

STANDARD CONDITIONS OF SALE for all GKN SINTER METALS COMPANIES in MEXICO

1. Definitions and Introduction

"we", "us" and "our" refer to the applicable seller (GKN Sinter Metals México, S. de R.L. de C.V. and/or GKN Sinter Metals México Services, S. de R.L. de C.V.), or other members of the group. "Group" means GKN, PLC and all its direct or indirect subsidiaries. "Written" or "in writing" includes e-mail, fax, letters or electronic data exchanged. "Parties" means you and us together.

Our agreement with you for the sale of goods and services (the "Agreement") consists of: (i) any terms that you and our authorized representatives have executed; (ii) any order confirmation we provide to you; (iii) any delivery note or invoice we provide to you; and (iv) these Conditions of Sale. If there is any inconsistency between any parts of this list, the parts of the Agreement placed higher in the list will take precedence.

2. Acceptance of purchase orders; your conditions excluded; inspection

2.1 You may send us purchase orders in writing by electronic data exchange or any other method agreed with us. Any purchase order you send us will be an offer to purchase our goods and no binding agreement will arise unless we accept your order in writing.

2.2 If you seek to impose additional or different terms on us, they will not form part of the Agreement, and are excluded and rejected by these Conditions of Sale.

2.3 We will not check the accuracy and completeness of information and data given to us by you, including specifications and drawings, and any changes made or suggested to them are subject to your validation and will be your exclusive responsibility.

2.4 Any quotations given by us are not binding on us, unless it turns into a purchase-sale agreement by means of the express or tacit acceptance of both parties.

2.5 The goods or services covered by any purchase order shall be deemed finally inspected and accepted by you within 30 (thirty) calendar days after delivery or performance by us, unless you give us written notice of rejection or notice of claim within such 30 (thirty) calendar days.

2.6 You must establish and maintain an adequate system to identify and track the goods delivered by us at all times that is compatible with our tracking system. We shall not be liable for any costs associated with breach of this clause.

3. Warranty and notice of defects

3.1 At the time our goods leave the factory or warehouse, we warrant that the goods we sell are free from defects in their material, provided they are used correctly for the purpose for which they were designed, under normal operation conditions and correct application (including maintenance of property pursuant to the service manuals and bulletins). In the event of a defect, you shall send us a written notice within 10 (ten) calendar days following the detection or appearance of such defect. The warranty term is of one year following the delivery date. The warranty is not extended to damaged goods, to goods that suffered an accident, abuse, bad use, or incorrect installation or maintenance after delivery, or goods altered or repaired by any person besides us.

3.2 All services provided by us shall be performed pursuant to all material specifications, and shall be made with reasonable skill and care.

3.3 Our obligation regarding the breach of the warranty regarding the goods shall be limited to replace or repair (in our discretion) the specific goods whose inspection reveals that were defective when delivered, without including installation, dismantling, or reassembly not made by us. The inspection shall be made in our factory, with the transportation costs paid in advance by you.

3.4 Any warranty claim shall be previously validated by us; likewise, any return of goods to our facilities due to a warranty claim shall be previously approved by, and coordinated with, us. All returns shall be attached with a full and written explanation of the defects claimed and of the circumstances of the operational failure. Once you provide to us the defective good, the possession thereof will become ours. If we determine that the defective good cannot be repaired, the ownership thereof will become ours, and we will be required to provide a replacement good that complies with the respective specifications. The form of delivery of the replacement good shall be the one agreed in the respective purchase order or the one set forth in this Agreement.

4. VAT

4.1 The Value Added Tax (VAT) shall be added to the prices of the goods and services, in terms of the applicable tax laws.

5. Delivery

5.1 We will organize the delivery of the goods, and you will accept the delivery of such goods in the place agreed, pursuant to the delivery terms set forth in this Agreement. Except as otherwise agreed in writing in the relevant Purchase Order, the goods shall be provided EXW (Ex Works - Incoterms® 2010) in our factory located in plots 4 and 5 of Block 6, Industrial Complex Amistad Chuy María, Apaseo el Grande, State of Guanajuato (Kilometer 45 Carretera Villa Apaseo El Alto-Celaya).

5.2 Except if the purchase order accepted by us states a specific date of delivery of the good acquired, we will inform you the estimated delivery date in each specific case.

6. Risk, ownership, and care obligation

6.1 The risk of the goods shall be your responsibility as of the delivery.

6.2 Any sale made under this Agreement shall be under the modality of reserve of ownership, until you have fully paid the price (plus the relevant VAT). You may resell our goods as a normal business activity. If you did not pay for the goods, and we request their return for such reason, you shall have them available so that we pick them up, and if you do not have them available per our request, you agree that we will be able to enter your facilities to pick them up.

6.3 You shall handle the goods at all times pursuant to our storage, transportation, health, and environmental safety instructions, and you should not do anything that could affect the quality or security of the goods or the reputation of our brands. Otherwise, the warranty thereof will be void, and if our brands suffer any damage, we will exercise the legal actions available so as to be compensated for the damages.

7. Payment

7.1 You shall fully pay within the period set forth in the Agreement, which shall not exceed 30 (thirty) calendar days after the delivery of the goods or the provision of the services.

7.2 The payments made after the payment deadline shall have a default interest of five percent (5% percent) per month regarding the amount owed.

7.3 Under no circumstance may you suspend or withhold the payment or perform any deduction as a result of any compensation, except if you have our prior written approval.

8. Exemption of Liability

8.1 You agree to assume liability for any damage suffered by us as a result of breaches to your obligations arising from this instrument, or for your actions that cause such damages. Therefore, you agree to hold us harmless regarding any claim, lawsuit, criminal complaint, damage, or conflict, without limitation, filed by any third party against us, therefore you shall indemnify us for the damages caused.

8.2 In addition to the foregoing, you agree to reimburse us for all expenses spent for such reasons, including, but not limited to, fees generated by the defense and representation of our rights.

8.3 Likewise, we agree to assume the liability for any damage suffered by you for breaches with our obligations arising from this instrument, or for our actions that cause said damages. Notwithstanding the foregoing, in the event of a breach to our obligations set forth in this Agreement, our liability will be limited to the amount of the respective purchase order.

8.4 The following is excluded from our liability:

1) Any damage caused by the willful misconduct, fault, or negligence of the buyer. 2) Any breach due to an act of God or force majeure event. 3) Any indirect damage, regardless of its cause.

9. Intellectual Property

9.1 The parties agree that the concept "Intellectual Property" includes, but is not limited to all trademarks and/or brands used in Mexico or abroad by GKN and/or its affiliates, as well as any right over inventions (patented or not), industrial designs, utility models, confidential information, trade secrets, trade names, slogans, reservations of rights, website names, as well as any type of property rights regarding works and creations protected by copyright and other forms of industrial and intellectual property, whether recognized or that could be recognized by the applicable law.

9.2 Arising from the foregoing, the parties agree that this instrument grants to you a license or a right regarding the Intellectual and Industrial Property of GKN. You may not use the brands, ads, trade names, logos, and/or any intellectual and industrial property right owned by GKN or licensed to it, except with a prior written authorization.

9.3 You agree not to use, sell, disclose to third parties, distribute, gift, or otherwise dispose any development of GKN that is a result of the Intellectual Property of GKN or of the services, including any material or surplus material.

9.4 It is strictly forbidden for you and for your officers, executives, employees, advisors, agents, directors, representatives, subsidiaries, or affiliates to reproduce, without a written permit provided by GKN, any type of material provided or developed to you, under the penalty of incurring in any sanction set forth in intellectual and industrial property laws.

10. Confidentiality

10.1 You and us agree that the commercial and technical information related to the businesses of both parties to which you have access as a result of this Agreement, shall be deemed as trade secrets in terms of the Sole Chapter of Title Third of the Industrial Property Law in force, since it provides and maintains a competitive or economic advantage of both parties towards third parties regarding the activities of its business, and for which it has adopted sufficient means and systems to maintain its confidentiality and restricted access thereof.

10.2 In consideration of the foregoing, any technical and commercial information related to the businesses of the parties that they may disclose between them or to any of their employees, agents, or representatives, shall be received and kept by them in strict confidentiality with the nature of trade secret, and it may not be disclosed to any third party, except as provided herein. The parties shall not disclose such information to any individual or legal entity that does not need to know it, and it will only be used regarding this agreement.

10.3 Likewise, both parties will take the preventive measures necessary with their employees and/or advisors so that, if they

cease to provide their services, they do not disclose the confidential information to this parties, nor use, directly or indirectly, for their own benefit, such information to which they had access to.

10.4 The parties will not have a confidentiality obligation regarding information that:

a) Is of public domain when receiving it, or that becomes of public domain without a violation to the obligations set forth herein; b) Is known, and it can be proven that it has been known, when received and that it was not directly or indirectly acquired over a confidentiality basis; c) Its disclosure is approved in writing by the party owning said information.

10.5 If the recipient party is legally required to disclose information provided over a confidentiality basis, the recipient shall, as soon as possible, notify such circumstance to the party owning the information, so that it may file the applicable legal actions pursuant to the applicable laws, so as to protect the confidentiality of such information. The above, provided that the recipient shall be required to provide to the party owning the information all necessary support and help within its possibility to achieve such purpose, even in directly exercising all legal actions and exceptions to safeguard the interests of the party owning the information.

10.6 All originals, copies, extracts, or summaries of the commercial or technical information that is confidential and that is stated in documents, electronic or magnetic means, optic disks, microfilms, movies, or any other similar instrument, shall be and remain at all times as the exclusive property of the party owning the information, and it shall be returned, or as applicable, destroyed, at the termination of this instrument or when required.

10.7 Regardless of the above, it is expressly established that the commercial or technical information received by the parties and that is confidential may not be copied or reproduced through any mean, and it may only be done if expressly authorized in writing by the party owning such information, said reproductions being subject to the same terms and conditions set forth in the paragraph above.

10.8 If any party breaches with any provision contained in this Clause, the breaching party agrees to remedy to the affected party the damages that such breach causes, provided they are duly proven.

10.9 The transfer of information strictly necessary for selling and implementing the services by us with third parties, including, but not limited to user manuals and technical specifications of such services, shall not be deemed as a breach to this clause.

11. Force Majeure

11.1 We will not be liable for the non-performance of our obligations under the Agreement if it results from an event that goes beyond our control, including, but not limited to, Act of God, force majeure, war, fire, explosion, accident, flood, sabotage, strike, breakage of the factory or equipment, lack of proper fuel, electricity, raw materials, containers, or transportation, delay in the supply or other breaches to the agreement by our suppliers or commercial or economic sanctions.

12. Termination

12.1 We have the authority to cancel, in whole or in part, any purchase or services order through a written notice. Regarding purchase or service orders, the cancellation may be done at any time prior to the performance thereof, and in such case, we will not be liable for paying the price of the relevant goods or services, but we must reimburse the expenses directly arising from such cancellation.

12.2 We may early terminate the Agreement at any time: (i) since it best suits our interests, through a written notice; (ii) immediately in the event of a bankruptcy or insolvency proceeding of you or your parent, or of the parent of your parent, or if you enter into a general agreement with your creditors. Such termination shall become effective on the term set forth in the early termination notice.

12.3 We may rescind this Agreement through a written notice, without the need of a judicial resolution, in the event of a breach by you, and if the breach can be remedied, and you do not remedy it within 10 calendar days following the date on which you receive the relevant notice.

12.4 If the early termination or rescission of the Agreement is for a cause attributable to you, you shall pay us any amount owed as of such date pursuant to the Agreement or purchase orders, within 10 (ten) calendar days following the effective rescission or early termination date. Any amount owed and not paid in said term, shall accrue daily default interest of five percent (5% percent) as of such date, and until its payment is made. Likewise, you shall pay us any purchase order placed or in transit.

12.5 The foregoing, notwithstanding any legal action that we may file pursuant to this Agreement or the applicable law.

12.6 In the event of a rescission of this agreement, attributable to you, you shall be required to pay us the damages caused.

12.7 In the event of a rescission of this agreement for a cause attributable to us, we will be required to pay to you the damages caused.

13. General

13.1 The Agreement constitutes the entire agreements executed between you and us regarding its purpose and replaces any other prior agreement of the parties related hereto.

13.2 Any variation or amendment to the Agreement shall be made in writing signed by us.

13.3 If any provision of this Agreement is declared null and void, in whole or in part, by a competent authority, the other provisions of this Agreement shall continue in full force and effect.

13.4 The delay or failure to enforce any provision of this Agreement will not involve a waiver of any right set forth herein.

13.5 You are not authorized to transfer, assign, or outsource any rights and/or obligations contained in this Agreement without our prior and written authorization. The terms of this agreement may not be executed by any third party.

13.6 You shall comply with all applicable laws, regulations, and codes, even those regarding export restrictions.

13.7 This document is written in English and Spanish; however, in case of controversy, the Spanish version shall prevail.

14. Labor, Administrative, and Judicial Independence

14.1 Since both you and we have our own, sufficient, and necessary elements to perform our respective obligations towards our own employees, personnel, and in general, workers, each party hereby agrees to be exclusively liable for the obligations related to said employees, personnel, or workers. Therefore, we will remain, at all times, foreign to any labor relationship existing between you and your employees or workers, and likewise, you will remain at all times foreign to any labor relationship existing between our personnel, employees, or workers. Therefore, each party shall be liable for any claim or lawsuit of their respective employees or workers, on their own account and liability, and as applicable, agree to hold the other party harmless from any claim, lawsuit, action, or request of labor nature filed against such other party regarding its own personnel, employees, or workers, and to reimburse any expense or disbursement that the other party must perform for such reason.

14.2 Likewise, each party shall be liable for any amounts owed or that could be owed to the Mexican Institute of Social Security or the National Workers Housing Fund Institute or any other authority or arising from the Income Tax Law, the Social Security Law, or any other law, regarding its own personnel, employees, or workers.

14.3 You are exclusively liable for the labor obligations and the payment of social security fees, and if applicable: wages, profits, indemnities, and compensations of your personnel employed in the performance of this Agreement, personal injuries, death, or damages to tangible goods, and in the event of a claim due to gross negligence or intentional illegal act incurred by you, pursuant to the labor and social security laws in force, and any other applicable law, and due to the individual labor or collective bargaining agreements executed or that you may execute with your personnel or any agreement executed with your subcontractors.

14.4 You release us from any liability regarding the obligations that could arise from the contractual relationships between you and your personnel or those outsourced, as well as accidents or diseases occurring to your personnel or those outsourced during the performance of the Agreement.

14.5 You agree to assume the liability for any damage suffered by us due to your actions. Therefore, you agree to hold the Group harmless regarding any claim, lawsuit, criminal complaint, damage, or conflict, without limitation, filed by any third party against the Group, therefore you will indemnify the Group for the damages caused.

14.6 In addition to the foregoing, you agree to reimburse to the Group all expenses spent for such reasons, including, but not limited to, the fees generated by the defense and representation of its rights.

15. Privacy

15.1 You and we agree to comply with the laws in force on matter of personal data in possession of private parties ("Law") therefore we guarantee to treat as confidential the personal data received or transferred between you and us, including the personal data of your employees and/or representatives ("Personal Data"). Likewise, both parties agree to notify to the owners of the Personal Data the corresponding privacy notices, and to maintain the administrative, technical, and physical security measures that allow to protect the Personal Data against damages, losses, alterations, destruction, or non-authorized use, access, or treatment. The above, in order to guarantee compliance with the Law, its regulations, and the guidelines published by the Mexican authorities. The confidentiality obligation will survive even after the end of our commercial relationship.

15.2 You agree not to transfer, assign, or share, whether free of charge or with a charge, our Personal Data, as well as those of our representatives or workers without our prior and written consent.

15.3 Likewise, each party agrees to notify the other in writing, within 3 (three) days following the loss, leak, or disclosure of Personal Data, whether due to negligence, willful misconduct, or bad faith of its officers, employees, clients, or advisors.

16. Applicable Law

16.1 The Agreement shall be subject to, and shall be construed and performed pursuant to the laws of the United Mexican States, without considering any laws or other principles on conflict of laws matters that could require the application of laws of another jurisdiction. The provisions of the United Nations Convention on Contracts for the International Sale of Goods shall not be applicable to the Agreement, except as otherwise agreed in the relevant purchase order.

17. Jurisdiction

17.1 For any interpretation, dispute, or conflict arising from this Agreement or relevant purchase order, you and us expressly agree that they will be finally resolved pursuant to the Rules of Arbitration of the Mexican Arbitration Center (CAM) by an arbitrator appointed pursuant to such Rules. The applicable law shall be Mexican law, the place of arbitration shall be Mexico City and the relevant language shall be Spanish.