1 Definitions and introduction

"we", "us" and "our" refers to the applicable purchaser among Hoeganaes Corporation Europe GmbH or other members of the Group. "Group" means GKN plc and its group companies.

Our agreement with you (the "Contract") consists of: (i) any duly signed contract which applies to our purchase of goods and/or services from you; (ii) any purchase order or delivery schedule order (an "Order") that we issue to and you confirm; (iii) these General Purchasing Conditions; (iv) any specifications and safety, health and environmental requirements that we agree with you; (v) any supplementary terms and conditions of purchase that we agree with you; and (vi) our general terms and other requirements or procedures made available to you. If there is any inconsistency between any parts of the Contract, the parts placed higher in the list will prevail.

2 Your conditions excluded

If you seek to impose additional or different terms on our purchase, 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 or are delivered incorrectly, we may terminate the relevant Order.

3.2 Goods must be delivered DDP (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 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.

3.4 Delivery failure in performance may be excusable only for natural disasters, governmental restrictions or war, and only to the extent they are unforeseeable, the delay is beyond your reasonable control, and you give us prompt written detailed notice.

4 Quality, rejection and indemnity

4.1 Any goods supplied by you must be: (i) of the quantity and description specified in the Order; (ii) of satisfactory quality; (iii) capable of satisfying the purpose for which they are supplied; (iv) free from defects in design, material and workmanship; and (v) free from any agreements or representations.

4.2 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.

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

4.4 We may (but are not obliged to) inspect and test the goods delivered by you and/or the services performed by you and may, if we reasonably believe that it is necessary or desirable, re-inspect the goods at any time 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.

4.5 The period of limitation for any claims brought by us relating to the goods and/or services shall be 72 months from the passing of risk.

4.6 The period of limitation for any claims brought by us relating to the goods and/or services ordered by us and in accordance with any payment schedule specified in the Order will not be a waiver of any of our rights.

5 Invoicing and payment

5.1 We will pay the price set out in the Contract (which will be inclusive of delivery costs and exclusive of sales tax) for the goods and services that you deliver in accordance with the Contract. You may only invoice us after delivery of the goods and/or services ordered by us and in accordance with any payment schedule in the Contract.

5.2 Invoices must show: the date of delivery, Order number, delivery address and details of each good or service delivered, and must be sent to the invoice address specified in the relevant Order.

5.3 Unless otherwise set out in the Order, payment will be due from us within 90 days of the Thursday following the end of the month of receipt by us of a validly issued invoice.

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

6 Confidentiality and Intellectual Property

6.1 You must not disclose to any other person or entity any confidential information belonging to the Group or any of its divisions, customers, suppliers or collaboration partners (including, without limitation, this Contract, specifications, formulae, manufacturing processes, know-how and any technical or economic information or use such information or any product or any intellectual property or tooling or in performing the Contract such rights shall be owned by us.

7 Our Property

7.1 This section relates to all property (including tooling of any kind) and any related information, documentation and intellectual property rights therein: (i) purchased by us and/or manufactured by you pursuant to an Order; (ii) provided by us to you and included in the supply of goods and/or services for any other purpose, whether or not modified, repaired or replaced ("Our Property").

7.2 Our Property (and any scrap resulting from it) is solely owned by us and we shall keep safe at all times and if we disagree as to who owns any of Our Property, the presumption will be that we do.

7.3 Where you are in possession or control of Our Property it is on a fiduciary basis as our bailee and you have no rights in it. You have a revocable non-exclusive licence to use Our Property at your premises only for performing the Contract until we request its return, which we may do at any time. You may not sub- licence the use of Our Property or use it for any other purpose.

7.4 Right to Our Property passes to us on delivery and remains with us until it is returned to us. Whilst Our Property is in your possession or control you shall: (i) be responsible for any loss or damage to it (other than fair wear and tear); (ii) store and use it at your premises in a proper and secure manner; (iii) clearly label or mark it as belonging to us; (iv) maintain adequate insurance against all loss or damage; (v) use it with care; (vi) inspect it and maintain it in good order and condition; (vii) immediately notify us if it is lost, damaged or seized; (viii) not make any unauthorised adaptations or modifications; (ix) not keep it in any unfair competition with, or in any way interfering with, or otherwise interfering with or prejudicing the legitimate interests of, any other party; (x) maintain insurance against all loss or damage; (xi) return to us and store and use it at your premises in a proper and secure manner; (xii) label or mark it as belonging to us; (xiii) not copy or reproduce it in any way.

7.5 We have an exclusive, irrevocable option to purchase all bespoke tooling owned by you and any patent or intellectual property right in place for the production of goods pursuant to the Contract at its present value.

8 Termination

8.1 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 any price for such goods and/or services.

8.2 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; (iii) if you breach the Contract, and, if we exercise our rights under the Contract, you fail to remedy such breach within 10 days of receiving notice of the breach.

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

8.4 You may be required to continue to supply spare parts and related services up to 15 years after termination or expiry of the Contract.

9 General

9.1 You and your suppliers must comply with all applicable laws, regulations and codes and also with the requirements of the GKN Supplier Code of Conduct available at www.gkn.com/supplier-code-of-conduct.pdf. We have the right to visit your premises on reasonable notice to audit and ensure compliance.

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

9.3 You and your employees, agents and sub-contractors must abide by applicable site and safety rules when on our property and you will provide evidence of your applicable insurance.

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

9.5 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.

9.6 Any agreement or decision of us to enforce or partially enforce any provision of the Contract will not be a waiver of any of our rights.

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


10 Law and Jurisdiction

The Contract shall be exclusively governed by German law. If you are incorporated or otherwise legally resident in any member state of the European Union, Iceland, Switzerland or Norway, the courts of Bonn, Germany shall have exclusive jurisdiction to settle any disputes or claims that arise out of or in connection with the Contract or its subject matter ("Claims"). If not, any Claims shall be referred to and finally settled by arbitration in Cologne in accordance with the Arbitration Rules of the German Institution of Arbitration (DIS) without recourse to the ordinary court of law by one or more arbitrators appointed in accordance with those rules. The language of the arbitration shall be German.