

## GENERAL PURCHASING CONDITIONS

- 1 Definitions and introduction**

**"we", "us" and "our"** means GKN Aerospace Services Limited.  
**"Group"** means GKN Aerospace Holdings Limited and its group companies.  
**"Specification"** means any specification and/ or drawing.  
Our agreement with you (the **"Contract"**) consists of: (i) any "Purchase Order" or "Delivery Schedule" or "Scheduling Agreement" (an **"Order"**) that we issue to you; (ii) any duly signed contract which we have entered into with you for our purchase of goods and/or services from you; (iii) these General Purchasing Conditions; (iv) any Specifications and safety, health and environmental requirements that we agree with you; (v) the GKN Tooling and GKN Property Terms; (vi) our quality assurance requirements; and (vii) other requirements or procedures made available to you (via GKN's Supplier Portal <https://www.gknaerospace.com/en/Utilities/gkn-aerospace-suppliers/> or otherwise). If there is any inconsistency between any parts of the Contract, the parts placed higher in this list will prevail.
- 2 Your conditions excluded**
- 2.1 Any Order that we place on you will be deemed to be accepted on the earlier of any written acknowledgement that we receive from you or 7 days of 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 DAP (as defined in current Incoterms<sup>®</sup>) 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 packaged so as to protect them adequately before, 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, delay and indemnity**
- 4.1 Any goods and/ or services (and any associated technology) supplied by you must: (i) conform to any Specification or 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. You must have all consents, licences and authorisations to supply us with any goods and/or services supplied by you.
- 4.2 Any goods supplied by you must be: (i) of the quantity and description specified in the Contract; (ii) of good 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 and 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. If you do not perform any services in conformity with the Contract we may require you to re-perform such services or we may terminate the Contract and procure the relevant services from a third party at your cost.
- 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 We may charge you liquidated damages of: (a) up to one thousand dollars (\$1,000) for each quality notification; and (b) for each day of delay in delivery, 1% of the price of the goods or services (subject to a \$100 per day minimum) up to a maximum of 30% of the price of the goods or services that you supply to us, which the parties agree is a genuine pre-estimate of our losses. We specifically reserve the right to claim actual damages for losses, costs and expenses suffered only in the event that we can show that the damages available to us under the law are more than the liquidated damages hereby estimated.
- 4.6 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 by you 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 later 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 (ECCM), delivery address, description of goods and/or services (including part numbers) and must be sent to the invoice address specified in the relevant Order. Invoices must be valid VAT invoices.
- 5.4 Payment will be due from us within 90 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 and exclusive remedy for such late payment, we shall pay interest on the overdue amount 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 third party any confidential information belonging to the Group or any of its customers or suppliers or collaboration partners or use such information for any purpose except for the supply of goods and/or services to us under this Contract. You must immediately 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 goods created or prepared for us by you or for you in connection with this Contract, which we may use without any charge.
- 6.3 Intellectual property rights in any documentation, prototypes or other materials provided by us to you shall remain owned by us or our customers or our suppliers or our collaboration partners and shall only be used by you for the sole purpose of supplying goods and/or services to us.
- 6.4 If any intellectual property rights are created or generated by you or for you in connection with your performance of the Contract then all such intellectual property rights shall be owned by us. You hereby assign to us all rights, title and interest in such intellectual property rights and you hereby agree to execute all such documents and do all such things to give effect to this clause 6.4.
- 6.5 You hereby grant to us, and to our subcontractors, our suppliers and our customers in connection with the goods supplied by you or the services being performed by you under this Contract, an irrevocable, non-exclusive, paid-up, royalty-free, worldwide licence under all intellectual property rights owned or controlled by you at any time, but only to the extent that such intellectual property rights would otherwise interfere with our, our subcontractors', our suppliers', or our customers' use or enjoyment of the goods supplied by you or the services performed by you under this Contract.
- 6.6 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 cancellation, 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, moratorium or insolvency event or enter into a composition with any of your creditors; or (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 data protection and privacy, modern slavery, environmental sustainability, anti bribery, anti corruption, anti trust, anti-facilitation of tax evasion and export control as well as the GKN Aerospace Supplier Code of Conduct and the policies available in the Supplier Portal or otherwise. Where any policy is prepared for us, for the purpose of these General Purchasing Conditions you are obliged to comply with such policies in the same manner as such policies apply to us.
- 8.2 You must immediately notify us of a change of name, registered or operating address, legal entity status, control or ownership (e.g. acquisition by or change of parent company).
- 8.3 You and your employees, agents and sub-contractors must abide by applicable site and safety rules when on our property.
- 8.4 Our rights or remedies under the Contract will not limit any of our other rights or remedies, whether under the Contract or otherwise.
- 8.5 Under no circumstances shall we be liable to you for an amount that exceeds the Contract price.
- 8.6 You will not be entitled to transfer or subcontract any of your rights or obligations under the Contract without our prior written consent. Each company within our Group shall have the benefit of the Contract and may purchase goods and/or services pursuant to the terms of the Contract.
- 8.7 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.
- 8.8 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 The provisions of the United Nations Convention on Contracts for the International Sale of Goods are excluded.
- 8.10 For any purchases for U.S. Government end use, you must comply with Appendix A available in the Supplier Portal. You have an affirmative duty to comply with Appendix A and to notify us if you are unable to access such document.
- 8.11 You shall not be entitled to suspend deliveries and/or performance of any goods or services as a result of any failure by us to comply with any of our obligations under this Contract or if there is a dispute between you and us.
- 8.12 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 policies on request.
- 8.13 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.
- 8.14 The Contract constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.
- 9 Law and Jurisdiction**
- The Contract and all non-contractual obligations arising out of or in connection with it shall be governed by English law. The English Courts shall have exclusive jurisdiction over any dispute arising out of or in connection with this Contract, including any existence, validity or termination.