

GENERAL CONDITIONS OF PURCHASE

1. Formation and Content of Contract

1.1 Definitions

The following definitions apply to the Conditions herein

Buyer: The company offering to purchase the goods - Dunlop Systems and Components Limited, Central Boulevard, Prologis Park, Coventry CV6 4JQ

Conditions: the terms and conditions set out in this document as amended from time to time (as per clause 6.2)

Contract: the contract between the Buyer and the Seller for the sale and purchase of the Goods in accordance with these conditions.

Due Date: See clause 7.3

Goods: the goods (or any part of them) set out in the Order

Order: The Buyer's order for the goods, as set out on the Buyer's purchase order form or on the Buyer's written acceptance of the Seller's quotation as the case may be

Seller: the person or firm from whom the Buyer purchases the goods

Specification: any specification for the Goods, including any related plans and drawings, which is either supplied to the Seller by the Buyer or produced by the Seller and agreed in writing by the Buyer

1.2 Commencement of design, manufacture, delivery, start of invoicing or supply of the goods or services implies acceptance of the order by the Seller under these general conditions of purchase. The Seller's conditions of sale appearing on any printed acknowledgement, quotation, tender, delivery note or otherwise shall not apply.

1.3 The contract shall consist of and the order of precedence shall be: any special conditions written or referred to on the face of the order; any Blanket Order existing between the parties; these general conditions of purchase; the technical specification referred to on the face of the order.

2. Inspection and Testing

2.1 The Buyer and any properly interested third party authorised by the Buyer shall be entitled to inspect or test the goods or services at any reasonable time.

2.2 The Seller shall furnish such programmes of manufacture testing and delivery as the Buyer may reasonably require. The Seller shall give a least 5 working days advance notice and shall be entitled to attend the tests. The Seller shall provide the Buyer with such test certificates as the Buyer may reasonably require.

2.3 Inspection and testing in accordance with this clause shall not relieve the Seller of any liability nor imply acceptance of the goods or services.

3. Title and Risk

3.1 Title to the goods shall pass to the Buyer on delivery

3.2 Risk in compliant goods delivered in accordance with the contract shall pass to the Buyer on delivery.

3.3 Goods belonging to or provided by the Buyer which are in the Seller's custody for any purpose shall be clearly marked and recorded by the Seller as belonging to the Buyer and shall be at the Seller's risk and the Seller shall insure those goods for full replacement value with a reputable insurance company.

4. Delivery date

4.1 The delivery date, date of completion of the works or services or in the case of a service being performed at regular intervals, the period of the contract, shall be that specified on the order.

4.2 The Buyer shall be entitled by despatch of a revised delivery schedule or otherwise to postpone the date of delivery of the goods or any part thereof or supply of any services where a situation of Force Majeure (as defined below) shall apply including, for the avoidance of doubt, any reduction in or cancellation of the Buyer's customers requirements which shall be deemed to be an event beyond the Buyer's reasonable control. In all other circumstances, time shall be of the essence of this contract.

4.3 The Seller shall notify the Buyer immediately if any delivery or performance is likely to be delayed beyond the specified date identifying the reason for delay and its proposed remedial action.

5. Compliance

5.1 Goods and services shall be made or performed in accordance with good engineering practice, all applicable standards, legislation and comply with all Quality Manuals provided by the Buyer from time to time, be free from all defects and be of good material and workmanship. Goods shall be delivered: In suitable packaging to ensure safe and complete transit and delivery without damage or deterioration to the goods; complete with all instructions, warnings and other data necessary for safe and proper storage, installation, operation, use and maintenance. Goods or services which do not comply with all of the above shall be considered to be defective.

5.2 If for any reason the Seller is uncertain as to whether the goods or services to be supplied by it will comply with any of the above, it must immediately inform the Buyer in writing with full details of the possible non-compliance for consideration. Written acceptance or rejection of the Seller's application will then be provided by the Buyer in as timely a manner as possible.

6. Variations

6.1 The Seller shall accept any reasonable variation in scope, specification, quantity or delivery requested by the Buyer. The price shall be adjusted only to reflect the variation having regard to the rates and price used in the contract or, where these are not relevant, to what is fair and reasonable.

6.2 Neither party shall be bound by any variation to the contract unless and until it is confirmed by an order amendment issued by the Buyer.

6.3 The Seller undertakes to the Buyer that it will not at any time during the term of this contract vary the processes of or materials used in the manufacture of the goods without the prior written consent of the Buyer, such consent not to be unreasonably withheld or delayed. In giving such consent the Buyer will be relying on the Seller's advice, skill and expertise and such consent shall not relieve the Seller of any liability for defects.

7. Price and Payment

7.1 Unless the Buyer issues a variation in scope, specification, quantity or delivery the prices stated on the order are fixed and firm for the duration of the contract.

7.2 Unless otherwise stated in the order, the contract price shall be inclusive of the costs of delivery C.I.P. (as defined in INCOTERMS 2010) to the delivery address stated on the face of the order. Packaging costs are deemed to be included in the purchase price of goods unless stated by the Seller in writing at the time that the contract is made.

7.3 Unless otherwise agreed in writing, payment shall be made by the Buyer against services performed in accordance with the contract or delivery of compliant goods together with all documentation required under the contract at the beginning of the third calendar month following receipt (Due Date) by the Buyer of an acceptable invoice (such invoice to be submitted only at or after the despatch of the goods or the satisfactory performance of the services).

7.4 The Buyer reserves the right to elect to pay the Seller in accordance with the then prevailing terms of its self billing system which will be sent to the Seller at the time of such election.

7.5 The Buyer may deduct from any sums due to the Seller under this or any other contract such sums of money which may be recoverable from or payable by the Seller to the Buyer under this Contract.

7.6 If a party fails to make any payment due to the other under the Contract by the due date for payment, then the defaulting party shall pay interest on the overdue amount at the rate of 4% per annum above Barclays Bank plc's base lending rate from time to time. Such interest shall accrue on a daily basis from the due date until the date of actual payment of the overdue amount, whether before or after judgment. The defaulting party shall pay the interest together with the overdue amount. This clause shall not apply to payments the defaulting party disputes in good faith.

8. Rejection and Remedy of Defects

8.1 The Buyer may reject goods or services within 90 days of delivery if they are defective. Rejected goods shall be collected by the Seller promptly at its own costs. Alternatively, the Seller may request the Buyer either to return or dispose of the goods on its behalf and it acknowledges and agrees that all costs and expenses incurred by the Buyer in complying with the Seller's request will be deducted from any sums due to the Seller in accordance with clause 7 above. Upon rejection of any goods or services, the Buyer shall have the right to require the Seller to replace them within such time as may be stipulated by the Buyer or terminate the contract without prejudice to its other rights and remedies.

8.2 The Seller shall at its own expense promptly repair or replace any goods which are discovered to be defective within 24 months of delivery or 18 months of putting into commercial use, whichever shall occur first. Repairs and replacements shall themselves be subject to the foregoing obligations from the date of delivery, re-installation or passing of tests (if any) whichever is appropriate after repair or replacement.

8.3 If the Seller fails to remedy any defect as above provided, the Seller shall return any money paid by the Buyer in respect of the defective items and the Buyer shall be entitled to terminate the contract without prejudice to its other rights and remedies.

9. Free-issue Materials and Tooling

9.1 Where tooling (including patterns, dies, moulds, jigs and fixtures and the like) is manufactured or acquired by the Seller specially for the purpose of the contract, title to it shall pass to the Buyer upon its creation or acquisition. The Seller shall deliver up such tooling to the Buyer on demand.

9.2 Where the Buyer for the purpose of the contract issues materials (including without limitation, equipment, components, tooling, patterns, dies, moulds, jigs, fixtures, drawings, prototypes, designs and the like) to the Seller, such materials shall be and remain the property of the Buyer and the Seller shall maintain accurate and up to date records of such materials issued to it and provided copies of such records to the Buyer on the Buyer's request. Seller shall maintain all such materials in good order and condition subject, in the case of tooling, patterns and the like, to fair wear the tear. The Seller shall use such materials solely in connection with the contract. Any surplus materials identified by the Buyer shall be disposed of at the Buyer's discretion. Damage to or waste of such materials arising from bad workmanship or negligence of the Seller shall be made good at the Seller's expense. Without prejudice to any other rights of the Buyer, the Seller shall deliver up such materials, whether further processed by the Seller or not, to the Buyer on demand.

9.3 The Seller shall take out and maintain insurance cover with a reputable insurance company for the full replacement costs of all tooling and materials identified in this clause 9.

10. Intellectual Property Rights

10.1 All information and know-how including drawings, specifications and other data provided by the Buyer in connection with the contract shall remain at all times the Buyer's Property and may be used by the Seller only for the purpose of performing the contract.

10.2 The Seller shall indemnify the Buyer (except in respect of designs provided by the Buyer) against all claims, costs, demands, damages, liabilities, expenses and losses arising from infringement of intellectual property rights in relation to the goods or services which are the subject of the contract.

10.3 The Seller shall neither quote nor supply parts made with the Buyer's tools or materials, or to the Buyer's patterns, drawings, specifications or designs, to any third party without the Buyer's prior written consent.

10.4 Any inventions, patterns, copyrights, design rights and other intellectual property right arising from the execution of the contract shall become the property of the Buyer. The Seller shall do all things and execute such documents as may be necessary to assign such property to the Buyer.

10.5 The Seller shall keep confidential all Know-How, patents, copyrights, design rights and other intellectual property rights arising from the execution of the contract, information concerning the customers of the Buyer and any other information marked confidential and (excluding information already in the public domain other than by reason of a breach of this contract) shall not disclose the same to any third party without the prior written approval of the Buyer.

10.6 Any information of the type described in clause 10.5 above, shall forthwith be returned to the Buyer on demand made by the Buyer of the Seller.

11. Force Majeure

If performance of the contract is delayed by any act of God, act or omission of government war or similar event beyond either party's reasonable control (Force Majeure), then time for performance shall be amended accordingly subject to the delayed party promptly informing the other of the event and taking all reasonable steps to reduce the delay.

12. Termination

12.1 The Buyer may terminate the contract without prejudice to any other of its rights and without liability to the Seller if:

12.1.1 An event of Force Majeure does or is likely to delay performance more than 30 days, or

12.1.2 The Seller is in breach of its obligations and where capable of remedy does not remedy the breach upon notice, or where capable of remedy

12.1.3 The Seller fails to deliver by the date specified in the contract, or

12.1.4 the Seller becomes bankrupt or insolvent or (being a Company) makes an arrangement with its creditors or has a receiver or administrator or similar officer appointed or has commenced in respect of it any winding up proceedings.

12.2 The Buyer may terminate the contract if any corresponding contract between the Buyer and a third party is terminated. In such event, and provided that the Seller is in compliance with its obligations under the contract, the Buyer shall compensate the Seller for costs reasonable and property incurred until then in performing the contract which would otherwise represent an irrecoverable loss to the Seller, subject to the Seller taking all reasonable steps to minimise its losses and subject to reasonable proof being provided. Compensation shall not in any event exceed the contract price.

13. Liability for Breach, Accidents and Damage

13.1 The Seller shall at all times during and after performance of the contract indemnify the Buyer against:

13.1.1 all loss or damages to property and all penalties, demands, liabilities, claims and expenses in connection therewith caused by the acts or omissions of the Seller, its subcontractors, employees and agents up to a maximum of (five) million pounds sterling per act or event giving rise to a claim; and

13.1.2 Liability for death and personal injury and all claims and expenses in connection therewith caused by the Seller, its sub-contractors, employees and agents; and

13.1.3 all proceedings, costs, expenses, liabilities and claim arising out of the breach or negligent performance, failure or alleged failure in performance of the Seller under this Contract.

13.2 Except for the payment of liquidated damages specified in the contract, neither party shall have any liability whatsoever to the other (whether by way of indemnity or otherwise) for the others loss of profit, production, business or revenues arising from any breach of contract, negligence, breach of statutory duty or otherwise.

13.3 The Seller shall take out and keep in force suitable public and products liability insurance against all liabilities under this contract and shall demonstrate the same to the Buyer at all reasonable times.

14. Hazardous Goods

14.1 If any goods to be supplied under the contract contain any hazardous substances or require any special precautions to be taken to ensure safety in handling, transport, storage or use, the Seller shall prior to their delivery furnish the Buyer written details of the nature of those substances and the precautions to be taken and shall ensure that before despatch appropriate instructions and warnings are clearly prominently marked on the goods or securely attached to them and on any containers into which they are packed.

14.2 In particular (but without limitation) the Seller shall provide the Buyer in writing all such data, instructions and warnings as are required to comply with all applicable legislation and shall indemnify the Buyer against any and all penalties, demands, liabilities, claims, costs and expenses which may arise as a result of the Seller's failure to do so.

15. Assignment

The contract shall not be assigned or sub-contracted by the Seller as a whole. The Seller shall not assign or sub-contract any part of the work without the Buyer's prior written approval, which shall not be unreasonably withheld or delayed, but the restriction contained in this clause shall not apply to sub-contracts for materials, minor details, or any part for which the sub-contractor is named in the contract. The Seller shall be responsible for all work done and goods supplied by all sub-contractors.

16. Disputes with Third Parties

16.1 If any third party makes or threatens any claim against the Buyer arising from the performance of the contract by the Seller, or in respect of goods or services supplied under it, the Seller shall:

16.1.1 Indemnify the Buyer against all costs, claims, liabilities, losses, expenses, demands, penalties and damages incurred by the Buyer arising out of or in connection with that claim or threat of claim; or

16.1.2 At its own expense on request by the Buyer join the Buyer in defending the claim. The decision of any court or arbitration tribunal deciding upon the claim shall, so far as is relevant, be admitted as conclusive in any consequent claim made by the Buyer against the Seller under the contract.

17. Governing Law and Jurisdiction

17.1 The contract, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), shall be governed by and construed in accordance with English Law and the parties irrevocably submit to the exclusive jurisdiction of the courts of England and Wales.

17.2 The United Nations Convention on Contracts for the International Sales of Goods signed in Vienna in 1980 shall not apply to this contract.