



Standard Terms and Conditions of Purchase

I. General

1. Unless otherwise agreed in writing by the Rolls-Royce Power Systems Group company placing the order (named in the footer hereof) (hereinafter referred to as "We", "Us" or "Our") and the contractor identified in the relevant order (hereinafter referred to as the "Contractor"), these Standard Terms and Conditions of Purchase ("Conditions") shall apply to all goods and services ordered by Us. These Conditions shall apply to the exclusion of all other terms and conditions (including without limitation any terms and conditions contained in any other purchase order, acknowledgement, acceptance or confirmation of order, delivery note, invoice or similar document and any terms and conditions which may otherwise be implied by trade, custom, practice or course of dealing), even if We accept goods/services without reservation, despite being aware of terms of the Contractor which are inconsistent or which deviate from these Conditions.
2. These Conditions, as amended by Us 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 these Conditions.
3. In these Conditions, the "Rolls Royce Power Systems Group" means Rolls-Royce Solutions UK Ltd and its subsidiaries, holding companies and any of their respective subsidiaries.
4. Our General Specifications for Deliveries, which are available for download on Our website at <https://www.mtu-solutions.com/eu/en/contact/purchasing/supplier-downloads.html> under the button Standard Terms and Conditions of Purchase Rolls-Royce Solutions UK Ltd, East Grinstead (United Kingdom) are incorporated into and shall be an integral part of these Conditions.

II. Formation of contract

1. We may submit orders to the Contractor for the purchase of goods/services on these Conditions by issuing a purchase order to the Contractor.
2. The Contractor shall confirm acceptance of Our order in writing without undue delay (using the order confirmation attached to the purchase order if available) unless We waive this requirement. A contract for the supply of goods and/or services by the Contractor to Us on these Conditions ("Contract") will be formed when We receive the Contractor's written order confirmation. If the Contractor's order confirmation deviates from Our order, We will only be bound by the deviations if We have consented to the deviations in writing. The acceptance of goods/services or payment for same shall not constitute consent.
3. We may revoke an order at any time prior to Our receipt of an order confirmation from the Contractor.
4. Orders for goods/services and any amendments or supplements thereto must be executed in writing. Oral collateral agreements shall not be recognized.
5. We reserve title to and copyright and other intellectual property rights in any illustrations, drawings, calculations, models, matrices, tools, templates devices, samples or other items or documents We may provide to the Contractor for the purpose of preparing a quote or executing an order. The Contractor shall insure all the aforementioned items or documents against general risks (including without limitation fire, storm, etc.) at its own expense.
6. The documents or items set out in clause II.5 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

Contract 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. Modifications

We may, to the extent reasonable request modifications to the design or method of manufacture 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.

IV. Drawings and sketches

1. If We approve any drawings or sketches of the Contractor, this shall be understood as a mere courtesy on Our part which is in no way binding on Us and does not release the Contractor from its duty to comply with and satisfy all requirements mandated by law or reduce or otherwise affect the Contractor's obligations under the Contract.
2. CAD and Office data shall be delivered in a form compatible with the systems We employ at the relevant time.

V. Labeling requirements

1. The Contractor shall quote the order number and item or material number in the order confirmation (where an order confirmation is agreed) and in all other written correspondence.
2. Each consignment shall be delivered with one delivery note enclosed with the shipping documents and one delivery note affixed to the package. In addition to the aforementioned information, the delivery notes shall include the date of dispatch, the type of packaging, a description of the goods, the quantity and weight of the consignment (gross and net weight) as well as the delivery address (site and unloading point). Invoices shall not constitute delivery notes. Details are stipulated in the General Specifications for Deliveries.
3. In addition to the order number and item or material number, in-invoices must include a goods description, the quantity, the price per unit and number and date of the delivery note. Any value added tax included in the price must be shown as a separate item. Invoices may relate to no more than one order and will contain the relevant purchase order number of that order.
4. The Contractor shall bear any costs incurred by Us as a result of failure to comply with this provision.

VI. Provision of Material, documents, etc., confidentiality

1. Materials (including without limitation drawings, models, matrices, tools, templates, samples or similar items) or parts ("Material") provided by Us, including all intellectual property rights therein, shall remain Our sole property at all times.
2. The Contractor shall keep any Material We provide to it separate from other materials, label it such that it remains readily identifiable as Our property and store it with the care of a skilled professional in compliance with the highest standards and methods customary in the industry and at the Contractor's risk. The Contractor 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. We may, at any time before, on or after termination of the relevant Contract, enter onto the



Standard Terms and Conditions of Purchase

Contractor's premises to recover any Materials and, where any Materials are stored on a third party's premises, the Contractor will procure Us access for the same.

3. Any processing or altering of Materials by the Contractor shall be performed on Our behalf.
4. Where drawings, models, matrices, tools, templates, samples or similar items are developed by the Contractor with substantial assistance from Us (tests, etc.), or have been manufactured by the Contractor 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 Contractor shall keep and carefully store all items of this nature in operating condition.
5. If the Contractor has developed and/or manufactured parts or other items (including without limitation software, etc.) for Us using Our specifications or documentation, the Contractor may not supply such parts or items to third parties or use them in the manufacture of products for third parties without Our written consent.
6. Where We disclose Confidential Information to the Contractor, the Contractor will (a) only use the Confidential Information for the purpose of performing its obligations and exercising its rights under the relevant Contract; (b) keep the Confidential Information secret, safe and secure; and (c) not disclose the Confidential Information to any other person without Our prior written consent (in which case the Contractor shall impose confidentiality obligations on the relevant third party that are at least equivalent to this clause VI.6). The Contractor may disclose Confidential Information to the extent required by law, by an order of a court of competent jurisdiction or as required by any securities exchange, listing authority, governmental or regulatory authority, provided that, to the extent that it is lawful to do so, the Contractor notifies Us in writing in advance of the circumstances and content of the proposed disclosure and cooperates fully with Us in any proceedings brought by Us to challenge or dispute any requirement or request to make such disclosure.
7. For the purposes of clause VI.6, "Confidential Information" means (i) any information that relates to Us or the Rolls-Royce Power Systems Group or the business of either of us and which is disclosed by Us or on our behalf to the Contractor or any of its representatives and (ii) any trade secret disclosed by Us or on our behalf to the Contractor or any of its representatives where We or a Rolls-Royce Power Systems Group company is the trade secret holder, but in each case excluding information that (a) is at the relevant time in the public domain (other than by virtue of a breach of this clause VI); (b) was received by the Contractor from a third party who did not acquire it in confidence; or (c) is developed by the Contractor without any breach of these Conditions.
8. The Contractor acknowledges and agrees that damages alone would not be an adequate remedy for breach clause VI.6 by it. Accordingly, We will be entitled, without having to prove special damages, to equitable relief (including without limitation injunction and specific performance) and to all remedies of a trade secret holder for any breach or threatened breach of clause VI.6.

VII. Freight and packaging

Rolls-Royce Solutions UK Ltd

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

VIII. Delivery/performance dates

1. Agreed dates and periods for delivery are binding. The date on which the goods arrive at the specified delivery address shall be controlling for determining compliance with delivery dates/periods. We may terminate the Contract (in whole or in part) in respect of the goods/services not provided in due time, including without limitation where not delivered in accordance with agreed dates and periods for delivery. For the purposes of determining whether a default in performance exists, it is irrelevant whether the Contractor receives its own supplies on time.
2. In the event of delay, We may charge liquidated damages of 0.5% of the order value for each week or part thereof by which the agreed delivery/performance date is exceeded up to a maximum of 5% of the order value in aggregate. This clause VIII.2 is without prejudice to Our other rights and remedies in respect of such later delivery/performance and We reserve the right to assert claims for any further loss or damage.
3. The Contractor may not deliver goods/services by separate instalments unless We give Our prior written consent to this. If We give such consent, the Contractor will invoice the price for each instalment separately in accordance with clause X and We will be entitled, at Our sole discretion, to exercise Our rights and remedies (whether under these Conditions or otherwise) in respect of the relevant instalment or the whole order.
4. The Contractor shall notify Us in writing without undue delay of foreseeable delays in the provision of goods or services and advise Us of the anticipated duration of any such delay.
5. Where delays are attributable to any war, insurrection, riot, act of terrorism, lightning, earthquake, fire, flood, storm or extreme weather condition that (i) is beyond the reasonable control of the Contractor; (ii) could not have been reasonably foreseen by the Contractor at the time of conclusion of the relevant order; and (iii) the effects of which could not reasonably have been avoided or overcome by the Contractor (a "**Force Majeure Event**"), the Contractor shall notify Us of the occurrence of such Force Majeure Event and provide evidence of its existence within 7 days of its occurrence. The Contractor shall, at its own expense, do everything in its power to perform the relevant Contract on time, despite the existence of Force Majeure Event. If it is highly likely that a delay will continue for more than one month, particularly because the Contractor notifies Us that it will not be able to deliver any earlier than that, We may terminate the relevant Contract (in whole or in part).
6. We may postpone the agreed dates for the delivery/performance of goods/services by the Contractor by up to six months if the anticipated need for the goods/services is deferred. Any such postponement shall not give rise to any claims on the part of the Contractor. The foregoing shall not affect the right of termination under clause XVI.





Standard Terms and Conditions of Purchase

7. To the extent reasonable in the individual case, We will accept early delivery/performance. However, the agreed periods for payment shall still commence on the previously agreed delivery/performance date or subsequent invoice date. The Contractor shall bear any warehousing costs We incur as a result of taking delivery early.

IX. Prices

The agreed prices are fixed prices and include all costs incurred up to the agreed unloading point (with the exception of value added tax at the applicable statutory rate). Where it has been 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 Contractor reduces its prices, the possibility of a price reduction for goods/services not yet provided shall be discussed.

X. Payment

1. Unless otherwise agreed, payment shall be due within 90 days of receiving the goods/services and the invoice in respect of those goods/services (whichever is later).
2. We may render payment in the form of Our choice, particularly including payment by cheque. The date of payment shall be the date on which the payment was sent. Cash on delivery arrangements are not permitted. We shall not be deemed in default of payment unless (i) We have already received a written notice from the Contractor notifying Us of such non-payment; and (ii) We fail to make payment within 30 days of such notice.
3. We may pay in GBP or offset an amount in GBP in order to satisfy claims denominated in a currency other than GBP. The relevant exchange rate shall be the exchange rate applicable in the place of payment at the time of payment.
4. If a party takes or has taken against it any step or action towards it entering bankruptcy, administration, provisional liquidation or any composition or arrangement with its creditors, applying to court for or obtaining a moratorium under Part A1 of the Insolvency Act 1986, being wound up (whether voluntarily or by order of the court), being struck off the register of companies or having a receiver appointed to any its assets (or any equivalent procedures anywhere in the world) (at which point that party will be “**Insolvent**”), 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. Payments remitted by Us may not be construed as an acknowledgement on Our part that the goods or services are conforming.
6. We have the right to reject any invoices or delivery documents which are late, incorrect or incomplete. If a legitimate rejection on Our part causes a delay in processing in the normal course of business, the payment periods specified in clause X.1. shall be extended for the period of any such delay.
7. We will be entitled to set-off any liability which the Contractor has to Us against any liability which We have to the Contractor, whether such liability is present or future, liquidated or unliquidated, under the relevant Contract or any other contract between the parties or other cause of action.

XI. Transfer of risk / title

Rolls-Royce Solutions UK Ltd

1. All information as to the place of delivery of the goods is based on the applicable Incoterms 2010 rule, and the delivery point, each as specified in the relevant order.
2. For delivery-only orders, risk shall pass in accordance with the agreed terms of delivery, or alternatively (where no such agreement is made) upon receipt of the goods at the place of delivery. For orders involving other services provided by Us (such as installation or assembly), the risk shall pass upon the completion of such installation, assembly or other services.
3. Full legal and beneficial ownership of goods will pass to Us on delivery.
4. If in the course of performing the Contract, the Contractor 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 or purpose 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.

XII. Liability for defects

1. This clause XII is without prejudice to Our statutory rights in the event of defects in title or defects in quality of the delivered goods (including without limitation in the form of incorrect or short deliveries, improper assembly or faulty instructions for assembly, operation or use) or other breaches of duty by the Contractor.
2. Those product descriptions, drawings, specifications, quality standards and other descriptions approved or accepted by Us, which form the subject matter of the relevant Contract by virtue of having been designated or referred to in the order or which were incorporated into the Contract in the same manner as these Conditions shall in particular be deemed to stipulate agreed quality and features. In this regard, it is irrelevant whether the product descriptions, drawings, specifications or quality standards stem from Us, the Contractor, the manufacturer or any other third party.
3. The Contractor shall ensure that the goods are new, of satisfactory quality, free from defects in materials, workmanship and/or (unless the goods are designed by Us) design, not used, not recycled or made of recycled material and that they are fit for any particular purpose specified in the order, held out by you or made known to you expressly or by implication.
4. Without prejudice to any of Our other rights or remedies (whether express or implied), if any goods do not conform with any of the terms of the Contract We may, whether or not the goods have been accepted, (i) require the Contractor, at Our option, to promptly repair or replace the relevant goods free of charge or to refund the price for the relevant goods; or (ii) terminate the Contract immediately by giving written notice to that effect to the Contractor and, in either case, We will be entitled to recover from the Contractor any and all liabilities, losses, damages, costs and expenses incurred by us as a result of the non-conformity of the goods, including in obtaining substitute goods from another supplier or remedying any defect.
5. In effecting cure, the Contractor shall also conduct any necessary inspections of the delivered goods and – where necessary – arrange for shipping and replacement of the defective parts at its own expense.



6. In effecting cure, the Contractor shall, at Our request and at its own expense, conduct any and all tests necessary to verify that the Contractor's performance is conforming to contract as required hereunder.
7. Where the deliverable constitutes a service or other performance not related to the delivery or manufacture of goods, the Contractor warrants that the manner and scope of performance shall reflect that of a skilled professional in compliance with the highest standards and methods customary in the industry.
8. Our acceptance or approval of any samples or specimens presented may not be construed as a waiver of any warranty claims on Our part.
9. The limitations period for claims based on a specific defect shall be paused when We report the defect in writing, and shall remain paused until three months after the receipt of a written notice stating that the defect has been remedied or does not exist.
10. Unless otherwise agreed, claims based on defects shall lapse when the statutory limitations period expires. The limitations period shall commence anew for exchanged or replaced parts.

XIII. Quality management

Quality assurance standard MTQ 5003 applies to deliveries of contract products. Quality assurance standard MTQ 5012 also applies to deliveries of contract products with electronic parts and components. The Standard Production and Assembly Specifications MMN 332 also apply. The standards are available at <https://www.mtu-solutions.com/eu/en/contact/purchasing/supplier-downloads.html> under the button General quality guidelines.

XIV. Product recall/ product liability

1. Where an authority or government agency with the power to order a recall of the delivered goods has notified Us or the Contractor in writing that, or We or the Contractor 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) must, to the extent deemed advisable or necessary on these grounds, be recalled and/or repaired;

We and the Contractor will immediately appraise 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 ordered by the competent authority or government agency or where We decide that a Recall is appropriate, the Contractor 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 statutory provisions or other requirements and standards applicable in the specific case. The Contractor will present the Plans for Corrective Measures

to Us for Our review and approval prior to their implementation.

4. We and the Contractor 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 Contractor 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 statutory or other applicable requirements and provisions for which the Contractor is responsible (including, without limitation, under clause XII), the Contractor will:
 - a) 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; and
 - b) indemnify Us against all losses, liabilities, costs (including, without limitation, all costs for or due to examinations of the delivered goods concerned, of repairing or, where repair is not possible, replacing delivered products, of packaging and shipping of recalled delivered products, of identifying and notifying affected customers and of notifying the public and the media), damages and expenses that We do or will incur or suffer, all claims or proceedings made, brought or threatened against Us by any person and all losses, liabilities, costs (on a full indemnity basis), damages and expenses We do or will incur or suffer as a result of defending or settling any such actual or threatened claim or proceeding, in each case arising out of or in connection with the Recall.
7. 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.

XV. Insurance

1. The Contractor shall take out and maintain for the term of contractual performance plus a period of 10 years following delivery of the goods or satisfaction of all performance obligations hereunder insurance from reputable and solvent insurers (i.e., insurers with a minimum rating of A-VII or A (S&P)) at its own expense, including, without limitation:
 - a) business/product liability insurance with minimum coverage of GBP 5 million per claim;
 - b) property insurance covering all tangible assets owned, leased or otherwise used by the Contractor in connection with contractual performance and for all tangible assets of Ours held in the Contractor's custody.
2. 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.

3. Where an insurance policy provides for the payment of a deductible or where claims are asserted against Us for payment of a deductible, the Contractor shall in any case be liable for satisfaction thereof or We may request that the Contractor compensate or indemnify us accordingly.

4. Upon request, the Contractor shall submit to Us the insurance certificate(s) as proof of the terms stipulated in this clause XV. nos. 1./2.

5. We are under no obligation to verify that the insurance policies and corresponding insurance coverage meet the aforementioned requirements.

6. 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 Contractor's obligations to obtain and maintain insurance coverage as set out above.

XVI. Termination

1. We may terminate the Contract (in whole or in part) if:
 - a) We have substantially less demand as a result of industrial disputes, interruptions to operations for which We are not responsible, riots and unrest, regulatory action, unavoidable events or other events or circumstances beyond Our reasonable control; 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 assets of the third party, or the third party otherwise suffers financial collapse or discontinues operations.
2. We are further entitled to terminate the Contract (in whole or in part) with immediate effect if:
 - a) the Contractor is responsible for the breach of a material contractual obligation (including, without limitation, any breach of condition pursuant to clause II. nos. 5 and 6) or a material breach of any contractual obligation;
 - b) the Contractor discontinues its operations or threatens to do so; or
 - c) the Contractor becomes Insolvent, or We receive a written credit report indicating that the Contractor is not creditworthy.
3. We may, on two weeks' notice, terminate a Contract (in whole or in part) at any time even where none of the aforementioned grounds exist.
4. In the event of termination of an order prior to delivery, We will pay for completed parts of goods and services that are free of defects on a pro rata basis. We will pay for uncompleted parts subject to a maximum profit of 4%.

XVII. Subcontractors

The Contractor 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 Contractor shall otherwise impose the same obligations on any subcontractors as those it has assumed in its relationship with Us. The Contractor shall furthermore be liable for the acts or omissions of its

subcontractors/suppliers as it would be for its own acts or omissions.

XVIII. Stocks / product availability

The Contractor guarantees to keep its goods/services in stock/have them available for their normal lifespan, but for at least 10 years from the date of performance of the relevant order. Even in cases where such an obligation has expired in respect of goods/services provided to Us, the Contractor 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.

XIX. Assignment of claims

Any assignment of, or other dealing with, the Contractor's rights under a Contract is subject to Our written approval.

XX. Third party claims

If any person claims that the possession and/or use and/or sale of the goods by Us and/or Our customers, officers, employees, agents or sub-contractors infringes the Intellectual Property Rights of that or any other person ("IPR Claim"), the Contractor will indemnify Us and Our customers, officers, employees, agents and sub-contractors against all losses, liabilities, costs, damages and expenses that We or Our customers, officers, employees, agents or sub-contractors do or will incur or suffer, all claims or proceedings made, brought or threatened against Us, our customers, officers, employees, agents or sub-contractors by any person and all losses, liabilities, costs (on a full indemnity basis), damages and expenses We or Our customers, officers, employees, agents or sub-contractors do or will incur or suffer as a result of defending or settling any such actual or threatened claim or proceeding, in each case arising out of or in connection with that IPR Claim. The indemnity in this clause XX will not apply to the extent that an infringement is caused by any specification for the goods which is We create.

XXI. Data protection

We may store, transmit, modify and delete personal information about the Contractor in accordance with the provisions of the Data Protection Act 2018 and the UK General Data Protection Regulation provided this is necessary in connection with exercising Our rights or performing Our obligations under these Conditions.

XXII. Declaration of origin

To the extent that a declaration of origin is necessary in order to obtain tariff preferences, the Contractor 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.

XXIII. Origin of goods and preferential treatment

1. Proof of preferential treatment

If the Contractor is based in a country with which the EU has a preferential trade agreement (see www.zoll.de) the Contractor must, in order to benefit from preferential customs tariffs, submit where possible a valid certificate of origin or a movement certificate on which the goods are exactly specified using our own designation and – where available – item number.

The Contractor is reminded that it may be taken into recourse for any damage that results from certificates of origin or movement certificates that have been wrongfully or incorrectly issued.

2. Supplier's declaration

As proof of the origin of the goods to be supplied by it, if the Contractor is the EU-based the Contractor must – insofar as possible – issue a valid long-term supplier's declaration with preferential origin status (see www.zoll.de). The goods must be exactly specified on this declaration using Our own designation and – where available – item number.

The Contractor is reminded that it may be taken into recourse for any damage that results from a long-term supplier's declaration that has been wrongfully or incorrectly issued.

3. Country of origin

The Contractor must – insofar as possible – indicate the country of origin (trade-policy place of origin) next to each item number or material number appearing on the invoice.

The Contractor is reminded that it may be taken into recourse for any damage that arises due to false indication of the country of origin. Otherwise, the indication of the trade-policy place of origin must be declared on a separate commercial document or via a supplier's declaration or a certificate of origin with reference to the consignment.

XXIV. Occupational health and safety and environmental protection, REACH Regulation

1. The Contractor 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 MTU "Safety Regulations for External Companies" and the Health, Safety & Environmental Protection Manual for external construction sites being site-managed (where it is required) as applicable at the time the goods or services are provided, which are available online at <https://www.mtu-solutions.com/eu/en/contact/purchasing/supplier-downloads.html> under the button Standard Terms and Conditions of Purchase Rolls-Royce Solutions UK Ltd, East Grinstead (United Kingdom), and having reasonable regard to environmental concerns. The Contractor 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 performance requested by Us.
2. a) When making deliveries to Us, the Contractor undertakes as a material contractual obligation to comply with all rules and regulations and to take all action necessary under the REACH Regulation (EC Regulation No. 1907/2006) (as incorporated into the laws of England & Wales) ("**Reach Regulation**") as applicable on the date of delivery.
- b) If the Contractor's registered office is outside the European Union and the Contractor itself is not an importer of the delivered goods, the Contractor shall, as a material contractual obligation, provide Us with all information necessary for any notification, registration or maintenance of the authorization as specified in the REACH Regulation as applicable at the time of delivery, and shall otherwise reasonably assist Us in connection with any notification, registration or maintenance of the authorization. In particular, where the products to be delivered contain one or more substances in a concentration of more than 0.1% weight by weight (w/w), and such substances meet the criteria laid down in Article 57 of the REACH Regulation and have been identified in accordance with Article 59(1) of the REACH

Regulation, the Contractor shall provide sufficient information to ensure their safe use and, if applicable, to allow a notification to be filed with the UK Health & Safety Executive.

- c) If the Contractor breaches the aforementioned obligations, We may claim damages and terminate the Contract. The Contractor shall otherwise, on first demand, indemnify Us against all third party claims which We do or will suffer or incur as a result of the Contractor'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 Contractor's registered office is outside the European Union and the Contractor is unable to notify, register or maintain the authorization for its delivered goods or is unable to do so on reasonable terms, We may terminate the Contract without being liable for damages.

XXV. Compliance with applicable laws

1. The Contractor shall at all times observe and act in compliance with:
 - a. all applicable laws, including without limitation primary and secondary EU/EC Community law and all national and international, governmental, regional, local, customary law or other statutes, directives, regulations, treaties or conventions as well as any additional protocols; and
 - b. all industry standards, including upholding a standard of due care which may reasonably be expected of an experienced Contractor in that industry under comparable circumstances.
2. Applicable laws within the meaning of the foregoing shall include, without limitation, the following rules and regulations, as amended from time to time or as replaced by other rules and regulations, as amended from time to time:
 - a. all applicable U.S. rules and regulations, including without limitation the U.S. Code of Federal Regulations ("**CFR**"), specifically title 49 CFR 171.8;
 - b. the German Act on Protection against Hazardous Substances (Gesetz zum Schutz vor gefährlichen Stoffen, ("**ChemG**") and the corresponding Regulation on Protection against Hazardous Substances for German Occupational Health and Safety (Verordnung zum Schutz vor gefährlichen Stoffen im deutschen Arbeitsschutz, "**GefStoffV**");
 - c. the "Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships" adopted by the International Maritime Organization (IMO) and the corresponding Regulation (EU) No. 1257/2013 of 20 November 2013 (Regulation on ship recycling and amending Regulation (EC) No 1013/2006 and Directive 2009/16/EC);
 - d. Directive 2002/95/EC of the European Parliament and of the Council of 27 January 2003 on the restriction of the use of certain hazardous substances in electrical and electronic equipment ("**RoHS**");
 - e. Directive 2002/96/EC on waste electrical and electronic equipment ("**WEEE Directive**");
 - f. Directive 2006/66/EC on batteries and accumulators and waste batteries and accumulators ("**Battery Directive**");

- g. and any other laws concerning the collection of electrical and electronic devices, batteries or accumulators;
 - h. the UN Globally Harmonized System of Classification, Labelling and Packaging of Chemicals, "**GHS**";
 - i. Directive 67/548/EEC ("**Risk and Safety Statements**");
 - j. Directive 1999/45/EC (concerning the approximation of the laws, regulations and administrative provisions of the Member States relating to the classification, packaging and labelling of dangerous preparations ("**Directive 1999/45/EC**");
 - k. the respective product-specific EU and UK directives, including without limitation those relating to electrical equipment, machinery and pressure equipment ("**CE Marking Directives**" and "**UKCA-Marking**");
 - l. the European List of Notified Chemical Substances, "**ELINCS**";
 - m. the European Inventory of Existing Commercial Chemical Substances, "**EINECS**";
 - n. all lists of the U.S. Environmental Protection Agency (EPA) pursuant to the U.S. Toxic Substances Control Act ("**TSCA**"), specifically title 15 U.S.C. § 2601;
 - o. all lists relating to the U.S. Federal Hazardous Substances Act, specifically P.L. 92-516;
 - p. the Montreal Protocol of September 16, 1987 on Substances that Deplete the Ozone Layer ("**Montreal Protocol**");
 - q. the U.S. Occupational Safety and Health Act ("**OSHA**");
 - r. the rules and regulations applicable in the countries of use or transport, such as those of the U.S. Department of Transportation concerning packaging, labeling, shipping and documentation of hazardous substances pursuant to "**Title 49 CFR**", the International Maritime Organization ("**IMO**") and the Inter-national Air Transport Association ("**IATA**"); and
 - s. all similar laws applicable in the countries of use and transport.
 - t. the Dodd-Frank Act of August 22, 2012. Due to the Doods-Frank Act of August 22, 2012 the US Securities and Exchange Commission (SEC) demands the implementation of a reporting and the disclosure in relation to "conflict minerals". The Contractor shall make an appropriate declaration. This can be done either in the database created for this purpose ("iPoint") or in the form of the original EICC / GeSi. Further information received by the Contractor under conflict.minerals@rrpowersystems.com. The Contractor shall supply conflict-free from January 1, 2016.
3. Where reference is made in these 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 Contractor or to the Contractor's knowledge, the delivered goods are to be used or deployed or through which said goods are expected or known to be transported.
4. We have a right to inspect all the Contractor's documents and may reasonably inspect the Contractor's facilities,

which in particular serve to ensure the Contractor's compliance with applicable laws and other provisions and industry standards in accordance with clause XXIV and XXV. The Contractor shall provide Us its full support in this regard.

5. At Our request, the Contractor shall also duly and properly furnish Us with all certificates and proof or any other documents to the extent required by law.

XXVI. EU "New Approach and Global Approach" / Machinery Directive

1. The Contractor shall ensure that the delivered goods comply with the requirements of the EU "New Approach and Global Approach" Directives and harmonized standards, including without limitation all provisions transposed accordingly into national law by the member states. The Contractor shall transmit the associated records and documentation to Us and the respective supervisory authorities and accepts all liability under such Directives and Standards.
2. In particular, the Contractor will affix the CE mark to and deliver operating instructions for machinery falling within the ambit of the 9th Regulation to the Device and Product Safety Act (Machinery Regulation) (9. Verordnung zum Produktsicherheitsgesetz (Maschinenverordnung)), and electrical equipment falling under the Low Voltage Directive. The Contractor shall furnish Us with the declaration of conformity and operating instructions in text form. Incomplete machinery shall be delivered to Us with a declaration of incorporation and detailed assembly/operating instructions which take into account the requirements of the Machinery Regulation.

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

1. The Contractor shall ensure that the goods comply with the requirements of UK law, including without limitation to the UK Product Safety and Metrology etc. (Amendment etc.) (EU Exit) Regulations 2019 as amended from time to time, including without limitation any product safety regulations referred to therein or amended thereby as amended from time to time. The Contractor shall transmit the associated records and documentation to the Client and the respective supervisory authorities and shall accept any liability on the basis of these standards. In particular, the Contractor 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 Contractor 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 Contractor shall provide the Client with the declaration of conformity and the operating instructions in text form. Incomplete machineries shall be delivered to the Client with a declaration of incorporation and detailed assembly instructions/operating instructions taking into account the requirements of the Supply of Machinery (Safety) Regulations 2008.

XXVIII. Export Control and Sanctions Compliance



Standard Terms and Conditions of Purchase

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

XXIX. Offset

The Contractor will hereby be informed that the individual orders are placed due to Our offset obligations worldwide. Therefore, the procurements and activities done based on this individual orders will be reported as offset in each order country by Us or Our customer. The Contractor 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. We will inform the Contractor about the country and the for the country valid offset policy.

XXX. Anti-Bribery and Corruption Clauses

- Contractor represents, warrants and undertakes to Us that neither it nor its Associated Persons:
 - 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 Contractor is subject to that ABC Law); or
 - has done, or will do anything, that may put Us or any of our Associated Persons in breach of any of the ABC Laws.
- Contractor agrees not to:
 - act in breach of any duty of confidentiality owed to any third party in the course of performing its obligations under the Contract; and
 - offer or provide any Prohibited Information, whether specifically related to the subject matter of the Contract or otherwise.
- Notwithstanding any other provision of these Conditions, We may, without prejudice to any of our rights under law, contract or equity, terminate the Contract immediately by written notice if the Contractor is in breach of clauses XXX.1; XXX.2; XXX.4 or XXX.6 of this present clause. If the breach can be remedied, We will set the Contractor a reasonable period of time to cure which will, however not exceed 2 weeks.
- Contractor 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.mtu-solutions.com/eu/de/contact/purchasing/supplier-downloads.html> via the button Supplier Guideline - Global Supplier Code of Conduct.
- Notwithstanding any other provision of these Conditions, any money due from Us to Contractor under this contract, or in relation to its subject matter, will not be due for payment if Contractor has committed any breach of clauses XXX.1; XXX.2; XXX.4 or XXX. 6 of this present clause until it is ensured that We have not occurred any damages or losses due to the breach. If We reasonably suspect a breach of any of Contractor's obligations under clauses XXX.1; XXX.2; XXX.4 or XXX. 6 of this present clause or in the event of a third party alleging a breach, payment will only be payable once Contractor has substantiated and proven to

Us that the respective allegation is without merit and that there has been no actual breach of clauses XXX.1; XXX.2; XXX.4 or XXX. 6 of this present clause.

- Contractor represents, warrants and undertakes that either it or its Associated Persons, in respect of the Contract:
 - has not undertaken or will not undertake any action or activity; or
 - 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, 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 without limitation any information from a competitor's confidential proposals, bid terms or contract and pricing terms.

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

- The Contractor will download the Rolls-Royce Power Systems ESG Code ("ESG Code") at <https://www.mtu-solutions.com/eu/de/contact/purchasing/supplier-downloads.html> via the link button ESG Code and will 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 Conditions. The Contractor's own business area comprises all activities of the Contractor anywhere in the world 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.
- We will perform regular and event-related risk analyses regarding the Contractor. Should additional expectations arise in relation to the Contractor, e.g. on account of an increased risk situation, We will notify the Contractor thereof in writing. The Contractor 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 Contractor 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 Contractor 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 Contractor 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 Contractor 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 Contractor is required to inform Us without delay of a suspected violation of a protected interest or of the identified violations of protected interests and risks along with the measures taken and establish joint measures with Us in order to terminate the risks of potential violations of protected interests along the supply chain permanently and without delay.
5. The Contractor is required to agree on auditing and information rights with its direct subcontractors that allow the Contractor appropriate and effective monitoring of compliance with the subcontractors' aforementioned obligation. The Contractor 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.

The Contractor 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 Contractor 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 Contractor 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 Contractor (e.g. suppliers or subcontractors). Upon request, the Contractor 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 Contractor's obligations

6. We may audit the Contractor, at the former'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 Contractor 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 Contractor's normal business hours and, for the purpose of an effective control, We need not announce it in advance. The Contractor 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 Contractor'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 Contractor's legitimate business interests and data protection requirements, e.g. by concluding a corresponding confidentiality agreement with the third party company.
7. The Contractor must work together with Us to remedy violations of the ESG Code and ensure the fulfilment by the Contractor of its 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 Contractor 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.
8. The Contractor 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 Contractor assures that it will refrain from any detrimental measures or disciplinary measures against whistleblowers in connection with the use of the whistleblower system
9. The Contractor will not engage in any Modern Slavery Practice.
10. The Contractor will:
 - a. conduct proper and adequate checks on any agency or person used by the Contractor to provide labour, employees, contractors or other persons to undertake tasks for the Contractor in connection with any Contract or any order (in each case whether on a permanent or temporary basis) to ensure that any such agency or entity does not engage in any Modern Slavery Practice;
 - b. provide Us with such assistance and information as We may require from time to time to enable Us to:
 - i. perform any activity required by any government, regulatory entity or agency in any relevant jurisdiction for the purpose of compliance with any applicable Anti-Slavery Laws or as required by Us;
 - ii. prepare a slavery and human trafficking statement as required by section 54 Modern Slavery Act 2015 and to include the matters referred to in section 54(5) of that Act; and

- iii. conduct due diligence and to measure the effectiveness of the steps the We are taking or wish to take to ensure that Modern Slavery Practice is not taking place in Our operation.
12. We will be entitled, by giving written notice to that effect to the Contractor, to require the Contractor to:
 - a. remove from the performance of any Contract or any order any of the Contractor's officers, employees, staff, agents or subcontractors whom We believe to be engaging in a Modern Slavery Practice; or
 - b. take such action as We require to ensure that the Contractor fully complies with any Anti-Slavery Law and any applicable guidance issued by any competent or statutory authority.
13. In this clause XXXI:
 - a. "Anti-Slavery Laws" means any and all laws anywhere in the world which relate to anti-slavery or servitude, anti-forced or compulsory labour and/or anti-human trafficking, including without limitation the Modern Slavery Act 2015; and
 - b. "Modern Slavery Practice" means any practice that amounts to (a) slavery or servitude (each as construed in accordance with Article 4 of the Convention for the Protection of Human Rights and Fundamental Freedoms of 4 November 1950, as amended), (b) forced or compulsory labour (as defined by the International Labour Organisation's Forced Labour Convention 1930 (No. 29) and Protocol) (c) human trafficking or (d) the arrangement or facilitation of the travel of another person with a view to that person being exploited.
14. Should the Contractor violate its aforementioned obligations in this clause XXXI. 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 Contractor 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 Contractor without undue delay or the implementation of the schedule fail, We may suspend the business relationship until the Contractor has ended the violation. We will furthermore have the right to terminate the contractual relationship with the Contractor 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.
15. The Contractor will indemnify Us against all claims and demands of third parties, including without limitation public authorities or other state actors, in particular penalties or fines or comparable sanctions which We do or will suffer or incur, insofar as these claims and demands of third parties are based on culpable violations by the Contractor of the obligations set out in clause XXXI. or of the ESG Code or result from them. Damages claims of Us remain unaffected.

XXXII. Severability

If any provision of a Contract 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 replaced by reference to suppletive law, We and the Contractor shall replace the invalid term or the invalid part thereof with a term that most closely reflects both parties' interests as manifested in the Contract.

XXXIII. Cumulative Remedies

Our rights and remedies set out in a Contract are in addition to and not exclusive of any rights and remedies provided by law.

XXXIV. Entire Agreement

The Contract constitutes the entire agreement between Us and the Contractor and supersedes any prior agreement or arrangement in respect of their subject matter.

XXXV. Variation

Save as otherwise expressly provided in these Conditions, no variation to a Contract will be effective unless it is in writing and signed by a duly authorised representative on behalf of each of Us and the Contractor.

XXXVI. Relationship of the parties

1. Nothing in any Contract and no action taken by either Us or the Contractor in connection with it or them will create a partnership or joint venture or relationship of employer and employee between Us and the Contractor or give either party authority to act as the agent of or in the name of or on behalf of the other or to bind the other or to hold itself out as being entitled to do so.
2. Each of Us and the Contractor agree that it is an independent contractor and is entering into the Contract as principal and not as agent for or for the benefit of any other person.

XXXVII. Rights of third parties

1. Members of the Rolls-Royce Power Systems Group will be entitled to enforce the Contract subject to and in accordance the Contracts (Rights of Third Parties) Act 1999.
2. The parties may vary or rescind the Contract without the consent of the members of the Rolls-Royce Power Systems Group.
3. Save as provided in clause XXXVII.1, the parties do not intend that any term of the Contract will be enforceable under the Contracts (Rights of Third Parties) Act 1999 by any person.

XXXVIII. Jurisdiction and governing law

1. The courts of England and Wales shall have non-exclusive jurisdiction over all disputes arising under this agreement. However, We may also file suit against the Contractor in the courts in its country of domicile.

All legal dealings between Us and the Contractor are governed by the laws of England & Wales