

## GKN AUTOMOTIVE GENERAL PURCHASING CONDITIONS

### 1. PARTIES

These General Purchasing Conditions (“GPCs”) relate to contracts entered into by companies forming part of GKN Automotive for the purchase of goods (“Products”) and/or services (“Services”). In these GPCs “GKN” means the company within GKN Automotive whose name is stated on the Order, or which the Contract Documents otherwise state is party to the Contract and “Supplier” means the company to whom the Order is addressed, or which the Contract Documents otherwise state is party to the Contract.

### 2. ORDERS & CONTRACTS

- 2.1 *Orders.* Each purchase order issued by GKN to the Supplier (“Order”) is an offer by GKN to enter into a contract with the Supplier for the purchase of the Products and/or Services identified in the Order.
- 2.2 *Acceptance.* The Supplier accepts an Order by doing any of the following: (a) accepting or acknowledging the Order in writing; (b) commencing any work under the Order; (c) completing or delivering Products and/or performing Services; (d) any other conduct that acknowledges or indicates the acceptance of the Order or the existence of the Contract; or (e) failing to reject the Order, in writing, within seven (7) days following receipt.
- 2.3 *Contracts.* Upon the Supplier’s acceptance, the Order shall constitute a binding contract between GKN and the Supplier (the “Contract”) on the terms of: (a) any duly signed long term agreement or framework agreement between GKN and the Supplier which relates to the Products and/or Services; (b) any duly signed letter of nomination between GKN and the Supplier which relates to the Products and/or Services; (c) the terms on the face of the Order and all Releases; (d) these GPCs; (e) all specifications, drawings, requirements of a Customer and relevant Vehicle Manufacturer, quality requirements, and other documents referred to in the Order; (f) all documents located on the GKN Website and stated to be Contract Documents; (g) all Customer Obligations imposed by section 2.6 (*Customer Obligations*); in each case subject to the terms of all Written Amendments (the documents referred to or containing the terms referred to in (a) to (f) above being the “Contract Documents”).
- 2.4 *Priority of Contract Documents.* In the event of any conflict or inconsistency between the Contract Documents, the Contract Documents stated earlier in section 2.3 shall prevail over those stated later in section 2.3.
- 2.5 *Country-Specific Terms.* Section 40 (*Country-Specific Terms*) sets out certain terms which may apply depending upon the governing law of the Contract or the countries in which the parties are located (in accordance with section 39 (*Law & Jurisdiction*)) (“Country-Specific Terms”). Where any Country-Specific Terms apply and such Country-Specific Terms conflict with any other provision of these GPCs, the Country-Specific Terms shall prevail.
- 2.6 *Customer Obligations.* In respect of a Contract for the supply of Production Products and/or Services, the Supplier shall take such steps, provide such disclosure, comply with such requirements and do all other things which GKN deems necessary or desirable which are within the Supplier’s control to enable GKN to meet GKN’s or GKN’s Affiliate’s obligations under the terms and conditions of any contract, purchase order, agreement or other arrangement with a Customer or Vehicle Manufacturer that relates to GKN’s Product, including those relating to delivery, packaging and labelling, warranty and warranty periods, intellectual property rights, indemnification, confidentiality, access to facilities and records, and replacement and service parts (the “Customer Obligations”). GKN may from time to time in its sole discretion, provide the Supplier with copies of, or information relating to, the Customer Obligations, but (without contacting the Customer directly) the Supplier shall be responsible for requesting from GKN or otherwise ascertaining the Customer Obligations that may affect its obligations to GKN. If there is any conflict between the Customer Obligations and any other terms of the Contract, GKN has the right to elect that the Customer Obligations prevail. The Supplier acknowledges that this section 2.6 is reasonable, having regard to the high standards of customer performance required in the automotive industry and the fact that it is in the interests of both parties to ensure that the Customer Obligations are met in full.
- 2.7 *No Other Terms.* The Contract does not constitute an acceptance of any offer or proposal made by the Supplier. These GPCs shall prevail over any standard terms of the Supplier. Any additional or different terms proposed by the Supplier, whether in a quotation, invoice, acknowledgement, correspondence or otherwise, are expressly rejected by GKN and shall not form part of the Contract. If any quotation or proposal issued by the Supplier is held to be an offer, that offer is expressly rejected and is replaced in its entirety by the offer made pursuant to the Order. If this Order is found to be an acceptance of any prior offer or proposal by the Supplier, such acceptance shall be limited to the terms of the Contract Documents. Any reference in the Contract

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Documents to any offer or proposal made by the Supplier is solely to incorporate the description or specification of Products and/or Services in the prior proposal, and only to the extent it does not conflict with the description and specification in the Contract Documents.

### 3. QUANTITY & CAPACITY

- 3.1 *Closed or Spot Orders.* If the Order expressly specifies a defined quantity or volume of Products and/or Services, such quantities shall be binding on the Supplier.
- 3.2 *Open Orders & Releases.* If no quantity of Products and/or Services is stated on the face of the Order or if the quantity is blank, states the quantity as zero, or refers to “open order”, “blanket order”, “see releases,” “as scheduled,” “as directed,” “subject to production releases” or similar terms, then the Supplier shall supply GKN’s requirements for Products and/or Services in such quantities as determined by GKN and identified in GKN’s firm releases, manifests, call-offs, delivery schedules or similar issued to the Supplier from time to time during the term of the Contract and referencing the Order or Contract (“Releases”), and the Supplier shall supply all such Products and/or Services on such dates and times and in such quantities as specified in the Releases. Releases may include Forecasts (as defined below), but Releases are only binding upon GKN for the firm quantity specified in the Release.
- 3.3 *Forecasts.* From time to time GKN, a Customer or a Vehicle Manufacturer may provide the Supplier with estimates, forecasts or projections of its future volume or quantity requirements for Products and/or Services (“Forecasts”). Forecasts, unlike Releases, are not binding on GKN. GKN makes no representation, warranty or commitment of any nature in respect of any Forecasts, including as to their accuracy or completeness. The Supplier acknowledges and accepts that: (a) Forecasts are provided for information and planning purposes only; (b) Forecasts are based on a number of factors, variables and assumptions, including information provided by Vehicle Manufacturers, some or all of which may change over time; (c) Forecasts may or may not be accurate at the time they were made or later; (d) actual volumes of Products and/or Services could be less than or greater than set out in Forecasts; and (e) accepting these risks is established practice in the automotive industry.
- 3.4 *Capacity.* The Supplier warrants that: (a) any representation, assurance or statement, made in a quote or otherwise regarding its production and/or performance capacity shall be considered a warranty that the Supplier can supply or perform the stated quantity of the Products and/or the Services; and (b) unless so otherwise represented or stated in the Contract Documents, the Supplier’s production and/or performance capacity will be sufficient to meet GKN’s needs.
- 3.5 *No Exclusivity or Requirements.* Unless otherwise stated on the face of the Contract Documents, GKN shall have no obligation to purchase all, or any particular proportion, of its requirements for the Products or Services from the Supplier, irrespective of any course of dealing between the parties and the Contract shall not constitute a requirements or output contract.
4. COMMENCEMENT & DURATION
- 4.1 *Commencement.* The Contract will commence upon the Supplier’s acceptance in accordance with section 2.2 (*Acceptance*).
- 4.2 *Duration of Contracts for Production Products and Services.* Unless otherwise stated on the face of the Contract Documents and unless terminated earlier pursuant to section 32 (*Termination*), the duration of a Contract for the supply of Production Products and/or Services shall be equal to the period of series production of the Vehicle Program to which the Products and/or Services relate, as determined by the relevant Vehicle Manufacturer (the “Series Production Period”) plus the Service Period. GKN makes no representation, warranty or commitment of any nature in respect of the Series Production Period. The Supplier acknowledges and accepts that: (a) all information provided by GKN, a Customer or a Vehicle Manufacturer relating to any Series Production Period is an estimate only; (b) any such estimate of Series Production Period may not be accurate at the time it is made or later; (c) the actual Series Production Period (and therefore the length of the Contract) could be less than or greater than so estimated; and (d) accepting these risks is established practice in the automotive industry.
- 4.3 *Duration of Contracts for Non-Production Products and Services.* Unless otherwise stated on the face of the Contract Documents and unless terminated earlier pursuant to section 32 (*Termination*), the duration of a Contract for the supply of Non-Production Products and/or Services shall be twelve (12) months. Upon the expiry of such initial term and any subsequent extended term, the Contract shall automatically renew for an

additional twelve (12) month term, unless the Supplier provides written notice of non-renewal to GKN no less than eleven (11) months prior to the end of the current term, provided always that GKN may extend the term of the Contract for such period of time beyond the initial or current term as GKN determines is necessary, acting reasonably and in good faith, to procure an alternate source of supply for the Products and/or the Services that is acceptable to GKN and to ensure an orderly transition of supply.

## 5. ENGINEERING, DESIGN & DEVELOPMENT

5.1 *Design & Development.* Unless the terms of the Contract provide that the Supplier has no responsibility for the design of the Products or Services, the Supplier shall at its own cost: (a) undertake such engineering, design, development, research and testing activities ("**ED&D**") as envisaged by the Contract Documents or is otherwise necessary to ensure that the Product or Services will comply with the Contract; (b) engineer, design, develop and test the Products and/or Services in accordance with the drawings, specifications, designs, tolerances and other requirements stated in the Contract Documents; (c) provide GKN with samples and prototypes of the Products and/or Services in accordance with the Contract Documents; (d) undertake all ED&D with the highest standards of skill, care, expertise and diligence and in a competent, workmanlike manner; and (e) undertake all ED&D in accordance with the timescale set out in the Contract and (in any event in the case of Production Products or Services) so as to ensure that there is no delay to the start of production of the Vehicle Program.

5.2 *Risk of delay to Vehicle Program.* In respect of a Contract for the supply of Production Products and/or Services, the Supplier acknowledges that any delay in the Supplier's ED&D may risk a delay to the launch of series production of the Vehicle. The Supplier shall: (a) keep GKN regularly informed of the status of all ED&D; (b) notify GKN immediately of any actual or potential delay in any ED&D; and (c) indemnify GKN and its Affiliates against any Losses resulting from or in connection with any delay to any Vehicle Program resulting from any delay or failure in the performance of the Supplier's ED&D.

## 6. CHANGES

6.1 *Written Amendments.* Save as set out in this section 6 and section 35 (GKN Website), all variations or changes to a Contract must be in writing and signed by an authorised representative of GKN (a "**Written Amendment**"). Once signed by both parties, Written Amendments shall form part of the Contract Documents.

6.2 *GKN Changes.* GKN may at any time make changes to the design of the Products, or to the manner of performance or scope of any Services, which are the subject of a Contract (a "**GKN Change**"). A GKN Change may include changes to drawings, specifications, Materials, packaging, testing, quality control, quantity, time, method of delivery or shipment or Sub-Suppliers. While GKN shall endeavour to discuss any GKN Change with the Supplier as soon as is practicable, the Supplier shall in any event promptly implement any GKN Change. If a GKN Change results in an increase in the Supplier's costs or the Supplier requiring additional time for performance, GKN shall (acting reasonably) determine an equitable adjustment to the Price or time of performance resulting from such GKN Change. In order to assist in the determination and verification of any such equitable adjustment, the Supplier shall promptly provide such information as GKN may reasonably request, including relating to changes in the Supplier's cost of production and the time to implement such changes. No Prices or times of performance shall be changed without a Written Amendment.

6.3 *Supplier Changes.* Unless otherwise agreed in a Written Amendment, the Supplier shall not make any changes to any Contract, Products or Services, including changes to: (a) any Sub-Supplier; (b) the nature, type or quality of any services, Materials or goods used by the Supplier or its Sub-Suppliers in connection with the Contract; (c) the Supplier Premises or other facility or premises from which the Supplier or any Sub-Supplier operates; (d) the Price; (e) the fit, form, function, appearance, performance of any Products; (f) the production method, or any process or software used in the production of any Products or performance of any Services; (g) any part numbers or other method of identification; or (h) the packing, marking, shipping, date or place of delivery of any Products. Any changes by the Supplier to any Contract, Products or Services without the prior approval of GKN in a Written Amendment shall be a breach of the Contract. The Supplier shall on demand reimburse GKN for all costs and expenses incurred by it in considering and approving any such change.

## 7. DELIVERY & PERFORMANCE

7.1 *Packing & Packaging of Products.* The Supplier shall: (a) properly pack, package, label and ship all Products as instructed by GKN, in accordance with all Applicable Laws, so as to protect them adequately before, during and after delivery and otherwise in accordance with all packaging requirements set out in the Contract Documents; (b) route shipments as instructed by GKN; (c) not charge for handling, packaging, labelling, storage or transportation of Products, unless otherwise expressly stated in the Contract Documents; (d) provide packing slips with each shipment stating GKN's Order number and Release number and date of shipment; (e) properly mark each package with labels, tags and other markings

according to GKN's instructions; (f) promptly forward the original bill of lading or other shipping receipt for each shipment as instructed by GKN; (g) include the correct classification and identification of the Products on all bills of lading or other shipping receipts; and (h) ensure that the labelling of each package and the identification of the Products on all packing slips, bills of lading and invoices is sufficient to enable GKN to easily identify the Products.

7.2 *Applicable Incoterms.* All Products shall be delivered in accordance with the Applicable Incoterms.

7.3 *Timing of Delivery & Performance.* Time is of the essence of the Contract and the Supplier shall deliver all Products and perform all Services in strict compliance with all quantities, dates, times, periods and cycles specified in the Contract Documents. GKN is not obliged to accept early, late, partial or excess delivery or performance and may (but shall not be obliged to) cancel all or part of any Contract in such circumstances. The Supplier bears the risk of loss of all Products delivered in advance of the delivery date, or in excess of the quantities, in each case specified in the Contract Documents (including in particular any Releases) and GKN may dispose of, store or return such Products at the Supplier's cost and expense.

7.4 *Expedited Transportation.* If the Supplier fails (or becomes aware that it will or may fail) to meet its obligation to deliver any Products by the due date or time for delivery it shall immediately notify GKN and: (a) where the Supplier is responsible for arranging transportation, the Supplier shall at GKN's request arrange (at the Supplier's cost and expense) delivery using the most expeditious method of transportation available (including air freight where available) ("**Premium Freight**"); and (b) where GKN is responsible for arranging transportation (whether before or after the point of delivery) GKN may (but shall not be obliged to) arrange transportation by Premium Freight and the Supplier shall be responsible for and shall reimburse GKN on demand for all costs and expenses incurred in respect of such Premium Freight.

7.5 *Remedies for Late Delivery.* If any Products are not delivered or Services performed on the due date for delivery or performance, then in addition to GKN's other rights or remedies available under the Contract or Applicable Law, GKN may: (a) refuse to take any subsequent attempted delivery of the Products or performance of the Services; (b) make all necessary arrangements for the collection of the Products, at the Supplier's cost and expense; or (c) by notice to the Supplier, terminate the relevant Contract with immediate effect. If any Products are not delivered or Services performed on the due date for delivery or performance, then in addition to GKN's other rights or remedies available under the Contract or Applicable Law, the Supplier shall indemnify GKN and its Affiliates against all Losses resulting from or in connection with such late delivery or performance, including: (a) all costs and expenses incurred in obtaining substitute products or services from a third party supplier in substitution for the Products or Services delivered or performed late; (b) all transportation costs incurred, including costs related to Premium Freight; (c) all payments, damages costs and expenses payable by GKN or its Affiliates to a Customer, whether pursuant to a binding obligation, due to a breach of any Customer Obligation, or on an *ex-gratia* basis, as a consequence of such late delivery or performance or relating to any Losses suffered by the Customer; and (d) all Losses resulting from production or supply interruptions or delays.

7.6 *Changes to Delivery Schedules.* The Supplier acknowledges that the requirements of GKN for Products and Services may change at short notice and that this may necessitate changes to delivery schedules at short or no notice. GKN may therefore change the frequency, volume or timing of delivery, or suspend delivery, at any time without entitling the Supplier to any compensation or increase in the Price, and the Supplier acknowledges that accepting this risk is established practice in the automotive industry.

7.7 *Risk & Title.* The Applicable Incoterms will govern the passing of risk in all Products. Title to Products shall pass to GKN on the earlier of payment for such Products and delivery. Where the Applicable Incoterms or other terms of the Contract provide that GKN is to collect the Products from any Supplier Premises or the facility or premises of any third party, all references in these GPCs to "**deliver**" or "**delivery**" shall include the Products being so made available for collection.

7.8 *Charges, Duties & Tariffs.* Unless otherwise stated in the Contract Documents (including under any Applicable Incoterms), in respect of the supply of any Products the Supplier shall be responsible for all: (a) transportation charges, costs and expenses; (b) loading, unloading, parking, detention, insurance, storage and dunnage charges; (c) all customs, import and export duties, levies, tariffs, quotas or other Tax, cost and expenses applicable to the manufacture, sale, delivery or provision of the Products or Services.

7.9 *Safety Stock.* The Supplier shall at all times during the term of the Contract maintain a pre-produced emergency level of stocks of the Products in an amount equal to the average monthly delivery quantity in the prior twelve (12) months of the Contract and the Supplier shall replenish such emergency stock continuously on a "first in first out" basis.

7.10 *No Exclusivity in Event of Delay.* If, under the express terms of the Contract Documents, GKN grants the Supplier exclusive rights to supply the Products and/or Services to GKN, such rights shall not restrict GKN's right to procure goods or services similar to the Products or the Services in substitution therefor in the event of any delay or failure by the Supplier to deliver or perform by the due date for delivery or performance.

## 8. PRICE, INVOICING & PAYMENT

8.1 *Price.* The price payable for Products and/or Services and the currency in which it is payable is set out in the Contract Documents (the "Price") and save as expressly set out in the Contract Documents the Price shall not be increased at any point in the term of the Contract for any reason including: (a) any increase in the price of Materials or components; (b) any increase in the Supplier's labour, energy, development, manufacturing or other overheads or costs; (c) any increase in packing, fuel or other transportation costs; (d) the imposition of any customs duties, import and export duties, tariffs, quotas or other Tax at any point in the

supply chain; (e) any change in volumes or Series Production Period from that estimated or expected; (f) any changes in currency exchange rates; or (g) any other increase in the cost of, or loss of profit earned by, the Supplier in supplying the Products and/or Services.

8.2 *Cost Reductions & Productivity.* Throughout the term of the Contract, the Supplier shall: (a) participate in GKN's cost reduction and productivity programs and initiatives; and (b) implement the Supplier's own cost reduction and productivity programs and initiatives, in each case so as to reduce the cost and/or improve the competitiveness of the Products and Services, including by reducing manufacturing, supply and other costs, by seeking more competitive supplies of Materials and/or equipment, and undertaking 'value analysis/value engineering or 'VA/VE' activities, initiatives or projects. Should any such initiative result in a reduction in the manufacturing, supply and/or other costs or expenses of supplying and/or purchasing the Products or Services, then such cost saving shall be for the full benefit of GKN and the Price shall be reduced by such amount as is necessary to give effect to this principle.

8.3 *Competitiveness.* The Supplier shall at all times during the term of the Contract remain competitive in price, quality, performance and otherwise and in particular that the Price shall be not less favourable to GKN than any price from time to time offered by the Supplier to any other customer of the Supplier for the same or substantially similar products or services in the same or substantially similar quantities and delivery requirements. If GKN determines that the Supplier is not competitive in any respect, the Supplier shall reduce the Price accordingly and if it fails to do so GKN may (without prejudice to its other rights) re-source supply of any or all Products or Services to a more competitive supplier.

8.4 *Invoicing.* Unless otherwise stated in the Contract Documents, the Supplier may issue an invoice in respect of the Price of all Products and Services supplied only following: (a) in the case of Products, title to such Products passing to GKN; and (b) in the case of Services, such Services being performed in full.

8.5 *Content of Invoices.* All invoices issued by the Supplier shall include: (a) the Order number and any Release number; (b) GKN's part number (where applicable); (c) the Supplier's part number (where applicable); (d) the quantity of and description of Products or Services supplied; (e) the number of packages, cartons or containers delivered (where applicable); (f) the date of delivery or performance; (g) the Supplier's name and number; (h) any bill of lading number; (i) any relevant tax invoice number; and (j) all other information required by Applicable Law (including Applicable Law relating to Tax) or otherwise required by GKN. All invoices must be sent to the address of GKN set out in the Contract. Failure to comply with this section 8.5 shall entitle GKN to reject or delay payment of the invoice and GKN reserves the right to return all invoices or related documents submitted incorrectly.

8.6 *Payment Terms.* Unless otherwise stated in the Contract Documents or imposed by any Applicable Law, all validly issued invoices shall be payable by GKN on the first bi-weekly GKN payment run date falling ninety (90) days after the later of the date on which: (a) a validly issued invoice is received by GKN; or (b) title to the Products passes to GKN and/or the Services are provided in full (as applicable).

8.7 *Tax.* Unless otherwise stated in the Contract Documents, the Price includes all applicable Tax. The Supplier shall provide GKN with all information and documentation that is required under any Applicable Law in order to enable GKN to recover any sales, value added, or similar turnover or transaction Tax.

8.8 *Disputed Invoices.* If any obligation of the Supplier (or any of its Affiliates) to GKN (or any of its Affiliates) is disputed, GKN or any of its Affiliates may delay payment of all or any portion of the relevant amount due in respect of the matter in dispute until such dispute is resolved.

## 9. SERVICE & REPLACEMENT PARTS

In respect of a Contract for the supply of Production Products and/or Services, during: (a) the Series Production Period; and (b) the period of 15 years following the end of the Series Production Period (the "Service

Period"), the Supplier shall supply to GKN all GKN's requirements for Products and Services in order to meet GKN's and its Customer's service and replacement parts requirements during the Service Period at the then-current series production Price plus (during the Service Period) any additional reasonable cost for unique packaging. If the Products are systems, modules or assemblies, the Supplier shall supply the component or parts of such systems, modules or assemblies at prices that will not in the aggregate exceed the then-current series production Price of the system, module or assembly, less the costs of labour involved in connection with the system, module or assembly plus (during the Service Period) any additional reasonable cost for unique packaging.

## 10. QUALITY MANAGEMENT

10.1 *Quality Standards & Processes.* In respect of a Contract for the supply of Production Products and/or Services, the Supplier shall comply with: (a) GKN's Supplier Quality Assurance Manual as published by GKN from time to time including on the GKN Website; (b) all quality assurance standards, manuals and requirements of any Customer or Vehicle Manufacturer; and (c) all recognised quality assurance standards specified by GKN from time to time, including applicable standards published by the International Organization for Standardization (ISO), the Automotive Industry Action Group (AIAG), the *Verband der Automobilindustrie* (VDA) and other recognised quality standard or automotive industry organisations. The Supplier shall, if requested by GKN, provide certificates certifying such compliance.

10.2 *PPAP & IMDS.* In respect of a Contract for the supply of Production Products and/or Services, the Supplier shall: (a) participate in and comply in full with all industry-standard Production Part Approval Processes specified by GKN, any Customer or Vehicle Manufacturer ("PPAP"), in conformance with relevant industry standards, including whenever Production Products and/or Services are supplied for the first time, under a new part number, after any change in manufacturing process or supply from a new line or facility, or otherwise with the frequency specified by GKN; (b) provide all PPAP information when due and otherwise to GKN upon request; (c) complete International Material Data System ("IMDS") entries required by GKN, any Customer or Vehicle Manufacturer; and (d) submit copies of IMDS entries with PPAP documentation where required.

## 11. SUPPLY CHAIN MANAGEMENT & SUBCONTRACTING

11.1 *Sub-Suppliers.* The Supplier shall be responsible for its own supply chain and all its suppliers of goods or services which in any way relate to the performance of the Supplier's obligations under a Contract ("SubSuppliers"). The Supplier shall: (a) be responsible for liaising with, contracting with and managing all Sub-Suppliers; and (b) exercise the highest standards of care and skill in selecting and managing all SubSuppliers. GKN may, at its sole discretion, require that the Supplier refrain or cease using any Sub-Supplier.

11.2 *Subcontractors.* The Supplier shall not sub-contract the performance of any of its obligations under a Contract to any person (a "Subcontractor"), other than in accordance with this section 11.2. If the Supplier wishes to engage a Subcontractor, it shall ensure that full details of the Subcontractor and the obligations to be performed by the Subcontractor are notified to GKN in writing and approved by GKN in writing prior to such Subcontractor being engaged or performing any of the Supplier's obligations under a Contract. GKN may give or withhold its approval of the engagement of any Sub-Contractor at its sole discretion. In the event that GKN approves the engagement of any Subcontractor in accordance with this section 11.2, the Supplier shall: (a) be responsible for liaising with and managing that Subcontractor; and (b) comply with all its obligations under the Contract that are relevant to the sub-contracted work and the Supplier shall remain fully liable to GKN for the performance of such obligations by that Subcontractor as if no sub-contract had been entered into. GKN may sub-contract or delegate in any way any or all of its obligations under any Contract to any person.

11.3 *Flow-down of obligations.* The Supplier shall ensure that the Supplier's contract with each approved Subcontractor and Sub-Supplier impose obligations on that Subcontractor and Sub-Supplier which are no less onerous than those imposed on the Supplier under these GPCs, in particular, Supplier shall ensure compliance of its Subcontractors and Sub-Suppliers with GKN's "Supplier Code of Conduct" and all other obligations under sec. 28.1. of these GPCs. GKN reserves the right to monitor compliance with the provisions hereunder throughout measures, such as but not limited to audits, requests for reports, and any other documentation deemed appropriate by GKN. The Supplier shall comply with its payment obligations to each Subcontractor or Sub-Supplier in accordance with all applicable contractual terms and in compliance with all Applicable Laws.

## 12. WARRANTY

12.1 *Products.* The Supplier warrants that all Products shall on delivery and throughout the duration of the Warranty Period: (a) conform to and comply with all drawings, specifications, samples, descriptions, standards, manuals and other descriptions furnished, specified or adopted by GKN; (b) be merchantable; (c) be free from any defects in design, to the extent the design is furnished by the Supplier or any of its Subcontractors or Sub-

- Suppliers, even if the design has been approved by GKN; (d) be of the highest quality and be free from any defects in materials and workmanship; (e) be fit, sufficient and suitable for the particular purpose for which GKN intends to use the Products (which the Supplier acknowledges it is aware of), including in respect of Production Products the specified performance in the component, system, subsystem, Vehicle and environment in which they are or may reasonably be expected to be used. The Supplier also warrants that all Products shall on delivery: (f) be free of all liens, claims and encumbrances whatsoever; (g) be new and have been manufactured entirely with new Materials and not in whole or part surplus, used, remanufactured or reconditioned; and (h) comply with and be manufactured in accordance with all Applicable Laws of the jurisdictions in which the Products are supplied and in which the products containing the Products are to be sold (which the Supplier acknowledges it is aware of).
- 12.2 *Services.* The Supplier warrants that all Services shall be performed: (a) in conformance with all drawings, specifications, samples and other descriptions furnished, specified or adopted by GKN; (b) in accordance with all Applicable Laws; (c) with the highest degree and standards of skill, care, expertise, diligence, prudence and foresight, and to a standard no less than would be expected from a skilled and experienced operator providing equivalent services in the same circumstances; (d) efficiently, safely and in a competent and workmanlike manner; and (e) in accordance with all applicable industry codes of practice, guidelines or standards. Without prejudice to the foregoing, the supplier warrants that all Serviced Products shall comply with the warranty in section 12.1 as if they were Products, to the extent that the condition state, attributes, qualities, or performance of such Serviced Products relates to the performance of the Services and not to the Input Materials.
- 12.3 *GKN Funded Tooling.* The Supplier warrants that all Tooling that is acquired by it at GKN's expense (whether by payment by GKN of the cost thereof or reimbursement by GKN of the cost thereof including by amortization into the Price) and/or which otherwise becomes the property of GKN ("**GKN Funded Tooling**") shall on delivery and throughout the duration of the Warranty Period: (a) conform to all drawings, specifications, samples, descriptions, standards, manuals and other descriptions furnished, specified or adopted by GKN; (b) be merchantable; (c) be free from any defects in design, to the extent the design is furnished by the Supplier or any of its Subcontractors or Subsuppliers, even if the design has been approved by GKN; (d) be free from any defects in materials and workmanship; (e) be fit, sufficient and suitable for the particular purpose for which GKN intends to use the GKN Funded Tooling (which the Supplier acknowledges it is aware of). The Supplier also warrants that all GKN Funded Tooling shall on delivery: (f) be free of all liens, claims and encumbrances whatsoever; and (g) comply with all Applicable Laws of the jurisdictions in which the GKN Funded Tooling is supplied.
- 12.4 *Production Warranty Periods.* Save as otherwise set out in the Contract Documents, in respect of Production Products (including Production Serviced Products) the "**Warranty Period**" means the period commencing on delivery of that Product and ending on the later of: (a) the date sixty (60) months following the date on which the Vehicle in which such Product is finally installed is first delivered to the end purchaser of such Vehicle; (b) the expiry of the new Vehicle warranty period offered by the Vehicle Manufacturer to retail customers in the country in which the Vehicle incorporating the Products is sold (it being acknowledged by the Supplier that this may be extended after the date of delivery and that such practice is normal in the automotive industry); and (c) the date required by any Applicable Law.
- 12.5 *Non-Production Warranty Periods.* Save as otherwise set out in the Contract Documents, the "**Warranty Period**" means: (a) in respect of Non-Production Products (including Non-Production Serviced Products), the period commencing on delivery of that Product and ending on the date sixty (60) months thereafter; and (b) in respect of GKN Funded Tooling, the period commencing on the date of creation or acquisition of that GKN Funded Tooling and ending on the expiry of the period of anticipated use of that GKN-Funded Tooling, which shall be no less than the Series Production Period.
- 12.6 *Legal Rights Preserved.* The warranties given by the Supplier in this section 12: (a) are in addition to any warranties or other rights or assurances implied or imposed by any Applicable Law; (b) shall survive inspection, test, delivery, acceptance, use and payment by GKN; (c) shall benefit GKN, its successors, assigns and Customers; and (d) may not be limited or disclaimed.
- 12.7 *Repaired or Replacement Products.* The warranties in this section 12 shall also apply to Products which are repaired or replaced in accordance with section 13 (*Defective Products or Services*) and the Warranty Period shall begin again in respect of such repaired or replaced Products once the Supplier has delivered such repaired or replaced Products to GKN and, where appropriate, GKN has supplied GKN's Product to the Customer.
- 12.8 *Claims Outside Warranty Period.* The fact that any relevant Warranty Period has expired shall not prevent any claim by GKN under or in respect of the warranties in this section 12 if the relevant Products or Services were in fact Defective within that Warranty Period in accordance with this section.
- 13. DEFECTIVE PRODUCTS OR SERVICES**
- 13.1 *No Inspection or Testing Necessary and no Deemed Acceptance.* GKN: (a) is not required to inspect or test any incoming Products and the Supplier waives any right to require GKN to conduct any such inspection or testing; and (b) shall not be deemed to have accepted and shall have the right at any time to reject, or to require repair or replacement of, any Defective Product, and inspection of, failure to inspect, selling, repairing or payment for any Defective Product by GKN shall neither imply acceptance nor otherwise affect GKN's rights in respect of that Defective Product.
- 13.2 *Defective Products.* If the Supplier supplies GKN with a Defective Product, then in addition to GKN's other rights or remedies available under the Contract or any Applicable Law, GKN may at its option: (a) retain that Defective Product in whole or in part with an appropriate adjustment in the Price; (b) require the Supplier to promptly repair or (at GKN's option) replace that Defective Product in whole or in part at the Supplier's sole cost and expense; (c) if the Supplier fails to promptly so repair or replace Defective Products, obtain substitute products from a third party supplier, or have the Defective Products repaired by a third party, in each case at the Supplier's expense; or (d) reject that Defective Product and/or cancel the Order or Release or terminate the Contract (in respect of the Defective Product only or in its entirety) and require that the Supplier repays the price of the Defective Product in full (whether or not GKN has previously required the Supplier to repair or replace the Defective Product). All Defective Products held by GKN shall be at the Supplier's risk. GKN may return any rejected Defective Products to the Supplier at the Supplier's risk, cost and expense. Any Defective Products shall be deemed to have not been delivered.
- 13.3 *Defective Services.* If the Supplier supplies GKN with any Defective Services, then in addition to GKN's other rights or remedies available under the Contract or Applicable Law, GKN may at its option: (a) accept the Defective Services in whole or in part with an appropriate adjustment in the Price; (b) require the Supplier to promptly re-perform the Defective Services in whole or in part at the Supplier's sole cost and expense; and/or (c) reject the Defective Services and/or cancel the Order or terminate the Contract in respect of the Defective Services only, or in its entirety.
- 13.4 *Indemnification.* If the Supplier supplies GKN with any Defective Products or Defective Services, then in addition to GKN's other rights or remedies available under the Contract or Applicable Law, the Supplier shall indemnify GKN and its Affiliates against all Losses resulting from or in connection with those Defective Products or Defective Services, including: (a) all sums paid by GKN to the Supplier pursuant to the Contract in respect of any Defective Products and/or Services; (b) all costs and expenses incurred in obtaining substitute products from a third party supplier in substitution for any Defective Products; (c) all costs and expenses incurred in having any Defective Products repaired; (d) all costs and expenses incurred in inspecting, sorting, testing, repairing or replacing such Defective Products or Services; (e) all costs and expenses incurred in returning any Defective Products to the Supplier; (f) all transportation costs incurred, including costs related to Premium Freight; (g) all payments, damages costs and expenses payable by GKN to a Customer, whether pursuant to a binding obligation, due to a breach of any Customer Obligation, or on an *ex-gratia* basis, as a consequence of the Defective Products or Defective Services or relating to any Losses suffered by the Customer; (h) the cost of any allocations made under any warranty allocation program, system or equivalent maintained by a Customer or Vehicle Manufacturer, including those determined by statistical analysis, modelling or any defined technical factor; and (i) all Losses resulting from production or supply interruptions or delays.
- 13.5 *Defence of Customer Claims.* The Supplier acknowledges that GKN may or may not (at its option) elect to resist, negotiate or defend any claim brought by a Customer that GKN's Product is defective, or that GKN has breached the Customer Obligations, where such claim relates to or results from Products or Services which are Defective (a "**Customer Claim Defence**"). Where GKN elects to engage in a Customer Claim Defence, the Supplier acknowledges that such Customer Claim Defence is undertaken in the interest of both GKN and the Supplier in order to mitigate Losses, and such Customer Claim Defence shall not in any way limit GKN's rights against the Supplier. Alternatively, where GKN elects not to engage in a Customer Claim Defence, or ceases or settles a claim from a Customer, the Supplier acknowledges that doing so may be in GKN's best commercial interests and such decision shall also not in any way limit GKN's rights against the Supplier.
- 14. RECALLS & SERVICE CAMPAIGNS**
- In respect of a Contract for the supply of Production Products and/or Services, in the event that any relevant Vehicle Manufacturer either voluntarily or pursuant to any Applicable Law, makes an offer to owners of Vehicles into which Products or Serviced Products (or any parts, components or systems incorporating Products or Serviced Products) are

installed or incorporated, to undertake any remedial or repair action to address an actual or suspected defect with that Vehicle, including by way of a recall campaign, service campaign, or other customer satisfaction or corrective service action (a "**Remedial Action**") the Supplier shall cooperate in full with all actions taken by GKN, the relevant Customer and the relevant Vehicle Manufacturer in connection with that Remedial Action, including providing any requested information and data. If and to the extent that any Remedial Action relates to Products or Services that were Defective: (a) GKN and the relevant Vehicle Manufacturer may name the Supplier as responsible for the Remedial Action in any public notice or statement in connection therewith; and (b) the Supplier shall indemnify GKN against all Losses resulting from or in connection with such Remedial Action including amounts paid to Vehicle distributors or dealers in respect of parts, labour and other costs.

## 15. PRODUCT LIABILITY

The Supplier shall indemnify GKN and its Affiliates against all Losses resulting from or in connection with any claim threatened, asserted, made or commenced against GKN or its Affiliates relating to product liability (including claims in respect of death, personal or bodily injury or damage to property) in each case to the extent that such claim: (a) relates to any Products, Serviced Products or Services supplied by the Supplier (whether or not such Products or Services are Defective); or (b) arises due to any Supplier Breach (a "**Product Liability Claim**"). In the event of a Product Liability Claim, the Supplier shall cooperate with GKN to determine the root cause of any actual or alleged defect in or failure of the Products, Serviced Products or Services.

## 16. INTELLECTUAL PROPERTY

16.1 *GKN IPR.* GKN remains the owner of any Intellectual Property Rights which it owns prior to the Contract being entered into or that arise, are obtained or are developed by GKN ("**GKN IPR**"). Nothing in any Contract shall operate to transfer any right, title or interest in any GKN IPR to the Supplier and no GKN IPR shall be used by the Supplier for any purpose other than the performance of the Contract, without GKN's prior written consent.

16.2 *Supplier Background IPR.* The Supplier hereby grants (and shall procure that its Subcontractors and Sub-Suppliers grant) to GKN and each of its Affiliates a royalty-free, worldwide, non-exclusive, perpetual and irrevocable licence (with the right to sub-licence) of all Intellectual Property Rights relevant to the Products and/or Services which it owns prior to the Contract being entered into or that arise, are obtained, or are developed by it other than during the performance of the Contract ("**Supplier Background IPR**") for any use or purpose, including to make, repair, reconstruct, rebuild, relocate, use, sell, import and export (or have any third party do any such things) any product, goods, item or Material, or to reproduce, distribute and display any works or to prepare derivative works based thereon.

16.3 *Funded Foreground IPR.* Without prejudice to section 16.4 (*CustomerAcquired Foreground IPR*), where the Contract provides for the Supplier to undertake any ED&D and the cost of the ED&D is funded in whole or in part by GKN (whether by payment therefore or reimbursement of costs, including by amortisation into the Price) and any Intellectual Property Rights arise, are obtained, or are developed by either party during the course of performing the ED&D, all such Intellectual Property Rights ("**Funded Foreground IPR**") shall vest in and be owned solely and absolutely by GKN.

16.4 *Customer-Acquired Foreground IPR.* Without prejudice to section 16.3 (*Funded Foreground IPR*), where: (a) any Intellectual Property Rights arise, are obtained, or are developed by either party during the course of the performance of the Contract; and (b) under the terms of any of the Customer Obligations, such Intellectual Property Rights are acquired by or are required to be assigned to any Customer or Vehicle Manufacturer ("**Customer-Acquired Foreground IPR**"), all such Customer-Acquired Foreground IPR shall vest in and be owned solely and absolutely by GKN to the extent required to ensure GKN can meet the Customer Obligations.

16.5 *Perfection of Title.* If, by operation of Applicable Law or otherwise, any Funded Foreground IPR or Customer-Acquired Foreground IPR does not vest in GKN, the Supplier hereby assigns (by present assignment of future Intellectual Property Rights, if applicable) and shall procure that its Representatives, Subcontractors, Sub-Suppliers and agents assign, all right, title and interest in and to such Funded Foreground IPR and Customer-Acquired Foreground IPR to GKN as soon as it is created and shall provide such assistance as GKN requires to perfect its right, title and interest in such Funded Foreground IPR and Customer-Acquired Foreground IPR, including by executing and delivering all documents reasonably requested by GKN in order to perfect, register, and/or enforce the same.

16.6 *Other Foreground IPR.* The Supplier hereby grants (and shall procure that its Subcontractors and Sub-Suppliers grant) to GKN and each of its Affiliates a royalty-free, worldwide, non-exclusive, perpetual and irrevocable licence (with the right to sub-licence) of all Intellectual Property Rights (other than Funded Foreground IPR or

CustomerAcquired Foreground IPR) which arise, are obtained, or are developed by the Supplier during the course of the performance of the Contract ("**Other Foreground IPR**") for any use or purpose, including to make, repair, reconstruct, rebuild, relocate, use, sell, import and export (or have any third party do any such things) any product, goods, item or Material, or to reproduce, distribute and display any works or to prepare derivative works based thereon.

16.7 *Infringement.* The Supplier shall indemnify GKN and each of its Affiliates against any Losses resulting from or in connection with any claim made or threatened against them for actual or alleged infringement of any Intellectual Property Rights arising out of, or in connection with: (a) the supply or use of the Products or the receipt of the Services; or (b) the use by GKN, any of its Affiliates, any Customer, any Vehicle Manufacturer or any other sublicensee of any Supplier Background IPR, Funded Foreground IPR, Customer-Acquired Foreground IPR or Other Foreground IPR.

16.8 *Infringement Claims.* If any person makes a claim, or notifies an intention to make a claim, against GKN, the Supplier or any of their respective Affiliates, which relates to or alleges the infringement of Intellectual Property Rights as referred to in section 16.7 (*Infringement*), or may reasonably be considered likely to give rise to a right to indemnification under that section (an "**Infringement Claim**"), the Supplier shall: (a) as soon as reasonably practicable, give written notice of the Infringement Claim to GKN, specifying the nature of the Infringement Claim in reasonable detail; (b) not make any admission of liability, agreement or compromise in relation to the Infringement Claim without the prior written consent of GKN; (c) give GKN and its Representatives access at reasonable times (on reasonable prior notice) to the Supplier Premises and the Supplier's Representatives, and to any relevant Books & Records within the control of the Supplier or its Affiliates, so as to enable GKN and its professional advisers to examine them and to take copies for the purpose of assessing the Infringement Claim; (d) be deemed to have given to GKN sole authority to avoid, dispute, compromise or defend the Infringement Claim, unless GKN (by notice in writing to the Supplier) declines to exercise such authority in which case the Supplier shall take all actions reasonably necessary to mitigate any Losses which may result from such Infringement Claim.

## 17. USE OF INFORMATION

17.1 *Technical Information.* The Supplier shall create, maintain, update and provide to GKN all technical information, know-how, specifications, drawings, 3D models (including material and mass properties) in \*.PRT format, or any other form stipulated by GKN, component and assembly models, designs, blueprints, reproductions, formulas, notes, instructions, engineering data and analyses, relating to the Products and their manufacture and/or the Services and their performance ("**Technical Information**").

17.2 *Confidential Information.* In these GPCs "**Confidential Information**" means: (a) all Technical Information; (b) the existence and terms of each Contract; (c) all financial data, know-how, trade secrets, parts lists, prices,

plans, reports, working papers, computations, information relating to operations, processes, plans, products and other commercial or business data which are supplied or disclosed by GKN or its Affiliates to the Supplier or its Affiliates in connection with the Contract; (d) any other information designated as confidential by GKN; and (e) any materials or information that contain, or are based on, any information referred to in (a) to (d) above, whether prepared by GKN, the Supplier or any other person. Confidential Information will not however include information that is or becomes generally available to the public other than as a result of a breach of this section 17.

17.3 *Confidentiality, Non-Use & Degree of Care.* Unless it has GKN's prior written approval, the Supplier shall: (a) keep all Confidential Information confidential and not disclose Confidential Information to any third party; (b) disclose Confidential Information only to the Supplier's Representatives who need to know such Confidential Information in order for the Supplier to perform the Contract; (c) not use any Confidential Information other than for the exercise and performance of its rights and obligations under the Contract; (d) use the same degree of care to safeguard Confidential Information that it uses to protect its own confidential information from unauthorised access or disclosure, but in any event not less than reasonable care; and (e) upon request by GKN, promptly return or (at GKN's option) destroy the original and all copies of Confidential Information. The Supplier's confidentiality obligations under this section 17.3 will survive termination or expiry of the Contract and continue for a period of five (5) years thereafter (or in the case of trade secrets disclosed as Confidential Information for so long as the trade secret information remains a secret).

17.4 *Information Security.* Unless it has GKN's prior written approval, the Supplier shall: (a) comply with the GKN Automotive Supplier Information Security Requirements, a copy of which is located at [www.GKNAutomotive.com/SupplierInformationSecurityRequirements](http://www.GKNAutomotive.com/SupplierInformationSecurityRequirements);

and (b) immediately notify GKN of any actual or potential breach of its obligations under section 17.3 or this section 17.3 (including any cybersecurity attack or data breach) including by e-mail to [ITsecurity@gknautomotive.com](mailto:ITsecurity@gknautomotive.com).

17.5 *Legally-Compelled Disclosure.* The Supplier may disclose Confidential Information solely to the extent required by Applicable Law, provided always that the Supplier shall first notify GKN and shall take all steps (and cooperate with GKN taking all steps) as are lawful and practicable to limit such disclosure.

17.6 *Disclosure by GKN.* Notwithstanding any existing confidentiality agreement in place between the parties, unless otherwise agreed in a Written Amendment, GKN may disclose all Technical Information, the existence and terms of each Contract, and all other information provided to it by the Supplier in such manner as it sees fit and GKN shall have no duty to maintain the secrecy or confidentiality of any such information. In any event, Technical Information will not be subject to any use or disclosure restrictions and the Supplier shall not threaten, assert, make or commence any claim against GKN, any Customer or Vehicle Manufacturer with respect to any Technical Information.

## 18. ADVERTISING & TRADE MARKS

The Supplier shall not, in any manner or at any time, advertise, disclose or publish that it has contracted to supply GKN or any Customer with any Products or Services, or use any trademarks or trade names of GKN or any Customer (including in advertising or promotional materials) without GKN's prior written approval, in each case save to the minimum extent required: (a) by Applicable Law; or (b) to exercise and perform its rights and obligations under the Contract.

## 19. TOOLING & GKN PROPERTY

19.1 *Acquisition of GKN Funded Tooling.* To the extent that a Contract relates to GKN Funded Tooling, GKN shall acquire title to such GKN Funded Tooling in consideration for the payment of the lower of: (a) the amount specified in the Contract for such GKN Funded Tooling (including any amount amortized into the Price of any Products in respect thereof); or (b) Seller's actual cost to acquire the GKN Funded Tooling from an unrelated third party or, if the Tooling were constructed or fabricated by the Supplier or any Affiliate of the Supplier, the actual direct costs for Materials, labour and overhead associated with such construction and fabrication.

19.2 *Input Materials.* GKN may from time to time issue the Supplier with Material free of charge, for the sole purpose of the Supplier performing the Contract, whilst retaining title to that Material ("**Input Materials**"). The Supplier shall be excused from the performance of its obligations under the Contract if and only to the extent that: (a) GKN is obliged to provide Input Materials to the Supplier under the terms of the Contract; (b) GKN has failed to do so; and (c) such failure is the sole cause of the Supplier's breach of its obligations under the Contract.

19.3 *GKN Property.* In these GPCs "**GKN Property**" means all Tooling (including GKN Funded Tooling), Input Materials, Products, and all other plant, equipment, designs, drawings, specifications, spare parts, trial parts, ancillary products and other Materials which are the property of GKN or any Customer, which at the relevant time is in the Supplier's possession, custody or control.

19.4 *Title to GKN Property.* All right, title and interest in all GKN Property shall be and remain that of GKN and/or the relevant Customer. The Supplier authorises GKN to make such filings with any relevant authority as may be necessary to protect GKN's interest in GKN Property.

19.5 *Supplier's Obligations in respect of GKN Property.* The Supplier shall: (a) properly keep, store, house and maintain GKN Property at a designated Supplier Premises as bailee for GKN or the Customer (as applicable); (b) not use GKN Property for any purpose other than for performance of the Contract; (c) use GKN Property only in compliance with GKN's or the manufacturer's instructions and in compliance with all Applicable Laws and not modify or tamper with it, or attach it to anything, or anything to it; (d) not move GKN Property to another location whether owned by the Supplier or a third party, without the prior written consent of GKN; (e) adequately insure GKN Property against accidental loss or damage for the full replacement value thereof; (f) regularly inspect and keep and maintain GKN Property in good condition and repair, including repair necessitated by wear and tear and other usage by the Supplier; (g) where necessary, replace GKN Property that requires replacement due to normal use by the Supplier; (h) prominently and conspicuously mark GKN Property as property of GKN; (i) not mix or commingle GKN Property with the property of the Supplier or with that of a third party; (j) not sell, lend, rent, encumber, pledge, lease, transfer or otherwise dispose of any GKN Property; (k) take reasonable steps to ensure that GKN Property does not become subject to any liens or other claims and expressly waives and releases, and agrees not to file or otherwise assert or prosecute or suffer to permit any statutory, equitable or other liens that the Supplier has or might have on or in connection with GKN Property; (l) immediately notify GKN if the GKN Property is lost, damaged or seized; (m) shall assign to GKN any claims the Supplier has against third parties with respect to GKN Property; (n) upon written request from GKN,

provide GKN with a written inventory of all GKN Property in the Supplier's possession or control; (o) upon written request from GKN, at its expense immediately deliver GKN's Property to any premises designated by GKN, properly packed and marked in accordance with the requirements of GKN; and (p) cooperate with GKN's removal of GKN Property from any Supplier Premises.

19.6 *Replacement of or Additions to GKN Property.* Any replacement for GKN Property shall belong to GKN. Any replacement parts, tools, additions, improvements, and accessories to GKN Property, shall become part of that GKN Property.

19.7 *Loss of or damage to GKN Property.* The Supplier shall bear the risk of loss of and damage to all GKN Property for so long as it is in the Supplier's possession, custody or control, and shall be responsible for replacing or repairing, at GKN's sole discretion, all GKN Property if it is stolen, lost, damaged or destroyed whilst in the Supplier's possession, custody or control, regardless of cause or fault.

19.8 *Disclaimer of Liability.* The Supplier has sole responsibility for inspecting, testing and approving all GKN Property and ensuring that all GKN Property is suitable and fit for its purposes prior to any use by the Supplier. The Supplier acknowledges that: (a) GKN may not be the manufacturer of GKN Property; (b) GKN is bailing GKN Property to the Supplier for the Supplier's benefit; and (c) GKN has not made and does not make any warranty or representation whatsoever, either express or implied, as to the fitness, condition, merchantability, design or operation of any GKN Property or its fitness for any particular purpose. GKN shall not be liable to the Supplier for any loss, damage, injury or expense of any kind or nature caused, directly or indirectly, by GKN Property, including, without limitation, its use or maintenance, or its repair, service or adjustment, or by any interruption of service or for any loss of business whatsoever or howsoever caused. GKN does not guarantee the availability of any GKN Property. The Supplier shall assume all risk of death or injury to persons or damage to property arising from its use of GKN Property and shall indemnify GKN against all Losses resulting from or in connection with its use of GKN Property. Nothing in this section 19.8 purports to exclude or limit GKN's liability to the extent it cannot be limited or excluded under any Applicable Law.

## 20. SUPPLIER PROPERTY

20.1 *Supplier Property.* The Supplier shall at its cost and expense: (a) acquire or otherwise furnish; (b) keep in good repair and condition; and (c) replace when necessary, all the Supplier's Tooling, Materials, Technical Information and other items necessary for the performance of its obligations under each Contract ("**Supplier Property**").

20.2 *Option to Purchase.* The Supplier hereby grants GKN an irrevocable option to purchase, free and clear of all liens, claims and other encumbrances, any or all Supplier Property that is specially designed or configured for the manufacture or assembly of Products or for the provision of Services under a Contract in consideration for the payment of an amount equal to the lower of: (a) the then net book value of such Supplier Property; or (b) the then current fair market value of such Supplier Property; in each case less any amounts GKN has previously paid to the Supplier in respect of such Supplier Property. This option will not apply to any Supplier Property that is used by the Supplier to produce a substantial quantity of similar products, or provide a similar quantity of other services, for other customers of the Supplier which cannot readily be obtained by the Supplier's customer(s) from third parties. GKN's right to exercise the option granted under this section is not conditional on a Supplier Breach or GKN's termination of the Contract.

## 21. CONTENT OF PRODUCTS

21.1 *Content of Products.* The Supplier shall promptly provide to GKN, in such form and detail as GKN requests: (a) a list of all Materials and other ingredients continued in any Products; (b) the quantity and proportion of the total Product of all such Materials and other ingredients; (c) details of any changes in or additions to such Materials and ingredients made at

any time; (d) details of the sources of all such Materials and ingredients, including the territories and suppliers from which they are directly and indirectly sourced; and (e) any other information concerning the Products which GKN from time to time requires in order to comply with any Applicable Law.

21.2 *Hazardous Materials.* Prior to and together with the shipment of all Products, the Supplier shall provide to GKN and all carriers sufficient written warning and notice (including appropriate labels on the Products, containers and packing) of any hazardous Material that is an ingredient or a part of any of the Products, together with all special handling instructions, material safety data sheets, safety measures and precautions as may be necessary to comply with Applicable Laws, to inform GKN and all carriers of any requirements of Applicable Laws and to best allow GKN and all carriers to prevent bodily injury or property damage in the handling, transportation, processing, use or disposal of the Products, containers and packing.

## 22. INFORMATION, RECORDS, ACCESS & INSPECTION

- 22.1 *Information.* The Supplier shall provide GKN with such information as it may reasonably request regarding: (a) its existence, incorporation and other status under any Applicable Laws; (b) the locations in which it does business; and (c) the person or persons who Control the Supplier; and the Supplier shall notify GKN immediately upon any such information ceasing to be accurate or complete.
- 22.2 *Books & Records.* The Supplier shall maintain all books, records, data and information as are necessary to satisfactorily evidence its performance of and compliance with any Contract (including any amounts charged to GKN under the Contract) and the Supplier's and its Affiliates overall financial condition ("**Books & Records**"). The Supplier shall on request provide GKN with copies of, and permit GKN and its Representatives full access to, all Books & Records, for the purposes of auditing, verifying, assessing and evaluating the Supplier's performance of and compliance with any Contract (including any amounts proposed to be charged to GKN under the Contract) and the Supplier's and its Affiliates overall financial condition.
- 22.3 *Right to Enter Supplier Premises.* GKN, any Customer and any relevant Vehicle Manufacturer (and their respective Representatives) shall have the right to enter any premises or location owned, occupied or controlled by the Supplier or any of its Affiliates or to which the Supplier or any of its Affiliates have been granted access by any third party ("**Supplier Premises**") on reasonable notice during normal business hours, or in the event of a Supplier Breach at any time without notice, to: (a) inspect such Supplier Premises and any Books & Records, Products, stocks, inventories, work-in-process, Materials, Tooling and any other items and processes relating to the Supplier's performance of the Contract which are located there (and take samples thereof); (b) verify, assess, evaluate and provide advice with respect to the Supplier's performance of and compliance with a Contract (including any section of these GPCs), the Supplier's manufacturing and quality control processes, the Supplier Premises, any Products or Services and any GKN Property; (c) inspect and/or remove any GKN Property located at that Supplier Premises; (d) undertake any testing, assessment or audit processes; and (e) perform any Contract in accordance with section 34.2 (*Right of GKN to Perform*).
- 22.4 *On-Site Presence.* In the event of any actual or potential Supplier Breach, GKN may but is not obliged to, designate one or more Representatives to be present at any relevant Supplier Premises to observe the Supplier's performance, operations and activities at that Supplier Premises.
- 22.5 *No Waiver.* The exercise by GKN of any of its rights under this section 22 shall not constitute acceptance of any Products or Services, relieve the Supplier of any obligation or liability under the Contract, or prejudice any rights or remedies available to GKN.

## 23. GKN PREMISES

If and when the Supplier, any of its Affiliates or any of their respective Representatives enter any site, property, premises or location owned, occupied or controlled by GKN or any of its Affiliates or to which GKN or any of its Affiliates have been granted access by any third party (a "**GKN Premises**"), the Supplier shall (and shall procure that its Representatives shall) comply with all rules, policies and procedures relating to the access to the GKN Premises as may be applicable at that GKN Premises from time to time ("**Access Rules**") and shall indemnify GKN, its Affiliates, and their respective Representatives against any Losses resulting from or in connection with: (a) any failure to comply with the Access Rules; and/or (b) any property damage, death and/or personal injury, arising from any act, omission or negligence of the Supplier, any of its Affiliates or any of their respective Representatives whilst present at that GKN Premises.

## 24. SUPPLIER'S EMPLOYEES

The Supplier shall be responsible for the management of its own employees and the performance of its obligations to its employees (including the payment of all relevant Tax) in each case in respect of the performance of each Contract and otherwise. The Supplier shall indemnify GKN and its Affiliates against any claims made by the Supplier's employees relating to the performance of each Contract and otherwise. In the event that by operation of Applicable Law (whether as a consequence of the entry into, performance of, or termination of any Contract or otherwise) any contract of employment of any employee of the Supplier or any of its Affiliates has effect, or is alleged to have effect, as if originally made between that employee and GKN or any of its

Affiliates, then GKN or its Affiliate (as applicable) may terminate such employment or purported employment at any time and the Supplier shall indemnify GKN and its Affiliates against all Losses resulting from such employment, alleged employment, its termination and/or its purported termination.

## 25. CUSTOMER RISK

In respect of a Contract for the supply of Production Products and/or Services, the Supplier acknowledges that GKN and the Supplier both share the risk of default by, or insolvency of, any Customer and accordingly in the event: (a) that a Customer fails to or delays in paying

GKN for GKN's Product, GKN shall not be obliged to pay the Supplier for the Products and/or Services incorporated into or relating to GKN's Product unless and until it has received payment in full from the Customer (and only in proportion to such receipt); (b) that any Tooling to be purchased by the Supplier at GKN's request is to be funded (directly or indirectly) by a Customer and that Customer fails to or delays in paying GKN in respect of that Tooling, GKN shall not be obliged to pay the Supplier for that Tooling until it has received payment in full from the Customer; (c) that a Customer suffers an Insolvency Event and as a consequence thereof and in connection with any actual or threatened termination by a Customer of its contract(s) with GKN, GKN agrees to a reduction in the prices paid to GKN for GKN's Product, then the Prices payable by GKN to the Supplier for the Products and/or the Services from and after the date of such reduction will be automatically reduced by the same percentage as the price paid to GKN by the Customer; or (d) of any lengthening of the Customer's payment terms to GKN for GKN's Product, the payment terms as between GKN and the Supplier will automatically lengthen by the same duration.

## 26. CUSTOMS

- 26.1 *Customs Compliance.* The Supplier shall comply with all Applicable Laws relating to customs, import and export, including properly declaring the value of the Products and complying with all origin or labelling requirements.
- 26.2 *Customs Credits and Refunds.* All customs credits, reliefs, benefits or rights associated with or arising from Products or Services purchased under any Contract (including trade credits, export credits, or rights to the refund or drawback of Tax, duties or fees) ("**Customs Credits & Refunds**") shall belong to GKN to the extent permissible under Applicable Law. Upon GKN's request, the Supplier shall at its own cost and expense promptly provide GKN with all information relating to the Products or Services (including written documentation and electronic transaction records) necessary to permit GKN to receive all Customs Credits & Refunds, properly completed in accordance with all government regulations applicable thereto.
- 26.3 *Customs Exemptions & Deferral.* The Supplier shall at its own cost and expense: (a) promptly provide GKN with all certificates of origin or domestic value-added and all other information relating to the Products or Services, their costs and places of origin, and the Materials contained therein or used in the performance thereof (including written documentation and electronic transaction records) necessary for GKN to fulfil any customs-related obligations, origin marking or labelling requirements and certification or local content reporting requirements) or to enable GKN to claim preferential duty treatment at the time of entry for Products or Tooling eligible under applicable trade preference regimes; and (b) make all arrangements and changes to its own manufacture and supply operations that are necessary for the Products or Tooling to be covered by any applicable customs duty exemption or deferral, or free trade zone program(s), of the country of import.

## 27. EXPORT CONTROLS

- 27.1 *Export Control Compliance.* The Supplier shall comply with all Applicable Laws relating to export, re-export, re-transfer, import, embargo and sanctions, and shall provide GKN with all information concerning any application of such Applicable Laws to the Products or Services.
- 27.2 *Export Licences.* The Supplier shall at its own cost and expense: (a) promptly provide GKN with all documentation to enable the Products to be exported, and (b) obtain all licenses, certificates, authorisations or permits necessary for the worldwide export of the Products and all GKN Funded Tooling unless otherwise indicated in the Contract, in which event the Supplier shall provide all information as may be necessary to enable GKN to obtain such licenses or authorisation(s).
- 27.3 *Trusted Trader Programs.* At GKN's request, the Supplier shall qualify for and comply with all applicable rules and requirements relating to any authorised economic operator, trusted trader, or similar program or initiative related to customs or supply chain security which may from time to time apply to the export or import of the Products, including (to the extent applicable): (a) the United States of America's Customs-Trade Partnership Against Terrorism (C-TPAT) initiative; (b) the European Union's Authorised Economic Operator program; (c) Mexico's *Nuevo Esquema de Empresas Certificadas* (NEEC) program; (d) Canada's Partners in Protection program; and (e) Japan's Authorised Economic Operator program; or (in each case) any replacement or successor scheme, initiative or program.

## 28. COMPLIANCE & ETHICS

- 28.1 *Compliance & Ethics.* In its performance of the Contract, the Supplier shall at all times: (a) comply with all Applicable Laws, including those relating to the manufacture, labelling, transportation, importation, exportation, licensing, approval or certification of the Products or Services; (b) comply with the GKN Automotive Supplier Code of Conduct, a copy of which is located at [www.GKNAutomotive.com/SupplierCodeofConduct](http://www.GKNAutomotive.com/SupplierCodeofConduct) (the "**Code of**

**Conduct**"); (c) comply with all Applicable Laws relating to anti-bribery and anti-corruption including but not limited to the (UK) Bribery Act 2010 and the (US) Foreign Corrupt Practices Act of 1977 ("**Anti-Bribery & Corruption Laws**"); (d) maintain its own policies and procedures so as to ensure compliance with the Code of Conduct and the Anti-Bribery & Corruption Laws and shall enforce them where appropriate; (e) promptly report to GKN any request or demand for any undue financial or other advantage of any kind received by the Supplier in connection with the performance of the Contract; (f) comply with all Applicable Laws relating to competition, anti-competitive behaviour or antitrust ("**Competition Laws**"); (g) not engage in any activity that does or may constitute a breach of Competition Laws, including price fixing, bid-rigging, market partitioning, the sharing of competitively sensitive information with competitors or any similar unlawful behaviour (and if the Supplier breaches any Competition Laws it shall indemnify GKN against all Losses resulting from or in connection with such breach and for the purposes of calculating such Losses, it shall be assumed that any increased prices have not been passed on by GKN to any Customer and the Supplier shall not argue or plead any pass-on defence or similar); (h) when requested by GKN, certify to GKN in writing signed by an officer of the Supplier, compliance with this section 28.1 by the Supplier and all persons associated with it under section 28.2, along with such supporting evidence of compliance as GKN may reasonably request.

28.2 *Associated Persons.* The Supplier shall ensure that any person associated with the Supplier who is performing services or providing goods in connection with the Contract (including any Subcontractor or Sub-Supplier) does so only on the basis of terms equivalent to those imposed on the Supplier under section 28.1 and shall be responsible for the observance and performance by such persons of such terms and be directly liable to GKN for any breach by such persons of such terms.

## 29. INSURANCE

29.1 *Required Insurance Policies.* The Supplier shall put in place and maintain in full force and effect at all times during the term of each Contract such insurance as GKN (acting reasonably) considers appropriate to the scope of activities to be performed by it under the Contract (the "**Required Insurance Policies**"). GKN may at any time during the term of the Contract notify the Supplier of the Required Insurance Policies. Unless otherwise so notified or agreed in a Written Amendment, the Required Insurance Policies shall include: (a) public liability insurance with a limit of indemnity of not less than £10 million per claim (or the equivalent in the Supplier's local currency calculated at a then prevailing mid-market foreign exchange rate (the "**Local Currency Equivalent**")); (b) product liability insurance with a limit of indemnity of not less than £10 million per claim (or the Local Currency Equivalent); (c) property damage insurance for all Supplier Premises with a limit of indemnity of not less than £10 million per claim (or the Local Currency Equivalent); (d) property damage insurance for all GKN Property with a limit of indemnity of not less than the full replacement value of such GKN Property; and (e) such insurance as the Supplier is required to maintain by any Applicable Law.

29.2 *Product Guarantee & Recall Insurance.* If GKN considers that the Supplier may not be of sufficient financial strength to meet any liabilities to GKN it may incur under the Contract relating to Defective Products or Services, GKN may require that the Supplier obtain product guarantee and product recall insurance with a limit of indemnity of not less than £10 million per claim (or the Local Currency Equivalent), including by requiring that the Supplier participates in any insurance scheme relating thereto from time to time facilitated by GKN.

29.3 *Evidence of Insurance.* The Supplier shall on written request promptly send to GKN copies of insurance certificate(s) which evidence the cover provided by any Required Insurance Policy and show as a minimum the insurance company, the insurance policy period and the limit of indemnity.

29.4 *No Limitation or Release.* The Supplier Companies' obligations and liabilities under this Agreement shall not be deemed to be released or limited by the Supplier Companies taking out any Required Insurance Policy.

## 30. CONTINUED PERFORMANCE

In respect of a Contract for the supply of Production Products and/or Services, by entering into that Contract the Supplier agrees that its obligations under that Contract are absolute and at no time may the Supplier refuse to perform the contract, stop shipment of Products or performance of Services. In the event of any disagreement, dispute, controversy or claim between the parties in respect of a Contract for the supply of Production Products and/or Services (a "**Dispute**") or of a GKN Breach the Supplier shall (unless otherwise instructed by GKN) continue to perform all its obligations under the Contract pending resolution of that Dispute and/or notwithstanding that GKN Breach and the Supplier shall only be entitled to rely on any GKN Breach as relieving the Supplier from the performance of its obligations under the Contract: (a) to the extent that the GKN Breach actually restricts, prevents or precludes performance of those obligations by the Supplier; and (b) provided the Supplier, promptly after the actual or potential GKN Breach has come to its attention, notifies GKN of the GKN Breach in writing providing reasonable details of the GKN

Breach. The Supplier acknowledges that section 30 is reasonable, having regard to importance of ensuring continued performance in the automotive industry.

## 31. EXCUSABLE NON-PERFORMANCE

If either party is unable to perform its obligations under a Contract as a direct result of an event or occurrence beyond its reasonable control (an "**Excusable Cause**"), then any delay or failure to perform under that Contract that results from such event or occurrence will be excused for only so long as such Excusable Cause continues, provided that the party which is so unable to perform (the "**Defaulting Party**") gives written notice to the other party as soon as possible after the Excusable Cause arises setting out full details of the Excusable Cause and of the resulting delay (including the anticipated duration thereof). Excusable Causes may include natural disasters, fires, floods, windstorms, severe weather, epidemics, pandemics, freight embargoes, explosions, riots, wars, sabotage and power failures. An Excusable Cause shall not include the Defaulting Party suffering an Insolvency Event or a lack of financial resources; any change in cost or availability of Materials based on market conditions; any contract dispute with Sub-Suppliers; or any strike or other industrial action applicable to the Supplier, its Subcontractors or SubSuppliers (and the Supplier assumes these risks notwithstanding any Applicable Law relating to force majeure, commercial impracticability or otherwise). Where the Supplier is the Defaulting Party, during any delay caused by an Excusable Cause, GKN may purchase substitute goods or services from other available sources, in which case any quantities GKN is required to purchase under the Contract will be reduced by the quantities of such substitute goods or services and the Supplier shall reimburse GKN for any additional costs of obtaining such substitute goods or services.

## 32. TERMINATION

32.1 *Termination for Convenience.* GKN may, by notice in writing to the Supplier, immediately terminate all or any part of a Contract at any time and for any reason.

32.2 *Termination on cancellation of Vehicle Program.* In respect of a Contract for the supply of Production Products and/or Services, GKN may, by notice in writing to the Supplier, immediately terminate all or any part of that Contract at any time in the event that the Vehicle Program to which the Contract relates is cancelled, terminated, discontinued or reaches the end of production.

32.3 *Termination where unlawful to supply.* GKN may, by notice in writing to the Supplier, immediately terminate all or any part of a Contract at any time where failure to do so would result in GKN or any of its Affiliates breaching any Applicable Laws including any trade embargo and/or sanctions.

32.4 *Termination for Lack of Competitiveness.* GKN may, by notice in writing to the Supplier, immediately terminate all or any part of a Contract at any time if the Supplier's performance under that Contract fails to remain competitive with respect to price, quality, delivery, technology, payment terms, or customer support.

32.5 *Termination for Breach.* GKN may, by notice in writing to the Supplier, immediately terminate all or any part of a Contract in the event of any Supplier Breach, including where the Supplier: (a) repudiates, breaches or threatens to breach any of the terms of a Contract; (b) fails to provide GKN with adequate and reasonable assurance of the Supplier's ability to timely perform any of its obligations under a Contract, including delivery of Products or performance of Services; or (c) fails to perform any of its obligations under a Contract, including delivery of Products or performance of Services, when due.

32.6 *Termination for Ancillary Breach.* GKN may, by notice in writing to the Supplier, immediately terminate all or any part of a Contract in the event that the Supplier or any of its Affiliates breaches any other contract with GKN or any of its Affiliates (irrespective of whether such other contract is related to a Contract) (an "**Ancillary Contract**") and GKN or its Affiliate terminates that Ancillary Contract for breach in accordance with its terms.

32.7 *Termination due to Insolvency.* GKN may, by notice in writing to the Supplier, immediately terminate all or any part of a Contract in the event that the Supplier suffers an Insolvency Event.

32.8 *Termination following a Change of Control.* GKN may, by notice in writing to the Supplier, immediately terminate all or any part of a Contract in the event that there is a change of identity of the person or persons who Control the Supplier. The Supplier shall notify GKN as soon as it becomes aware that any such change of Control is to or may take place.

32.9 *Basis of Termination.* GKN's right to terminate all or any part of each Contract under each of sections 32.1 to 32.8 (inclusive) is in addition to and without prejudice to any other right of GKN to terminate all or any part of that Contract under this section 32 or otherwise and any such termination is without prejudice to any of GKN's other rights or remedies. 32.10 *No termination by the Supplier.* In recognition of the fact that GKN's commitments to its Customers are made in reliance on the Supplier's



commitments under each Contract, and reflecting normal practice in the automotive industry, the Supplier has no right to terminate any Contract.

### 33. CONSEQUENCES OF EXPIRY OR TERMINATION

33.1 *Supplier's Obligations on Expiry or Termination.* Upon receipt of any notice of termination of a Contract from GKN pursuant to section 32 (*Termination*) or the expiry of a Contract for any reason (irrespective of

any breach by GKN), the Supplier shall: (a) at GKN's instruction, immediately cease all its activities under that Contract; (b) at GKN's instruction, transfer title and deliver to GKN all usable and merchantable finished Products, work in process, and Materials and components that the Supplier produced or acquired in accordance with Orders or Releases under that Contract which were binding on GKN in accordance with section 3 (*Quantity & Capacity*) and which the Supplier cannot otherwise make use of; (c) settle all claims by its Subcontractors and Sub-Suppliers under that Contract; (d) take all such actions as are within its control to mitigate and reduce any Losses it may suffer as a result of such termination or expiry, including the payments made under (c) above; (e) take such actions as are reasonably necessary to protect and preserve any GKN Property relating to that Contract; (f) at GKN's instruction, take all actions necessary in order to ensure that there is no interruption in the supply of the Products and/or Services to GKN and cooperate with GKN and take such actions as GKN may request to assist with the resourcing of the supply of the Products and/or Services to any alternative supplier designated by GKN, or to GKN, or any of its Affiliates (a "**Resourcing or Insourcing**").

33.2 *Resourcing or Insourcing.* The Supplier's obligations to cooperate with GKN on a Resourcing or Insourcing pursuant to section 33.1 (*Supplier's Obligations on Expiry or Termination*) shall apply prior to the termination or expiry of the relevant Contract and may include: (a) providing all information and documentation in its possession or control as is necessary or desirable for GKN to effect the Resourcing or Insourcing; (b) providing a sufficient stock of Products to ensure the orderly Resourcing or Insourcing; (c) promptly providing GKN with, or making available to collect, all GKN Property; and (d) assigning to GKN or any of its Affiliates any or all supply contracts or contracts for Materials or components relating to the Contract. If the Resourcing or Insourcing occurs for reasons other than GKN's termination of the Contract pursuant to section 32.1 (*Termination for Convenience*), GKN shall at the conclusion of the Resourcing or Insourcing, pay the reasonable, actual and pre-approved cost of the Supplier incurred in assisting with the Resourcing or Insourcing.

33.3 *No-Fault Termination.* Subject to section 33.4 (*Recovery from Customer*), upon termination of any Contract by GKN under section 32.1 (*Termination for Convenience*) or section 32.2 (*Termination on cancellation of Vehicle Program*) (a "**No-Fault Termination**"), GKN shall (in addition to making payment of the Price for Products and Services delivered or performed and accepted by GKN prior to the effective date of termination) pay to the Supplier the following amounts without duplication: (a) the Price for all finished and completed Products and delivered Services that conform to the requirements of the Contract and have not previously been paid for; (b) the Supplier's reasonable and actual cost of the usable and merchantable work-in-process and Materials and components transferred to GKN in accordance with section 33.1 (*Supplier's Obligations on Expiry or Termination*) above to the extent such costs are properly allocated or apportioned under generally accepted accounting principles to the terminated portion of the Contract; (c) the Supplier's reasonable, actual and mitigated cost of settling claims for the obligations the Supplier would have had to its approved Subcontractors and Sub-Suppliers in the absence of such termination; and (d) the Supplier's reasonable actual cost of carrying out its obligations under section 33.1 (*Supplier's Obligations on Expiry or Termination*) and section 33.2 (*Resourcing or Insourcing*). Within thirty (30) days after the effective date of the No-Fault Termination, the Supplier shall provide GKN with its claim for payment under this section 33.3, together with all relevant supporting data and if the Supplier fails to do so it shall have no right to payment under this section 33.3.

33.4 *Recovery from Customer.* Upon termination of any Contract by GKN under section 32.2 (*Termination on cancellation of Vehicle Program*), GKN shall not be obliged to pay the Supplier any sum pursuant to section 33.3 (*No-Fault Termination*) unless and until it has received payment in full from the Customer in respect of such sums (and only in proportion to such receipt).

33.5 *Obligations on Termination or Expiry.* Upon termination or expiry of any Contract, the Supplier shall: (a) (at GKN's option) promptly return all GKN Property to GKN, or make all GKN Property available for collection by GKN; (b) promptly return or (at GKN's option) destroy the original and all copies of Confidential Information; and (c) on request, certify in writing to GKN that it has complied with the requirements of this section 33.5.

33.6 *No Other Obligations.* Upon termination of any Contract by GKN under section 32 (*Termination*), the Supplier shall not be entitled to any further payments by GKN and save to the extent expressly set out in this section 33, GKN shall have no liability for and shall not be required to make any payments to the Supplier, directly or on account of claims by the Supplier's Subcontractors and Sub-Suppliers, for any other actual or alleged Losses

resulting from or in connection with termination of any Contract (including any anticipated revenue, savings or profit, unabsorbed overhead, interest, product design, development, engineering or testing costs, facilities and equipment rearrangement costs, rental costs, unamortized depreciation costs, ancillary exit charges (including, costs of riggers, warehousing, premium manufacturing costs, loading of trucks or other standard business procedures related to transitioning production to an alternative supplier), or general and administrative charges). In any event, GKN's obligation to the Supplier upon termination of a Contract shall not exceed the obligation GKN would have had to the Supplier in the absence of such termination.

33.7 *Survival.* Any provision of the Contract that expressly or by implication is intended to come into or continue in force on or after termination or expiry of a Contract (including sections 9 (*Service & Replacement Parts*), 12 (*Warranty*), 13 (*Defective Products & Services*), 14 (*Recalls & Service Campaigns*), 15 (*Product Liability*), 16 (*Intellectual Property*), 17 (*Use of Information*), 18 (*Advertising & Trade Marks*), 19 (*Tooling & GKN Property*), 20 (*Supplier Property*), 22 (*Books & Records, Premises Access & Inspection*), 23 (*GKN Premises*), 24 (*Supplier's Employees*), 25 (*Customer Risk*), 26 (*Customs*), 27 (*Export Controls*), 28 (*Compliance & Ethics*), 29 (*Insurance*), 33 (*Consequences of Expiry or Termination*), 34 (*Remedies & Claims*), 35 (*GKN Automotive Website*), 36 (*Notices & Communication*), 37 (*Miscellaneous*), 39 (*Law & Jurisdiction*) and 40 (*Country-Specific Terms*) of these GPCs) shall remain in full force and effect. Termination or expiry of a Contract shall not affect any rights, remedies, obligations or liabilities of the parties that have accrued prior to termination or expiry, including the right to claim damages in respect of any Supplier Breach which occurred on or prior to termination of expiry.

### 34. REMEDIES & CLAIMS

34.1 *Remedies for Supplier Breach.* The Supplier shall be liable for and shall indemnify GKN, its Affiliates, and their respective Representatives against all Losses, resulting directly or indirectly from any Supplier Breach. Without prejudice to those Losses expressly recoverable under any other section of these GPCs, such Losses shall include: (a) all fines or penalties imposed on GKN or any of its Affiliates by any Applicable Law as a consequence of the Supplier Breach; (b) all costs and expenses incurred by GKN in contemplation of entry into, and pursuant to the performance if its obligations under a Contract, in each case to the extent that such costs and expenses are wasted as a consequence of the Supplier Breach; (c) the cost of all additional management time expended by GKN due to such Supplier Breach; (d) all costs and expenses incurred by GKN in reconstituting or reloading data which was lost or corrupted as a consequence of the Supplier Breach; (e) all Losses incurred by GKN arising out of or in connection with any claim, demand, fine, penalty, action, investigation or proceeding by any person against GKN as a consequence of the Supplier Breach; and (f) the cost of replacing any GKN Property or other property or asset of GKN which is lost or damaged as a result of the Supplier Breach.

34.2 *Right of GKN to Perform.* If the Supplier fails to perform any of its obligations under a Contract, GKN may but shall not be obliged to, perform or have performed such obligations itself without waiving or releasing the Supplier from its obligation to perform such obligations.

34.3 *Injunctive Relief.* The Supplier acknowledges and agrees that monetary damages would not be a sufficient remedy for any actual, anticipatory or threatened Supplier Breach with respect to non-delivery or late delivery of Products and/or Services or disclosure of Confidential Information in breach of a Contract and that GKN shall be entitled to the remedies of specific performance and injunctive or other any other equitable relief to enforce a Contract, without any requirement to post a bond or other security.

34.4 *Rights & Remedies Not Exhaustive.* The rights and remedies provided to GKN under any section of these GPCs and in any Contract shall be cumulative with and additional to all other or further remedies provided under any other section of these GPCs, any other term of the Contract, and under any Applicable Law.

34.5 *Exclusion of GKN's Liability.* GKN shall not be liable to the Supplier, whether in contract, tort (including negligence), breach of statutory duty or otherwise for any: (a) loss of profits; (b) loss of contracts; (c) loss of business; (d) loss of revenue; (e) loss of goodwill; or (f) for any indirect, special or consequential Losses, or any punitive or exemplary damages. Nothing in this section 34.5 purports to exclude or limit GKN's liability to the extent it cannot be limited or excluded under any Applicable Law.

34.6 *Supplier Claims.* Any claim, proceeding or action by the Supplier under the Contract including for any GKN Breach, must be notified to GKN within three (3) months of the date of the breach, act or omission giving rise to such claim, proceeding or action, irrespective of the Supplier's knowledge of such breach, act or omission or of its consequences. Failure to do so shall preclude the Supplier from making such claim, proceeding or action.

### 35. GKN AUTOMOTIVE WEBSITE

- 35.1 *GKN Website.* The Supplier shall periodically review GKN's website located at [www.gknautomotive.com](http://www.gknautomotive.com) (the "**GKN Website**") and all materials made available thereon.
- 35.2 *Additional Contract Requirements.* The GKN Website may contain specific additional requirements for the Contract, including labelling, packaging, shipping, delivery and quality specifications, procedures, directions and/or instructions. To the extent stated therein, any such requirements shall be deemed to form part of the Contract and the Supplier's continued performance under the Contract without providing written notice to GKN detailing the Supplier's objection to any modified or new requirements made available by the GKN Website shall constitute the Supplier's acceptance thereof.
- 35.3 *Modifications to GPCs.* GKN may modify or replace these GPCs from time to time by placing revised GPCs on the GKN Website. Such modified or replaced GPCs shall apply to all Orders issued on or after the effective date thereof. The Supplier's continued performance under the Contract without providing written notice to GKN detailing the Supplier's objection to any modified or replacement GPCs prior to the effective date of such GPCs shall constitute the Supplier's acceptance thereof.

### 36. NOTICES & COMMUNICATION

- 36.1 *Notices.* Save as otherwise expressly stated in the Contract Documents, any notice given or other communication sent under the Contract shall be in writing and shall be delivered: (a) by hand; (b) by prepaid commercial courier; (c) by registered mail (or equivalent); in each case to the applicable address noted on the face of the Order or other Contract Document. In addition to the above, GKN (but not the Supplier) shall be entitled to deliver any notice or communication by e-mail to any e-mail address of the Supplier which is in active use by the Supplier. Either party may notify the other party, by notice under this section, of any change of address for the purpose of giving notices or sending communications under the Contract.
- 36.2 *Deemed Delivery.* Any notice or communication given as provided herein shall be deemed to have been delivered: (a) at the time of its delivery if delivered by hand; (b) on the Business Day following its dispatch if transmitted by commercial courier or e-mail; or (c) on the third Business Day following its dispatch if transmitted by registered mail (or equivalent).
- 36.3 *Electronic Communication.* The Supplier shall comply with any method of electronic communication specified in the Contract Documents or otherwise reasonably required by GKN, including electronic data interchange ("**EDI**"). Orders and Releases may be issued and accepted by EDI, but notice under a Contract or these GPCs may not be given by EDI.

### 37. MISCELLANEOUS

- 37.1 *Assignment.* GKN may at any time assign, grant any lien, claim or other encumbrance over or deal in any other manner with any or all of its rights and obligations under any Contract. The Supplier shall not assign, transfer, grant any lien, claim or other encumbrance over or deal in any other manner with any or all of its rights and obligations under any Contract without the prior written consent of GKN.
- 37.2 *Relationship Of Parties.* GKN and the Supplier are independent contractors and nothing in any Contract is intended to, or shall be deemed to, establish any partnership or joint venture between any of the parties, constitute any party the agent of another party, nor authorise any party to make or enter into any commitments for or on behalf of any other party. By entering into a Contract GKN and the Supplier each confirm they are acting on their own behalf and not for the benefit of any other person.
- 37.3 *Set-Off.* Without prejudice to any other right or remedy it may have, GKN may at any time, without notice to the Supplier, set off any liability of the Supplier (or any of its Affiliates) to GKN (or any of its Affiliates) against any obligation to pay the Price or any other present or future liability of GKN (or any of its Affiliates) to the Supplier (or any of its Affiliates), whether either liability is present or future, liquidated or un-liquidated and whether or not either liability arises under the Contract. If the liabilities to be set off are expressed in different currencies, GKN may convert either liability at a market rate of exchange for the purpose of such set-off. All amounts due from the Supplier to GKN under a Contract shall be paid in full without any set-off, counterclaim, deduction or withholding.
- 37.4 *Tax Withholdings.* If GKN reasonably considers it is or will be required by Applicable Law to make any deduction or withholding from any payment to the Supplier on account of the Supplier's Tax obligations (a "**Withholding**"), then GKN shall notify the Supplier and the parties shall co-operate and take all steps reasonably and lawfully available to them, at their own expense, to avoid deducting such Withholding and/or to obtain any available relief from double Tax (in any jurisdiction) of the payment in question. If nevertheless GKN is required by law to make such Withholding, it shall be entitled to do so, following which GKN shall pay such Withholding to the applicable Tax authority or authorities within the

period provided by law and on request, provide the Supplier with such certificates or other documents as are in its possession or it is reasonably able to obtain, in each case to assist the Supplier in obtaining appropriate relief from double Tax (in any jurisdiction) of the payment in question.

- 37.5 *Severability.* If any provision (or part of any provision) of a Contract is invalid, illegal or unenforceable under any Applicable Law (an "**Unenforceable Provision**"): (a) such Unenforceable Provision will be deemed amended or deleted to the extent necessary to comply with such Applicable Law; (b) such Unenforceable Provision will not affect the validity or enforceability of any other provision of the Contract; (c) such Unenforceable Provision will not affect the validity or enforceability of the Unenforceable Provision in any other jurisdiction in which the Applicable Law resulting in such invalidity or unenforceability does not apply; and (d) the remaining provisions of the Contract will remain in full force and effect.
- 37.6 *Rights of Third Parties.* To the extent permitted by any Applicable Law, all Affiliates of GKN may enforce the terms of each Contract but otherwise no third party shall have any right to enforce any term of a Contract. The rights of the parties to terminate, rescind or agree any variation, waiver or settlement under a Contract are not subject to the consent of any third party.
- 37.7 *Affiliate Losses.* Without prejudice to section 37.6 (*Rights of Third Parties*), in the event that any breach by the Supplier of any Contract Document results in any Affiliate of GKN suffering any Losses, such Losses shall be treated as if they had been suffered by GKN and GKN shall be entitled to recover such Losses from the Supplier as if they had been so suffered by it.
- 37.8 *No Waiver by GKN.* No failure or delay by GKN to exercise any right or remedy provided under any Contract or by any Applicable Law shall constitute a waiver of that or any other right or remedy, nor shall it preclude or restrict the further exercise of that or any other right or remedy. No single or partial exercise by GKN of such right or remedy shall preclude or restrict the further exercise of that or any other right or remedy. No waiver by GKN of a Supplier Breach shall constitute a waiver of any subsequent Supplier Breach. No course of dealing or course of performance may be used to evidence a waiver or limitation of the Supplier's obligations under a Contract.
- 37.9 *Waiver by Supplier.* The Supplier's failure to provide any notice, claim or other communication to GKN in the manner and within the time periods specified in the Contract Documents shall constitute a waiver by the Supplier of any and all rights and remedies that otherwise would have been available to the Supplier upon making such notice, claim or other communication.
- 37.10 *Further Assurance.* At its own expense, each party shall, and shall use all reasonable endeavours to procure that any necessary third party shall, promptly execute and deliver such documents and perform such acts as may be required for the purpose of giving full effect to this the Contract.
- 37.11 *Entire Agreement.* The Contract Documents constitute the whole agreement and understanding between the parties with respect to their subject matter, and supersede any previous arrangement, understanding or agreement between them relating to their subject matter, including GKN's request for quotation and the Supplier's quotation save to the extent expressly incorporated into the Contract. The Supplier acknowledges that, in entering into the Contract, it has not relied on any statement, representation, assurance or warranty (whether made negligently or innocently) other than those expressly set out in the Contract Documents and that any liability of GKN in respect of any representations are excluded except as expressly provided in this Agreement. Nothing in this section 37.11 shall limit or exclude any liability for fraud.

### 38. LANGUAGES, TRANSLATIONS, INTERPRETATION & DEFINITIONS

- 38.1 *Languages & Translations.* These GPCs are written in the English language. GKN may provide translated versions of these GPCs for informational purposes only, but in the event of any disagreement as to the meaning or construction of any translated version of these GPCs the English language version of these GPCs shall apply. The fact that certain of the Contract Documents may be written in a languages other than English, or in more than one language, shall not prejudice GKN's rights under the terms of the Contract.
- 38.2 *Interpretation.* When used in these GPCs: (a) "**including**" means "including without limitation"; (b) the singular includes the plural and vice versa; (c) one gender includes every other gender; (d) a "**section**" means a section with that number in these GPCs; (e) section headings are not intended to affect how these GPCs are interpreted; (f) a "**person**" includes a natural person, company or unincorporated body (whether or not having separate legal personality) including any governmental organisation or agency; and (g) a "**company**" includes any type of company, corporation or other body corporate, no matter where, or how, it is incorporated or established.
- 38.3 *Definitions.* In addition to other words and expressions defined throughout these GPCs, in these GPCs: (a) "**Affiliate**" in respect of any person,

means any other company that Controls, is Controlled by, or is under common Control with that person; (b) **"Applicable Incoterms"** in respect of a Contract, means the Incoterms® 2020 stated in the Contract Documents, or if none are stated means DDP the GKN Premises or delivery destination stated on the Order, Incoterms® 2020; (c) **"Applicable Laws"** means, in respect of any matter, fact or circumstance, all applicable laws, statutes, enactments, orders, regulations and applicable guidance which apply or relate to that matter, fact or circumstance; (d) **"Business Day"** means a day other than a Saturday, Sunday or public holiday in any country or territory in which the parties are located; (e) **"Control"** in respect of any company, means the ownership, directly or indirectly, of fifty percent (50%) or more of the capital or equity of that company, or the ability, by voting rights, contract or otherwise, to elect a majority of the board of directors or other governing body of such company and **"Controlled"** shall be construed accordingly; (f) **"Customer"** means the direct purchaser of GKN's Product (which may include a Vehicle Manufacturer, another direct or indirect supplier to a Vehicle Manufacturer, or a distributor or supplier of spare or service parts or components for Vehicles); (g) **"Defective"** in respect of Products or Services, means they were supplied in breach of the warranties in section 12 (*Warranty*) (including being determined as such by use of statistical analysis or other sampling methodology) or are otherwise defective or are the cause of any Remedial Action; (h) **"GKN Breach"** means any breach by GKN of any of its obligations under a Contract; (i) **"GKN's Product"** means the product, component or system which GKN supplies to a Customer into which a Product or a Serviced Product is incorporated; (j) an **"Insolvency Event"** is suffered by a person when that person: suspends, or threatens to suspend, payment of its debts or is unable to pay its debts as they fall due or admits inability to pay its debts or takes any step or action (including making any filing) in connection with an actual or potential administration, liquidation, receivership, insolvency, bankruptcy, composition or arrangement with its

creditors (other than in relation to a solvent restructuring) or any analogous procedure in the any relevant jurisdiction; is wound up or liquidated (whether voluntarily or by order of the court, unless for the purpose of a solvent restructuring), has an administrator, liquidator, receiver or equivalent person appointed to manage any of its assets or its business, or is subject to any analogous procedure in the any relevant jurisdiction; or suspends or ceases, or threatens to suspend or cease, carrying on all or a substantial part of its business; (k) **"Intellectual Property Rights"** means patents, utility models, rights to inventions, copyright and neighbouring and related rights, work of authorship, moral rights, trade marks and service marks, business names and domain names, rights in get-up and trade dress, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how and trade secrets) and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world; (l) **"Losses"** means all losses, liabilities, costs, expenses, damages (including any direct, indirect, incidental, consequential losses and punitive and exemplary damages), including loss of profits, loss of business, depletion of goodwill and similar losses and all related interest, penalties and legal costs; (m) **"Material"** means any material, goods, product, item, substance, matter, asset, part or component; (n) **"NonProduction"** in respect of Products or Services, means they are not Production Products or Services; (o) **"Production"** in respect of Products or Services, means the Products or Serviced Products are intended for use as, or incorporation into, parts, components or systems of Vehicles (whether as production parts, spare parts, prototype parts or otherwise); (p) **"Representatives"** means, in respect of a person, that person's employees, directors, officers, representatives or agents; (q) **"Serviced Products"** means any Input Materials once they have been altered, improved, or otherwise affected by the Services (including by machining, cutting, heat treatment, painting or any similar process) which may include GKN's Product or work-in-progress related thereto; (r) **"Supplier Breach"** means any breach by the Supplier of any of its obligations under a Contract, any non-compliance by the Supplier with any provision of these GPCs, any negligence or fraud by the Supplier, any breach by the Supplier of any Applicable Laws, the supply of any Defective Product, any negligent act or omission of the Supplier or its Affiliates, or any information or data provided by the Supplier to GKN at any time being inaccurate, incomplete or misleading; (s) **"Tax"** means any form of tax and statutory, governmental, state, federal, provincial, local, government or municipal charges, duties, imposts, contributions, levies, withholdings or liabilities wherever chargeable and any penalty, fine, surcharge, interest, charges or costs relating to such tax; (t) **"Tooling"** means tooling, jigs, dies, gauges, fixtures, moulds, patterns, tools, machinery, equipment, supplies, materials and other similar items; (u) **"Vehicle"** means an automotive vehicle of any description; (v) **"Vehicle Manufacturer"** means an original equipment manufacturer of a Vehicle (whether or not a Customer); and (w) **"Vehicle Program"** means the production program for the manufacture of a Vehicle by a Vehicle Manufacturer (including model refreshes).

## 39. LAW & JURISDICTION

- 39.1 *Countries in which the parties are located.* For the purposes of this section 39 a **"Country"** means a sovereign state (and for these purposes United States of America are a single Country) and a party shall be **"located"** in the Country in which it is physically located according to the principal address of that party specified in the Order or Contract.
- 39.2 *Country-Specific Defined Terms.* The **"Applicable Governing Law"**, the **"Applicable Regional Law"** (if any), **"Applicable Courts"** (if any), **"Applicable Arbitration Venue"** and **"Applicable Arbitration Rules"** shall depend upon the Countries in which the parties to the Contract are located, as set out in sections 39.6 (*Parties located in the same Country*), section 39.7 (*Parties located in different European Countries*), section 39.8 (*Parties located in other different Countries*) and the Country-Specific Terms.
- 39.3 *Applicable Governing Law.* Each Contract and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by, and construed in accordance with the Applicable Governing Law.
- 39.4 *Applicable Jurisdiction.* Subject to section 39.5 (*Arbitration*), each Contract shall be subject to the non-exclusive jurisdiction of the Applicable Courts and each party waives any objection to proceedings in such courts on the grounds of venue or on grounds that proceedings have been brought in an inappropriate forum. For the avoidance of doubt, the jurisdiction of the Applicable Courts is non-exclusive and nothing in this section 39.4 shall limit the right of GKN to bring proceedings against the Supplier in any other court of competent jurisdiction, nor shall the bringing of proceedings in any one or more jurisdictions preclude the bringing of proceedings in any other jurisdiction, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.
- 39.5 *Arbitration.* Any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with a Contract or its subject matter or formation shall be referred to and finally resolved by arbitration in the Applicable Arbitration Venue under the Applicable Arbitration Rules by three arbitrators appointed in accordance with those rules, if any one of the following applies to that Contract: (a) GKN and the Supplier are located in different Countries which are not at the relevant time both European Countries but which are at the relevant time both signatories to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (also known as the New York Convention); or (b) the Contract is governed by an Applicable Governing Law in respect of which the Country-Specific Terms state that there is **"Mandatory Arbitration"**; or (c) (without prejudice to the foregoing and if and to the extent permissible under the Applicable Law) if GKN so elects by notice in writing to the Supplier. In such circumstances (and unless otherwise agreed by the parties) the language of the arbitration shall be English.
- 39.6 *Parties located in the same Country.* If GKN and the Supplier are both located in the same Country: (a) the Applicable Governing Law shall be the laws of that Country and any Applicable Regional Law; (b) the Applicable Regional Law (if any) shall be any state or regional law set out in the Country-Specific Terms for that Country; (c) the Applicable Courts (if any) shall be the courts for that Country as set out in the Country-Specific Terms, or if there are no Country-Specific Terms for that Country, the courts of the capital town or city of that Country; (d) the Applicable Arbitration Venue shall be the location in that Country as set out in the Country-Specific Terms or if there are no Country-Specific Terms for that Country, the capital town or city of that Country; and (e) the Applicable Arbitration Rules shall be the rules for that Country as set out in the Country-Specific Terms or if there are no Country-Specific Terms for that Country, the UNCITRAL Arbitration Rules 2013.
- 39.7 *Parties located in different European Countries.* If GKN and the Supplier are located in different Countries, both of which are a member state of the European Union or are the United Kingdom, Iceland, Switzerland or Norway (a **"European Country"**): (a) the Applicable Governing Law shall be the laws of the European Country in which GKN is located and any Applicable Regional Law; (b) the Applicable Regional Law (if any) shall be any state or regional law set out in the Country-Specific Terms for the European Country in which GKN is located; (c) the Applicable Courts (if any) shall be the courts for the European Country in which GKN is located as set out in the Country-Specific Terms, or if there are no Country-Specific Terms for that Country, the courts of the capital town or city of the European Country in which GKN is located; (d) the Applicable Arbitration Venue shall be the location in the European Country in which GKN is located as set out in the Country-Specific Terms or if there are no Country-Specific Terms for that Country, the capital town or city of that European Country; and (e) the Applicable Arbitration Rules shall be the rules for the European Country in which GKN is located as set out in the Country-Specific Terms or if there are no Country-Specific Terms for that Country, the UNCITRAL Arbitration Rules 2013.
- 39.8 *Parties located in other different Countries.* If GKN and the Supplier are located in different Countries which are not both European Countries and the relevant dispute or claim arising out of or in connection with a Contract, or the breach thereof, is submitted (or when the Governing Law is

- determined in accordance with this section 39.8, is required to be submitted) to arbitration in accordance with section 39.5 (*Arbitration*): (a) the Applicable Governing Law shall be the laws of the Country in which GKN is located and any Applicable Regional Law; (b) the Applicable Regional Law (if any) shall be any state or regional law set out in the Country-Specific Terms for the Country in which GKN is located; (c) the Applicable Arbitration Venue shall be the location in the Country in which GKN is located as set out in the Country-Specific Terms or if there are no Country-Specific Terms for that Country, the capital town or city of that Country; and (d) the Applicable Arbitration Rules shall be the rules for the Country in which GKN is located as set out in the Country-Specific Terms or if there are no Country-Specific Terms for that Country, the UNCITRAL Arbitration Rules 2013. Alternatively, if GKN and the Supplier are located in different Countries which are not both European Countries and the relevant dispute or claim arising out of or in connection with a Contract, or the breach thereof, is not submitted (or required to be submitted) to arbitration in accordance with section 39.5 (*Arbitration*): (e) the Applicable Governing Law shall be the laws of the Country in which the Supplier is located and any Applicable Regional Law; and (f) the Applicable Regional Law (if any) shall be any state, county or other regional law set out in the Country-Specific Terms for the Country in which the Supplier is located; (g) the Applicable Courts shall be the courts for the Country in which the Supplier is located as set out in the Country-Specific Terms, or if there are no Country-Specific Terms for that Country, the courts of the capital town or city of the Country in which the Supplier is located.
- 39.9 *Vienna Convention Excluded.* The United Nations Convention on the International Sale of Goods (also known as the Vienna Convention) shall not apply to any Contract.
- 40. COUNTRY-SPECIFIC TERMS**
- 40.1 *Australia.* For Australia the “**Applicable Regional Law**” shall be the law of Victoria, the “**Applicable Courts**” shall be the courts of Victoria, the “**Applicable Arbitration Venue**” shall be Melbourne and the “**Applicable Arbitration Rules**” shall be the rules of arbitration of the Australian Centre for International Arbitration.
- 40.2 *Belgium.* For Belgium the “**Applicable Courts**” shall be the courts of Brussels, the “**Applicable Arbitration Venue**” shall be Brussels and the “**Applicable Arbitration Rules**” shall be the rules of arbitration of the International Chamber of Commerce.
- 40.3 *Brazil.* For Brazil the “**Applicable Courts**” shall be the courts of São Paulo/SP, the “**Applicable Arbitration Venue**” shall be São Paulo/SP, Brazil and the “**Applicable Arbitration Rules**” shall be the rules of arbitration of the Brazil-Canada Chamber of Commerce (*Centro de Mediação e Arbitragem da Câmara de Comércio Brasil-Canadá*).
- 40.4 *Canada.* For Canada the “**Applicable Regional Law**” shall be the law of the province of Ontario, the “**Applicable Courts**” shall be the courts of Ontario, the “**Applicable Arbitration Venue**” shall be Toronto and the “**Applicable Arbitration Rules**” shall be the rules of arbitration of the International Chamber of Commerce.
- 40.5 *China.* For each Contract where the Applicable Governing Law is the law of The People’s Republic of China, there shall be Mandatory Arbitration. For The People’s Republic of China the “**Applicable Arbitration Venue**” shall be Shanghai and the “**Applicable Arbitration Rules**” shall be the rules of arbitration of the Shanghai International Arbitration Center.
- 40.6 *Czech Republic.* For the Czech Republic the “**Applicable Courts**” shall be the courts of Prague, the “**Applicable Arbitration Venue**” shall be Prague and the “**Applicable Arbitration Rules**” shall be the Rules of the Arbitration Court attached to the Czech Chamber of Commerce and the Agricultural Chamber of the Czech Republic.
- 40.7 *France.* For each Contract where the Applicable Governing Law is French law, then: (a) section 8.1 (*Price*) shall be construed as an explicit waiver from the Supplier to the benefit of the provisions of Article 1195 of the French Civil Code; and (b) in section 8.6 (*Payment Terms*) the words “ninety (90) days” and “a validly issued invoice is received by GKN” shall be respectively replaced with “forty-five (45) days” and “the issuance of a valid invoice by the Supplier”; and (d) section 32.7 (*Termination due to Insolvency*) shall not apply solely due to the opening of a conciliation procedure (*conciliation*), judicial safeguard procedure (*procédure de sauvegarde judiciaire*), judicial rehabilitation procedure (*procédure de redressement judiciaire*) or a judicial liquidation procedure (*procédure de liquidation judiciaire*) of the Supplier. For France the “**Applicable Courts**” shall be the courts of Paris, France, the “**Applicable Arbitration Venue**” shall be Paris, France and the “**Applicable Arbitration Rules**” shall be the Rules of Arbitration of the International Chamber of Commerce.
- 40.8 *Germany.* For each Contract where the Applicable Governing Law is German law, then the period of limitation for any claims brought by GKN relating to the Products or Services shall be 72 months from delivery. For Germany the “**Applicable Courts**” shall be the courts of Cologne, Germany, the “**Applicable Arbitration Venue**” shall be Cologne and the “**Applicable Arbitration Rules**” shall be the Arbitration Rules of the German Arbitration Institute (*Deutsche Institution für Schiedsgerichtsbarkeit*).
- 40.9 *Hungary.* For Hungary the “**Applicable Courts**” shall be the courts of Budapest, the “**Applicable Arbitration Venue**” shall be Budapest and the “**Applicable Arbitration Rules**” shall be the Rules of Procedure of the Court of Arbitration attached to the Hungarian Chamber of Commerce and Industry.
- 40.10 *India.* For India the “**Applicable Courts**” shall be the courts of the town or city in which GKN is located, the “**Applicable Arbitration Venue**” shall be New Delhi and the “**Applicable Arbitration Rules**” shall be the Rules of Arbitration of the Indian Council of Arbitration.
- 40.11 *Italy.* For each Contract where the Applicable Governing Law is Italian law: (a) in section 12.5 (*Non-Production Warranty Periods*) the words “sixty (60)” shall be replaced with the words “twelve (12)”; (b) the final sentence of section 34.5 (*Exclusion of GKN’s Liability*) shall be deleted and replaced with: “Nothing in this section 34.5 purports to exclude or limit GKN’s liability for wilful misconduct or for gross negligence and for any liability to the extent it cannot be limited or excluded under any Applicable Law”; and (c) pursuant to Article 1341 and 1342 of the Italian Civil Code, by signing, acknowledging or otherwise agreeing to the Contract or these GPCs, the Supplier approves the following sections of these GPCs: 2.2 (*Acceptance*), 4.3 (*Duration of Contracts for Non-Production Products and Services*), 6.2 (*GKN Changes*), 12 (*Warranty*), 13 (*Defective Products & Services*), 14 (*Recalls & Service Campaigns*), 15 (*Product Liability*), 19.8 (*Disclaimer of Liability*), 25 (*Customer Risk*), 29 (*Insurance*), 32 (*Termination*), 34 (*Remedies & Claims*), 35 (*GKN Automotive Website*), 37 (*Miscellaneous*), and 39.5 (*Arbitration*). For Italy the “**Applicable Courts**” shall be the courts of Milan, the “**Applicable Arbitration Venue**” shall be Milan and the “**Applicable Arbitration Rules**” shall be the rules of the Milan Chamber of Arbitration (*Camera Arbitrale Di Milano*).
- 40.12 *Japan.* For each Contract where the Applicable Governing Law is Japanese law: (a) section 13.1 (*No Inspection or Testing Necessary and No Deemed Acceptance*) of these GPCs applies notwithstanding the Arms of Article 526 of the Japanese Commercial Code; and (b) if and to the extent that the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors (*Act No. 120 of June 1, 1956*) (the “**Subcontract Act**”) applies to the Contract, then notwithstanding any other term of these GPCs or the Contract: (i) GKN shall issue the documentation required under Article 3 of the Subcontract Act which shall prevail over any inconsistent term of the Contract; (ii) the Products may be only rejected by GKN when the Supplier is attributable under Article 4 Paragraph 1 Item 1 of the Subcontract Act; (iii) the due date for payment shall be 60 days following the delivery of the Products or any earlier date stipulated in the documentation under Article 3 of the Subcontract Act and payment shall not be delayed unless permitted by Article 4 Paragraph 1 Item 2 of the Subcontract Act; (iv) any reduction in payment must be permitted by Article 4 Paragraph 1 Item 3 of the Subcontract Act; (v) GKN shall not return the Products, unless it is entitled to do so under Article 4 Paragraph 1 Item 4 of the Subcontract Act; (vi) GKN shall not determine a price which is excessively lower than the market price (*kai-tataki*) in accordance with Article 4 Paragraph 1 Item 5 of the Subcontract Act; (vii) the Supplier acknowledges that it may be necessary for GKN (or the Customer) to stipulate that the Supplier purchase designated goods or uses designated services so as to standardize or to improve the content of the work performed by the Supplier, or for other justifiable grounds, and that such stipulation is normal practice in the automotive industry; (viii) GKN shall not make changes to the Contract unless permitted by Article 4 Paragraph 2 Item 4 of Subcontract Act. For Japan the “**Applicable Courts**” shall be the courts of Tokyo, Japan, the “**Applicable Arbitration Venue**” shall be Tokyo and the “**Applicable Arbitration Rules**” shall be the Commercial Arbitration Rules of the Japanese Commercial Arbitration Association.
- 40.13 *Korea.* For the Republic of Korea the “**Applicable Courts**” shall be the Seoul Central District Court, the “**Applicable Arbitration Venue**” shall be Seoul, South Korea and the “**Applicable Arbitration Rules**” shall be the International Arbitration Rules of the Korean Commercial Arbitration Board.
- 40.14 *Malaysia.* For Malaysia the “**Applicable Courts**” shall be the courts of Penang, the “**Applicable Arbitration Venue**” shall be Kuala Lumpur and the “**Applicable Arbitration Rules**” shall be the Rules of Arbitration of the Kuala Lumpur Regional Centre for Arbitration.
- 40.15 *Mexico.* For each Contract where the Applicable Governing Law is the laws of the United Mexican States: (a) in section 7.7 the words “Title to Products shall pass to GKN on the earlier of payment for such Products and delivery.” shall be replaced with the words: “Title to Products shall be transferred to GKN at the moment of execution of the Contract, as stated in the Federal Civil Code; (b) in addition to its obligations under section 17 (*Use of Information*) of these GPCs, the Supplier acknowledges that the disclosure or use by it or through third parties, or unauthorised possession of Confidential Information or industrial secrets constitutes criminal conduct under the terms of the Mexican Criminal Code and the Mexican Industrial Property Law; (c) section 25 (*Customer Risk*) shall not apply; and (d) section 34.3 (*Injunctive Relief*) shall be deleted and replaced with

- the following new section 34.3 (*Injunctive Relief*): "The Supplier acknowledges and agrees that monetary damages will be a sufficient remedy in respect of a Supplier Breach with respect to nondelivery of Products and/or Services in breach of the Contract. Notwithstanding the foregoing, GKN shall be entitled to the remedies of specific performance and injunctive or any other equitable relief to enforce the Contract, as well as the monetary damages, in respect of a Supplier Breach which is a partial breach of the Contract or a poor compliance of it, such as a late delivery of the Products and/or Services". For Mexico the "**Applicable Courts**" shall be the courts of Celaya, State of Guanajuato, the "**Applicable Arbitration Venue**" shall be Mexico City and the "**Applicable Arbitration Rules**" shall be the Rules of Arbitration of the Arbitration Centre of Mexico (CAM).
- 40.16 *Netherlands*. For the Netherlands the "**Applicable Courts**" shall be the courts of Amsterdam, the "**Applicable Arbitration Venue**" shall be Amsterdam and the "**Applicable Arbitration Rules**" shall be the Arbitration Rules of the Netherlands Arbitration Institute.
- 40.17 *Poland*. For each Contract where the Applicable Governing Law is Polish law: (a) GKN declares that it is a "large enterprise" within the meaning of Commission Regulation (EU) No 651/2014 of June 17, 2014; (b) in section 33.3 (*No Fault Termination*) the words "and if the Supplier fails to do so it shall have no right to payment under this section 33.3" shall not apply; (c) section 34.6 (*Supplier Claims*) shall not apply; (d) section 37.3 (*Set-Off*) shall only apply to liabilities which are liquidated and have fallen due, and the words "without notice to the Supplier" shall not apply; and (e) section 32.7 (*Termination due to Insolvency*) shall not apply. For Poland the "**Applicable Courts**" shall be the courts of Poland, the "**Applicable Arbitration Venue**" shall be Warsaw and the "**Applicable Arbitration Rules**" shall be the rules of arbitration of the Court of Arbitration at the Polish Chamber of Commerce.
- 40.18 *Portugal*. For Portugal the "**Applicable Courts**" shall be the courts of Porto, the "**Applicable Arbitration Venue**" shall be Lisbon and the "**Applicable Arbitration Rules**" shall be the Rules of Arbitration of the Commercial Arbitration Center of the Portuguese Chamber of Commerce and Industry (Commercial Arbitration Center).
- 40.19 *Romania*. For Romania the "**Applicable Courts**" shall be the courts of Bucharest, the "**Applicable Arbitration Venue**" shall be Bucharest and the "**Applicable Arbitration Rules**" shall be the rules of arbitration of the Court of International Commercial Arbitration attached to the Chamber of Commerce and Industry of Romania.
- 40.20 *Russia*. For The Russian Federation the "**Applicable Courts**" shall be the Moscow City Arbitration Court, the "**Applicable Arbitration Venue**" shall be Moscow and the "**Applicable Arbitration Rules**" shall be the rules of arbitration of the International Commercial Arbitration Court at the Chamber of Commerce and Industry of the Russian Federation.
- 40.21 *Singapore*. For Singapore the "**Applicable Courts**" shall be the courts of Singapore, the "**Applicable Arbitration Venue**" shall be Singapore and the "**Applicable Arbitration Rules**" shall be the Arbitration Rules of the Singapore International Arbitration Centre.
- 40.22 *Slovenia*. For each Contract where the Applicable Governing Law is the law of Slovenia: (a) the words "moral rights" shall be deleted from the definition of "**Intellectual Property Rights**"; (b) the Supplier acknowledges that it is in a constant commercial link with GKN in accordance with Article 30 Paragraph 3 of the Slovenian Code of Obligations; and (c) section 37.3 (*Set-Off*) shall not apply to liabilities of the party's Affiliates and shall only apply to liabilities which are liquidated and have fallen due. For Slovenia the "**Applicable Courts**" shall be the courts of Slovenia in Celje, the "**Applicable Arbitration Venue**" shall be Ljubljana and the "**Applicable Arbitration Rules**" shall be the Arbitration Rules of the Ljubljana Arbitration Centre at the Chamber of Commerce and Industry of Slovenia.
- 40.23 *Spain*. For each Contract where the Applicable Governing Law is the law of Spain section 32.7 (*Termination due to Insolvency*) shall not apply. For Spain the "**Applicable Courts**" shall be the courts of Bilbao, the "**Applicable Arbitration Venue**" shall be Madrid and the "**Applicable Arbitration Rules**" shall be the Statutes and Arbitration Rules of the Civil and Mercantile Court of Arbitration (CIMA).
- 40.24 *Sweden*. For each Contract where the Applicable Governing Law is the law of Sweden, there shall be Mandatory Arbitration. For Sweden the "**Applicable Courts**" shall be the courts of Stockholm, the "**Applicable Arbitration Venue**" shall be Stockholm and the "**Applicable Arbitration Rules**" shall be the Arbitration Rules of the of the Arbitration Institute of the Stockholm Chamber of Commerce.
- 40.25 *Thailand*. For each Contract where the Applicable Governing Law is the laws of Thailand: then section 37.3 (*Set-Off*) shall not apply to liabilities of the party's Affiliates and the words "without notice to the Supplier" shall not apply. For Thailand the "**Applicable Courts**" shall be the courts of Thailand, the "**Applicable Arbitration Venue**" shall be Bangkok and the "**Applicable Arbitration Rules**" shall be the Arbitration Rules of the Thai Arbitration Institute, Office of the Judiciary.
- 40.26 *Turkey*. For Turkey the "**Applicable Courts**" shall be the courts of Eskişehir, the "**Applicable Arbitration Venue**" shall be Istanbul and the "**Applicable Arbitration Rules**" shall be the Istanbul Arbitration Centre Arbitration Rules (and the Emergency Arbitrator Rules shall not apply).
- 40.27 *USA*. For each Contract where the Applicable Governing Law is the laws of a state of the United States of America: (a) in respect of Contracts referenced in section 3.2 (*Open Orders & Releases*) GKN shall (during the term of the Contract) purchase at least 5% of its requirements for the relevant Products or Services from the Supplier and section 3.5 (*No Exclusivity or Requirements*) shall be amended accordingly; (b) the Supplier and its Subcontractors and Sub-Suppliers shall abide by the requirements of 41 CFR sections 60-1.4(a), 60-300.5(a) and 60-741.5(a), which prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities; prohibit discrimination against all individuals based on their race, colour, religion, sex, or national origin and require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, colour, religion, sex, national origin, protected veteran status or disability; (c) the parties have agreed and it is their intent the battle of the forms Section 2-207 of the Uniform Commercial Code shall not apply to these GPCs or to any invoice or acceptance form of the Supplier relating to these GPCs, and these GPCs (and the other Contract Documents) shall exclusively control the relationship of the parties and in the event of any inconsistency between any invoice or acceptance form sent by the Supplier to GKN and these GPCs, these GPCs shall prevail; and (d) GKN AND THE SUPPLIER ACKNOWLEDGE THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED. EACH OF GKN AND THE SUPPLIER, AFTER CONSULTING (OR HAVING THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF ITS CHOICE, KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR OTHER LEGAL PROCEEDING ARISING OUT OF OR RELATING TO ANY CONTRACT. For the United States of America the "**Applicable Regional Law**" shall be the laws of the State of Michigan, the "**Applicable Courts**" shall be the Federal Court for the Eastern District of Michigan (and if no federal jurisdiction, then state courts located in Oakland County, Michigan), the "**Applicable Arbitration Venue**" shall be New York and the "**Applicable Arbitration Rules**" shall be the Commercial Arbitration Rules of the American Arbitration Association.
- 40.28 *United Kingdom*. For the United Kingdom the "**Applicable Courts**" shall be the courts of England and Wales, the "**Applicable Arbitration Venue**" shall be London and the "**Applicable Arbitration Rules**" shall be the London Court of International Arbitration (LICA) Rules.