide any prohibited information, regardless of whether it is specifically related to the subject of this Contract or not.

3. Regardless of other provisions of these Conditions, the Client may without prejudice to its statutory, contractual or equitability rights terminate this Contract immediately by written notice if the Contractor contravenes any of the Sections XXVII.1; XXVII.2; XXVII.4 or XXVII.6. Where such contravention can be rectified, the Client shall first allow the Contractor an appropriate period of time in which to rectify the contravention which shall not in any case exceed 2 weeks.
4. The Contractor undertakes to fully comply with the version of the Global Supplier Code of Conduct applicable at the time the Contract comes into force and downloadable from https://www.mtu-solutions.com/eu/de/contact/purchasing/supplier-downloads.html via the link button Supplier Guideline – Global Supplier Code of Conduct. The Contractor shall be obliged to send the Client a confirmation form obtainable from the same link.
5. Notwithstanding other provisions of these Conditions, the payments owed to the Contractor by the Client under this Contract or in connection with the subject of this Contract shall not be due where the Contractor has contravened one of Sections XXVII.1, XXVII.2, XXVII.4 or XXVII.6 until such time as it is established that the Client has not suffered any loss or damage as a result of the contravention. Where the Client has justifiable suspicion of a contravention or where a third party maintains that such a contravention has occurred, payment shall not be due until the Contractor has shown substantiated evidence and proven to the Client that the accusation is unjustified and no actual contravention against any of Sections XXVII.1, XXVII.2, XXVII.4 or XXVII.6 exists.
6. The Contractor assures, guarantees and undertakes that in relation to this Contract neither it nor its associated entities:
(a) have undertaken or will in future undertake any measures or activities; or
(b) have failed to undertake or will in future fail to undertake any measures or activities;
with the direct or indirect aim of aiding an instance of tax evasion.
7. Definitions:

"ABC legislation" means the applicable version of the United Kingdom Bribery Act 2010, the United States Foreign Corrupt Practices Act 1977 (15 U.S.C. Section 78dd-1, ff)) and the Malaysian Anti-Corruption Commission Act 2009 and any other legislation aimed at combating bribery and corruption which is applicable to the subject of this Contract.

"Public official" means any person who: (i) is a foreign public official as defined by the applicable version of the United Kingdom Bribery Act 2010; (ii) a foreign official as defined by the applicable version of the United States Foreign Corrupt Practices Act 1977 (15 U.S.C. Section 78dd-1, ff)); or (iii) a foreign public official as defined by the applicable version of the Malaysian Anti-Corruption Commission Act 2009.

"Control" means the ability to directly or indirectly: (i) have control over more than 50% of the shares with normal voting rights for the election of executives (or persons with similar roles) of the legal entity concerned; or (ii) determine the way in which the legal entity is managed and the guiding principles of the legal entity or to bring about such determination whether by contract or other means; "controlling" and "being controlled" shall be interpreted accordingly.

"Prohibited information" means any information irrespective of whether it is provided in written, verbal or any other form, which the Contractor is not entitled to possess or use in connection with this Contract. That shall include but not be limited to any information from confidential quotations, quotation terms or contractual and pricing terms of a competitor.

"Associated entities" refers to:

- all associated companies of a Party, or
- all directors and executive organs, employees or representatives of a Party or its associated companies, or
- all other persons who act on behalf of the Party or its associated companies.

"Associated company" when applied to a legal entity means any other legal entity which the first-named legal entity controls, is controlled by or with which it is jointly controlled.

XXVIII. Human rights, environmental protection, social responsibility and sustainability

1. The Contractor hereby makes an undertaking to the Client that in its actions in its own area of responsibility for the fulfilment of this Contract with the Client it will at all times throughout the contractual relationship with the Client until precise specification in writing of the applicable protected resources and risks as per Section XXVIII.2., which shall then take precedence, comply with the standards set out in the Rolls-Royce Power Systems ESG Code ("ESG Code") downloadable from https://www.mtu-solutions.com/eu/de/contact/purchasing/supplier-downloads.html via the link button ESG Code. The standards defined in the ESG Code form an integral part of these Conditions. The Contractor's own area of responsibility encompasses all activities by the Contractor at home and abroad which are necessary for the fulfilment of the contractual obligations to the Client; that includes in particular all operations from the extraction of raw materials to the point of delivery of the products or provision of the service.
2. The Client will carry out regular and event-based risk analyses in respect of the Contractor in accordance with the requirements of the German Supply Chain Duty of Care Act (*Lieferkettensorgfaltspflichtengesetz*, LkSG). Where changes in human rights or environmental legislation expectations placed on the Contractor in order to achieve the aims of the LkSG arise therefrom, e.g. due to changes in the risk situation, the Client shall notify the Contractor in writing. The Contractor shall then be required to take appropriate measures within a reasonable period of the notification, as a rule no more than one month from receipt, in order to satisfy such changes in expectations. The above clauses of this paragraph shall apply accordingly where the

Client adapts the ESG Code where necessary in order to safely guarantee a sufficiently appropriate standard of protection with regard to the protected human-rights and environmental resources within the supply chain. Adaptation shall be necessary in particular where such adaptation has been identified by the Client on the basis of new knowledge and must be implemented in order to comply with the requirements of the LkSG.

3. If the Client notifies the Contractor in accordance with Section XXVIII.2. of applicable human-rights or environmental legislation expectations, the Contractor must require its employees and immediate subcontractors (i.e. its direct contracting parties in the supply chain) to comply with those standards or other standards which in all respects ensure at least a comparable level of protection regarding the protected resources of which it has been notified by the Client. The Contractor must furthermore make efforts to ensure compliance with those standards as far as possible in its relations with indirect suppliers (i.e. companies in the supply chain which are not its direct contracting parties) by means of appropriate measures, e.g. by agreeing obligation transfer clauses with its direct subcontractors.
4. The Contractor shall inform the Client in writing on request and unprompted as and when required if the risk situation has changed – especially in the event of indications of risks or breaches of the expectations specified in Section XXVIII.1 or notified in writing by the Client in accordance with Section XXVIII.2 in connection with the activities of the Contractor – about the implementation of its obligations in the preceding reporting period. The report must provide an overview of all significant developments and occurrences in that area, describe the measures taken where applicable and, in particular, list the instances in which there were/are difficulties in the process of implementation. The Contractor must inform the Client in writing without delay on discovery of any significant occurrences, especially difficulties in compliance with the standards as per Section XXVIII. 1. or the notified expectations as per Section XXVIII. 2. in its own area of responsibility or when addressing the expectations in the supply chain. The Contractor must provide the Client in text form without delay on request with all necessary information justifiably requested by the Client for verifying the standards specified in Section XXVIII.1 or notified in accordance with Section XXVIII.2 along the supply chain and for verifying compliance with the Contractor's obligations. In particular, that may include information about the region concerned, the value added chain, the persons involved and the area of the environment concerned, the causes and the economic activity of the Contractor in connection with the risk or breach as well as audit and certification documents relating to business premises of the Contractor or its subcontractors, where they exist. The legitimate interests of the Contractor and observance of the rights of employees, especially with respect to data protection and the protection of trade secrets must be safeguarded in the report. The same shall apply to breaches by the Contractor's suppliers. To that end the Contractor may in particular summarise affected trade secrets in a suitable manner in order to protect them. In individual cases, the Client and the Contractor may also agree appropriate confidentiality arrangements.
5. The Client may at its own expense audit the Contractor in the event of indications of risks or breaches of the standards as per Section XXVIII.1. or the notified expectations as per Section XXVIII.2. in connection with the activities of the Contractor for compliance with the obligations under the present Section XXVIII. The auditing shall be carried out during the Contractor's normal hours of business and, for the purposes of effective monitoring, should not be announced in advance by the Client. The Contractor must grant the Client access to all documents, areas of the business and premises relevant to the audit and cooperate with the Client in the best possible way for the purposes of the audit. In the course of the audit, the Client shall take appropriate account of the Contractor's legitimate business interests and the demands of data protection. In addition, the Client shall be obliged to maintain secrecy from third parties regarding the subject and results of the audit. The Client may employ a third party to carry out the audit, in which case it must protect the legitimate business interests of the Contractor and the demands of data protection, e.g. by concluding appropriate confidentiality agreements with the third party.
6. In the event that notified risks and expectations as per Section XXVIII.2 are identified or there are breaches of the standards as per Section XXVIII.1. or the notified standards as per Section XXVIII.2 the Contractor must cooperate with the Client in order to prevent, bring to an end or minimise the same and ensure compliance of the Contractor with its obligations to meet the standards in its own area of responsibility and the greatest possible level of compliance with the standards along the supply chain by the exercise of due diligence. In response to events where the risk situation has changed, the Contractor in the person of a suitable number and suitable group of employees shall take part in (online) training courses provided free of charge to the Contractor by the Client which are aimed at preventing breaches of human-rights and environmental obligations.
7. The Contractor shall advise its employees and subcontractors of the availability and anonymous nature of the Client's whistleblower system and require them to inform their employees and subcontractors along the supply chain of the existence and manner of operation of the whistleblower system accessible via the link https://secure.ethicspoint.eu/domain/media/de/gui/17304/index.html. The Contractor hereby undertakes not to take disadvantaging or disciplinary measures against whistleblowers in connection with the use of the whistleblower system and to promote an open speak-up culture, in particular with regards to any value-oriented and product safety-relevant concerns.
8. If the Contractor breaches its obligations as set out above in the present Section XXVIII or if a breach is imminent, the Contractor must immediately cooperate with suitable remedial measures in order to prevent, bring to an end or minimise the extent of the breach. As far as possible the Client shall in the first instance allow the Contractor the opportunity to work with the Client to immediately set up a binding timetable for averting, bringing to an end or minimising the breach or risk and to implement it together with the Client. If setting up such a timetable is evidently unsuitable for averting, bringing to an end or minimising the breach or if such a timetable is not immediately set up by

the Contractor or implementation of it fails, the Client may suspend the business relationship until the Contractor has brought the breach to an end. In addition, the Client shall have the right where the statutory conditions exist to extraordinary termination of the contractual relationship with the Contractor without notice for good reason. Such good reason shall exist in particular in the event of (a) a serious culpable breach or (b) repeated culpable breaches against the aforementioned obligations or (c) culpable failure to rectify a breach within a time limit set for rectification or (d) culpable refusal of an audit in accordance with the provisions above. The Client shall share an appropriate proportion of the costs of the remedial measures, which shall be decided by mutual agreement with the Contractor and the amount of which shall be determined in particular by the financial, technical and human resources concerned in each case, the degree of influence of the Parties over the direct originator of the breach and the nature of the Parties' own contribution to the cause. If the Parties are unable to agree on the amount, the Client shall determine the amount at its own discretion according to the aforementioned criteria (§ 315 BGB).

9. The Contractor must indemnify the Client against all third-party claims and demands including from public authorities or other government agencies and especially penalties, fines or comparable sanctions that may be imposed on the Client where such third-party claims or demands are based on or justified by culpable breaches by the Contractor of its obligations under Section XXVIII. or the notified expectations as per Section XXVIII. 2. The above shall not affect compensation claims by the Client.

XXIX. Support obligations of the Contractor

The Contractor shall be obliged to support the Client in the fulfilment of its reporting obligations to public bodies and authorities as well as to other third parties. In this context, the Contractor shall, at the request of the Client, provide the data required by the Client in the required scope and format in a timely and complete manner. This applies in particular, but not exclusively, to sustainability-related reporting obligations to be fulfilled by the Client with regard to life cycle analyses (LCA), environmental product declarations (EPD) – e.g. within the framework of the Ecodesign for Sustainable Products Regulation of the EU 2024/1781 - and/or the Carbon Border Adjustment Mechanism (CBAM) Regulation of the EU 2023/956 and the Corporate Sustainability Reporting Directive of the EU 2022/2464. The Contractor shall be liable for the accuracy and completeness of the data it provides.

XXX. Severability clause

Should any provision of these Conditions prove to be inapplicable or become so in the future either in whole or in part, it shall not affect the applicability of the remaining provisions. If an inapplicable clause or part thereof is not replaceable by the optional rule then the Client and Contractor shall be obliged to replace the inapplicable provision or part thereof by one which most closely approximates to their mutual interests as expressed in these Conditions.

XXXI. Venue, court of jurisdiction and applicable law

1. The purchase order, including these Conditions, and all legal relationships between the Client and the Contractor shall be governed by and construed in accordance with the laws of Malaysia to the exclusion of the UN Convention on the International Sale of Goods (CISG).
2. Any dispute or claim arising from or in connection with Goods or Services supplied under this Contract or the breach, termination or invalidity thereof shall be settled, in so far as is possible, by mutual consultation and consent. If the Parties are unable to reach mutual consent and/or the dispute is not resolved within thirty days after receiving the notice in relation to the dispute by either party, the dispute shall be finally resolved by arbitration administered by the Asian International Arbitration Centre (AIAC) in accordance with the AIAC Arbitration Rules for the time being in force, which rules are deemed to be incorporated by reference in this Section XXXI.
3. The Parties shall jointly agree on the appointment of an arbitrator. The seat of arbitration shall be Kuala Lumpur, and the arbitral proceedings shall be conducted using the English language.
4. The award of the arbitrator shall be final and binding upon the Parties hereto and enforceable by any court of competent jurisdiction, and no party shall seek redress against the other in any court or tribunal except for purposes of obtaining execution of the arbitral award.
5. Nothing in this provision shall preclude the making of an application to any court for specific performance, injunctive relief and any claim, remedy or relief awarded by the arbitrator if either Party obliged to perform in full its obligations under the arbitration award has failed to do so in accordance with the terms of the said award.
6. For the avoidance of doubt, the performance of the obligations by the parties under this Contract shall continue during any arbitration proceedings.