Definitions and introduction

"we", "us" and "our" means GKN Aerospace Services Limited.

"Group" means GKN and our group companies.

"Specification" means any specification and/or drawing.

"Supplier Portal" means the supplier portal at www.gkn-group.com/aerospace/supplier-info/

Our agreement with you (the "Contract") consists of: (i) any "Purchase Order" or "Delivery Schedule Order" (an "Order") that we issue to you; (ii) any duly signed contract which applies to our purchase of goods and/or services from you; (iii) these Conditions of Purchase; (iv) any Specifications and/or drawings for the goods and/or services and any other requirements relating to the goods and/ or services that we agree with you; and (v) the GKN Tooling and GKN Property Terms; (vii) our quality and other requirements or procedures made available to you by GKN's Supplier Portal or otherwise. If there is any inconsistency between any parts of the Contract, the parts placed higher in this list will prevail.

2.1 Any Order that we place on you will be deemed to be accepted the earliest of any written acknowledgement that we receive from you or 7 days after the date of the Order.

2.2 If you seek to impose additional or different terms on our purchase, including through any acceptance to our Order, they will not form part of the Contract and are excluded and rejected by these General Purchasing Conditions.

3. Delivery

3.1 You must deliver goods and/or services that we order in accordance with the delivery terms and dates set out in the Contract. If any goods and/or services are not delivered on time, we may cancel the relevant Order and terminate the Contract.

3.2 Goods must be delivered DDP our facility (as defined in current Incoterms®), unless another part of the Contract states different delivery terms. Ownership of the goods you deliver will transfer to us on delivery.

3.3 All goods must be packed so as to protect them adequately before and during and after delivery and, if we require, each delivery shall be accompanied, in a form acceptable to us, by a certificate of conformity and/or an up-to-date material safety data sheet.

4 Quality, rejection and indemnity

4.1 Any goods or services (and any associated technology) supplied by you must: (i) conform to the specification and/or any other requirements referred to in the Contract; (ii) comply with all applicable legal requirements and regulations, including those relating to transportation, health, safety and the environment; and (iii) not infringe the intellectual property rights of any third party.

4.2 Any goods supplied by you must be: (i) of the quantity and description specified in the Contract; (ii) of satisfactory quality; (iii) fit for their normal purpose and any specific purpose we inform you about or which you ought reasonably be aware; (iv) free from defects in design, material, workmanship; and (v) free from any encumbrances.

4.3 Any services supplied by you must be: (i) performed efficiently, safely and competently by suitably qualified and experienced personnel, in conformity with any applicable industry code of practice; and (ii) of the quality which would reasonably be expected from a skilled and experienced operator providing equivalent services in the same circumstances.

4.4 We may (but are not obliged to) inspect and test the goods delivered by you and may reject and return (at your risk and expense) any goods that fail to conform with the terms of the Contract. You must replace such rejected goods within a reasonable time (being not more than 15 days after notice of rejection) with goods which do comply with the Contract. Ownership and risk of the goods rejected by us will transfer to you upon notification by us to you of such rejection.

4.5 You will reimburse each member of the Group for all losses, damages, costs and expenses (including reasonable legal fees) or other claims (including third party claims) arising from or incurred as a result of: (i) any breach of the Contract; and (ii) any negligent act or omission by you or your employees, agents or sub-contractors in supplying goods and/or services pursuant to the Contract.

5 Invoicing and payment

5.1 We will pay you the price set out in the Contract (which will be inclusive of (i) delivery costs; and (ii) sales tax, including value added tax ("VAT")) for the goods and services that you deliver in accordance with the Contract. You will be liable for any withholding taxes.

5.2 You may only invoice us for goods and/or services ordered by us on the date of: (i) the delivery date specified in the Contract; or (ii) the actual delivery date.

5.3 Invoices must show: the date of delivery, Order number, any applicable export control classification number, delivery address, description of goods/and or services and must be sent to the invoice address specified in the relevant Order. Invoices must be valid VAT invoices.

5.4 Payment will be made to you within 7 days of the end of the month of receipt by us of a validly issued invoice.

5.5 We may deduct from the price of the goods and/or services ordered by us any sums due to the Group under the Contract or any other contract between you and the Group.

5.6 If we fail to make any payment due under this Contract by the due date for such payment then as your sole remedy, we shall pay interest on the amount overdue at a rate of 2% per annum above the Bank of England base rate from time to time, subject to a maximum amount of 10% of the amount overdue, which the parties agree is a substantial remedy.

6. Confidentiality and Intellectual Property

6.1 You must not disclose to any other person or entity any confidential information relating to the Group or our customers or suppliers or collaboration partners (including, without limitation, Specifications, formulae, manufacturing processes, know-how and any technical or commercial information) or use such information for any purpose except for the supply of goods and/or services to us or as expressly authorised in writing by us. You must return to us such information and any copies if requested.

6.2 You must, on request, transfer to us, free of charge and free from encumbrances, any documents, Specifications, plans, samples, information or goodwill generated by, or owned by you or your employees, subcontractors and consultants, which we may use without any charge.

6.3 Intellectual property rights in any information, documentation, prototypes or tooling provided by us to you shall remain our property. If you are our customers or our suppliers or our collaboration partners and shall only be used for the sole purpose of supplying goods and/or services to us. If any intellectual property rights are created or generated from such information, documentation, prototypes or tooling in performing the Contract then such rights shall be owned by us.

6.4 You must not use any trade marks of the Group (whether registered or unregistered) unless we have given express written consent.

7 Termination

7.1 We may cancel all or any part of any Order by giving you notice at any time prior to your full performance of the Order and in such event we will not be liable to pay the price for such goods or services but shall reimburse your reasonable and substantiated costs arising directly from such termination, except where such cancellation is as a result of your breach.

7.2 We may terminate the Contract: (i) for convenience by providing you with written notice; (ii) immediately if you or your parent company become subject to a bankruptcy or insolvency event or enter into a composition with any of your creditors; and (iii) if you breach the Contract, and, if the breach can be remedied, you fail to remedy such breach within 10 days of receiving notice of the breach.

7.3 Termination of all or part of an Order or the Contract will not prejudice accrued rights.

8. General

8.1 You must comply with all applicable laws, regulations and codes including those concerning anti-bribery, anti-corruption, anti-trust and export control and also with the GKN Supplier Code of Conduct made available at www.gkn.com/corporateresponsibility/.

8.2 You and your employees, agents and sub-contractors must abide by applicable site and safety rules when on Group property.

8.3 Our rights or remedies under the Contract will not limit any of our other rights or remedies, whether under the Contract or otherwise.

8.4 Under no circumstances shall we be liable to you for any amount that exceeds the Contract price.

8.5 You will not be entitled to transfer or sub-contract any of your rights or obligations under the Contract without our prior written consent. Each contract within our Group shall have the benefit of the Contract and you may purchase goods and/or services pursuant to the terms of the Contract.

8.6 Any failure or delay by us to enforce or partially enforce any provision of the Contract will not be a waiver of any of our rights.

8.7 If any of your employees transfer to us by law then we may dismiss him/her and you shall indemnify us for all costs arising from such dismissal.


8.9 For the purposes of Government end use, FAR and DFARS apply, including those made available in the Supplier Portal.

8.10 You shall not be entitled to suspend deliveries and/or performance of any goods or services as a result of any failure by GKN to comply with any of its obligations under this Contract or if there is a dispute between the parties.

8.11 You shall maintain such insurance policies as are appropriate and adequate having regard to your size and your obligations and liabilities under this Contract, and you shall provide evidence of such insurance on request.

8.12 You must provide us with any information that we request relating to the goods and services supplied by you, all of which must be complete and accurate.

9 Law and Jurisdiction

The Contract shall be governed by English law. Any dispute arising out of or in connection with this Contract, including any existence, validity or termination, shall be referred to and finally resolved by arbitration under the rules of the LCIA, unless any rules are deemed to be incorporated by reference into this clause. The number of arbitrators shall be one. The seat and place of arbitration shall be London. The language of the arbitration shall be English.

V3 February 2017