Definitions and introduction

"we", "us" and "our" refers to the applicable purchaser among GKN Power Solutions (Luzhou) Co. Ltd, GKN (Lianyungang) Company Limited or other members of the Group.

"Group" means Melrose plc and its group companies.

Our agreement with you (the "Contract") consists of: (i) any duly signed contract which applies to our purchase of goods and/or services from you; (ii) any specifications and/or delivery notes; (iii) any contract terms or delivery note relating to any goods and/or delivery not being in issue to you; (iii) these General Purchasing Conditions; (iv) any specifications and safety, health and environmental requirements that we agree with you; (v) any supplementary terms and conditions of purchase that we agree with you; and (v) our quality and other requirements or procedures made available to you. If there is any inconsistency between any parts of the Contract, the parts placed higher in the list will prevail.

Your conditions excluded

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

Delivery

3.1 You must deliver goods and/or services that we order in accordance with the delivery terms and dates set out in the Contract. If any goods and/or services are not delivered on time or are delivered incorrectly, we may require you to replace them, at your expense.

3.2 Goods must be delivered DDP (as defined in current Incoterms), unless another part of the Contract states different delivery terms. Ownership of the goods you deliver will transfer to us on delivery.

3.3 All goods must be packaged so as to protect them adequately before, during and after delivery and, if we require, each delivery shall be accompanied, in a form acceptable to us, by a certificate of conformity and/or an up-to-date material safety data sheet.

Quality, rejection and indemnity

4.1 Any goods supplied by you must be: (i) of the quantity and description specified in the Contract; (ii) of satisfactory quality; (iii) fit for their normal purpose and any specific purpose purpose you inform us about or which you ought reasonably to aware of; (iv) free from defects in design, material and workmanship; and (v) free from any encumbrances.

4.2 Any services supplied by you must be: (i) performed efficiently, safely and competently by suitably qualified and experienced personnel, in accordance with any applicable industry code of practice; and (ii) of the quality which would reasonably be expected from a skilled and experienced operator providing equivalent services in the same circumstances.

4.3 Any goods or services (and any associated technology) supplied by you must comply with all applicable legal requirements, including those relating to transportation, health, safety and the environment; (ii) not infringe the intellectual property rights of any third party; (iii) conform to any specification or other requirements referred to in the Contract and any relevant documents issued to you; and (iv) not infringe or be likely to infringe any patent, copyright or other intellectual property rights of any third party.

4.4 We may (but are not obliged to) inspect and test the goods delivered by you and may reject and return (at your risk and expense) any goods that fail to conform with the terms of the Contract. You must replace such rejected goods within the agreed return time of not more than 15 days after notice of rejection if our required time is not otherwise specified) with goods which do comply with the Contract.

4.5 You will reimburse each member of the Group for all losses, damages, costs and expenses (including reasonable legal fees) or other claims or drainage losses (including third party claims and costs relating to recalls and service measures implemented by our customers or their customers) arising from or incurred as a result of: (i) any breach by you of the Contract; and (ii) any damage or omission by you or your employees, agents or sub-contractors in supplying goods and/or services pursuant to the Contract.

Invoicing and payment

5.1 We will pay you the price set out in the Contract (which will be inclusive of delivery costs and all duties and taxes except Value Added Tax where applicable) for the goods and services that you deliver in accordance with the Contract. You may only invoice us after delivery of the goods and/or services ordered by us and in accordance with any payment schedule in the Contract.

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

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

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

Confidentiality and Intellectual Property

6.1 You must not disclose to any other person or entity any confidential information belonging to the Group or any of its divisions, customers, suppliers or collaboration partners (including, without limitation, this Contract, specifications, formulae, manufacturing processes, know-how and any technical or economic information) or use such information for any purpose except for the supply of goods and/or services to us or as expressly authorised in writing by us. You must return to us such information and any copies if requested.

6.2 You must, on request, transfer to us, free of charge and free from encumbrances, any documents, specifications, plans, drawings, samples, instructions or other documents or information used in the sole purchase and/or service to us. If any intellectual property rights are created or generated from such information, documentation, prototypes or tools in performing the Contract then such rights shall be owned by us.

Our Property

7.1 This section relates to all property (including tools of any kind) and any related information, documentation and intellectual property rights therein: (i) owned or licensed by us or by a subcontractor used by you to perform the Contract; (ii) provided by us to you for use in the supply of goods and/or services or for any other purpose; whether or not modified, repaired or replaced ("Our Property").

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

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

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

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

Termination

8.1 We may cancel all or any part of any Order by giving you notice at any time prior to your full performance of the Order and in such event we will not be liable to pay the Contract price; and (an "Order")

8.2 We may terminate the Contract: (i) for convenience by providing you with written notice; (ii) immediately if you or your parent company become subject to a bankruptcy or insolvency event or enter into a composition with an creditor; (iii) by giving you notice if you breach the Contract, and, if the breach can be remedied, you fail to remedy such breach within 10 days of receiving notice of the breach.

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

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

General

9.1 You and your suppliers must comply with all applicable laws, regulations and codes, including those concerning anti-bribery and anti-corruption, and also with the requirements of both the GKN Wheels and Structures Supplier Code of Conduct and the GKN Wheels and Structures Anti-Bribery and Corruption Policy, both of which can be found at https://www.gknewheels.com/why-us/suppliers/. We have the right to visit your premises on reasonable notice to audit and ensure compliance.

9.2 You must provide us with any information we request relating to the goods and services supplied by you, all of which must be complete and accurate. You and your employees, agents and subcontractors must abide by applicable site and safety rules when on our property and you shall provide us with evidence that you have not been in breach of any of our rights.

9.3 Our rights or remedies under the Contract will not limit any of our other rights or remedies, whether under the Contract or otherwise. We will not be entitled to transfer or subcontract any of your rights under the Contract without our prior written consent.

9.4 Each company within our Group shall have the benefit of the Contract and may purchase goods and/or services pursuant to the terms of the Contract. Any failure or delay by us to enforce or partially enforce any of the Contract or any of our rights shall not prejudice any of our rights.

10. Law and Jurisdiction

The Contract shall be exclusively governed by Chinese law. Any dispute arising from or in connection with the Contract shall be submitted to the Shanghai International Arbitration Center for arbitration in accordance with its rules of procedure then in effect. The arbitral award shall be final and binding.