1 Definitions and introduction

"we", "us" and "our" refers to the applicable purchaser among Shanghai GKN HUAYU Driveline Systems Co., Ltd. (Wuhan plant, Changshun plant. Yidu plant and GDC Shanghai plant). 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; (iii) our 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 quality and other requirements or procedures made available to you (via GKN’s Supplier Portal or otherwise) which is any inconsistency between any parts of the Contract, the parts placed higher in the above list will prevail.

2 Your conditions excluded

If you seek to impose additional or different terms on our purchase, they will not be part of the Contract and are excluded and rejected by these General Purchasing Conditions.

3 Delivery

3.1 You must deliver the goods and/or services that we order in accordance with any delivery terms specified in the Contract. All 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 agreed by the Parties in the Contract. All goods and/or services are not delivered on time or are delivered incorrectly, we may terminate the relevant Order.

3.3 All goods must be packaged so as to protect them adequately before, during and after delivery and, if we request, 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 supplied by you must be: (i) of the quantity and description specified in the Contract; (ii) free from defects in design, material and manufacture; (iii) fit for their normal and any particular purpose and any specific purpose we inform about or which you ought reasonably be aware of; (iv) free from defects in design, material and workmanship; and (v) free from any encumbrances.

4.2 Any goods supplied by you must be delivered 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 engaged and paid in the same manner.

4.3 Any goods or services (and 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 or conflict with any specifications, terms and conditions referred to in the Contract; and (iv) conform to any sample approved by us.

4.4 According to our quality terms, 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 which 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.

4.5 You must reimburse each member of the Group for all losses, damages, costs and expenses (including reasonable legal fees) or other claims (including third party claims and costs relating to recalls and service measures implemented by our customers or your customers) arising from or in connection with any breach of any of your obligations under the Contract.

5 Invoicing and payment

We may proceed to issue you an Order (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 delivery payment schedule in the Contract.

5.2 Invoices must show: the date of delivery, Order number, delivery address and description of goods and/or services delivered, and must be sent to the invoice address specified in the relevant Order.

5.3 Unless otherwise stated 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 You may invoice us, for all debts for which we are responsible, for amounts due to you 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 collaborative partners or subcontractors except for the purpose of supplying goods and/or services to us or as expressly authorized 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, drawings, samples, information or goods created or prepared for us by your employees, subcontractors and consultants, which we may use without any charge.

6.3 Intellectual property rights in any information, documentation, prototypes or toolsing provided by us to 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 and to the extent necessary for the purpose of the Contract. Any information, created or generated from such information, documentation, prototypes or toolsing or in performing the Contract then such rights shall be owned by us.

7 Our Property

7.1 This clause 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 use 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 title to it at all times. If we disagree as to who owns any of Our Property, the presumption will be that we do.

7.3 Without prejudice to our ownership control of Our Property it is on a fiduciary basis as ourlee 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 Risk in Our Property passes to you on delivery and remains with you 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 identify it as belonging to us; (iv) maintain insurance against all loss or damage; (v) use it with care; (vi) immediately if you become aware of any encumbrances or any other interest in Our Property which may affect Our Property or the relevant Order; (vii) immediately notify us if it is lost, damaged or seized; (viii) not modify or tamper with it, or attach to it anything, or anything to it; (ix) not part with possession of it or allow anyone else to use it (x) not sell, dispose or encumber it; (xi) give us unrestricted access and use it for the purposes set out in the Order or any reasonable notice during opening business hours; (xii) make it available for collection by us at any time and allow us access to your premises to remove it; and (xiii) not copy or reproduce it in any way.

7.5 We have an exclusive and revocable option to purchase all bespoke tooling owned by you and put 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 the price for such goods 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; 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.

8.3 Termination of all or part of an 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 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/sustainability/GKN-Supplier-Code-of-Conduct.pdf. We may at any time and for convenience by providing you with written notice.

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 and your employees, agents and sub-contractors must abide by applicable site and safety rules when on our property and you shall 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 at law or in equity in addition to or in place of any of the Contract.

9.5 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 company within our Group shall have the benefit of the Contract and may enforce any rights or remedies under the Contract.

9.6 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.

9.7 If any of your employees transfer to us by law then we may disband and you and you shall indemnify us for all costs arising from such dismissal.


10 Law and Jurisdiction

The original of the Contract shall be in English language, and any translation into another language, if any, shall be used only for reference purposes.