1 Definitions and introduction

"we", "us" and "our": refers to the applicable purchaser among GKN Sinter Metals Mexico, S de R.L de C.V., GKN Sinter Metals Mexico Services, S de R.L de C.V. 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 you and you confirm; (iii) any General Terms and Conditions; (iv) any specific terms and regulations, including without limitation to those relating to transportation, health, safety and the environment; (v) any infringe the intellectual property rights of any third party; (vi) conform to any specification or other requirements referred to in the Contract; and (vii) conform to any sample approved by us.

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 or send you a written notice requiring you to make delivery within 15 days of such notice and at your own cost.

3.2 Goods must be delivered DDP (as defined in current Incoterms), unless otherwise specified in the Contract, and must be delivered at the point we stipulate to accordance with the Contract.

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 an up-to-date material safety data sheet.

4 Quality, rejection and indemnity

4.1 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 of; (iv) free from defects in design, material and workmanship; and (v) free from any environmental issues.

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 laws, regulations and specifications, including without limitation to 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 may reject and return (at your risk and expense) any goods that fail to conform within the reasonable time (being not more than 15 days after notice of rejection) with goods which do comply with the Contract.

4.5 You will reimburse each member of the Group for all losses, damages, costs and expenses (including, without limitation to our legal costs) directly or indirectly caused by the breach of the Contract as a result of your liability to the Group.

4.6 You must immediately inform us if any defect is discovered in the goods or, if you suspect that there is a defect or any damage has occurred in respect of the goods or services supplied by us, all of which must be complete and accurate.

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

5 Invoicing and payment

5.1 We will pay you the price set out in the Contract (which will be inclusive of delivery costs) by wire transfer in accordance with the Contract, and you will issue an invoice in accordance with the Contract. You must return to us such information and any copies if requested and you acknowledge that the disclosure, or use, by you or by third parties, or unauthorized possession of such information, may constitute criminal conduct in terms of articles 210, 211 and 211 bis of the Mexican Criminal Code for the Federal District, and 232 sections IV, V and VI of the Mexican Industrial Property Law.

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 collaborating partners (including, without limitation, this Contract, specifications, formulae, know-how and any technical or economic information) or use such information for any purpose except for the supply of goods and/or services specified in the Contract. You will be responsible in writing to us for any breach of the Contract or the Group.

6.2 The Group shall have the benefit of the Contract and may purchase goods and/or services pursuant to the terms of the Contract.

6.3 Intellectual property rights in any information, documentation, prototypes or tooling provided to us by you shall remain owned by us or our customers or our suppliers 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.

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 for the purposes of the Contract; or (iii) any other property; 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 you indemnified against all losses, damages or claims arising 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 in 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-license the use of Our Property or use it for any other purpose.

7.4 Risk of Our Property remains with you until it is returned to us. Whilst Our Property is in our possession or control you shall: (i) be responsible for any loss or damage to it (other than fair wear and tear); and (ii) store and use at your premises in a proper and secure manner; (iii) clearly label or identify it as belonging to us; (iv) maintain insurance against all loss or damage; (v) use it with care; (vi) inspect it and maintain it in good order and condition; and (vii) immediately notify us if it is lost, damaged or seized; (viii) not modify or tamper with it; (ix) attach a copy of the Contract to it; (x) not part with possession of it or allow any one else to use it; (xi) sell, dispose or encumber it; (xii) give us free and unrestricted access to it on reasonable notice during ordinary business hours; (xiii) make it available for collection by us at any time and allow us access to your premises to remove equipment, tooling and copies of Our Property in any way.

8 General

8.1 You and your suppliers must comply with all applicable laws, regulations and codes of practice governing those anti-bribery and anti-corruption and also with the GKN Supplier Code of Conduct and the GKN policies set out at: https://www.gknpm.com/globalassets/downloads/utilities/tcs-salespurchasepurchase/gn-supplier-code-of-conduct.pdf. We have the right to access your premises to check compliance with this.

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; or (iii) if you become insolvent. If the breach can be remedied, we may require you to remedy such breach within 10 days of receiving notice of the breach.

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

8.4 You may be required to continue to supply spare parts and related services up to 5 years after termination or expiry of the Contract.

9 Claims

9.1 You and your suppliers must comply with all applicable laws, regulations and codes of practice governing those anti-bribery and anti-corruption and also with the GKN Supplier Code of Conduct and the GKN policies set out at: https://www.gknpm.com/globalassets/downloads/utilities/tcs-salespurchasepurchase/gn-supplier-code-of-conduct.pdf. We have the right to access your premises to check compliance with this.

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

9.3 You may not be required to use any employees, agents or sub-contractors in supply ing goods and/or services pursuant to the terms of the Contract.

9.4 Failure or delay by us to enforce or partially enforce any provision of the Contract will not be deemed to be a waiver of such provision.

9.5 You hereby agree that any employment relationship, of any nature whatsoever, shall exist between any of your personnel and us.

9.6 If any of your employees transfer to us by law then we may dismiss him/her and you shall indemnify us for all losses, costs, claims and damages arising from such dismissal. If any of your personnel bring any claim against us, including under Mexican labor and social security laws, you shall indemnify us from all losses and expenses arising from such claim.


10 Applicable Law

This Agreement shall be governed by, construed, interpreted and enforced in accordance with the laws of the United Mexican States, without giving effect to any conflicts-of-law rule or any principle that might require the application of the laws of another jurisdiction.

11 Jurisdiction

11.1 Mexican Supplier

If the Supplier is incorporated or otherwise legally resident in Mexico, the Parties hereby agree to submit any disputes or claims that arise out of or in connection with this Order, the Contract or its subject matter ("Claims") to the Courts of Mexico City, without any other jurisdiction that may be applicable because of their present or future domiciles.

11.2 Foreign Supplier

If the Supplier is not a Mexican company either by incorporation or by change of nationality, or in its case is not a resident in Mexico, the Parties hereby agree that all disputes or Claims shall be finally settled in Mexico City under the Rules of Arbitration of the Arbitration Center of Mexico (CAM) by one or more arbitrators appointed in accordance with said Rules. The language of the arbitration shall be Spanish.