

RETURN OF TOOLING**BACKGROUND**

The Seller agrees to supply certain Goods in accordance with, and forms part of the General Conditions of Purchase.

It is agreed that the following terms and conditions shall apply to the return of Tooling.

(1.) TOOLING

- (1.1) The term Tooling means all prototype and production tools, dies, fixtures, jigs, gauges, moulds, patterns and related software purchased by the Company under Production Tool Orders. Tooling includes all accessions, appurtenances, modifications, repairs, refurbishments, and replacements to the Tooling and any related drawings. Returnable Containers consist of returnable racks, bins, and other containers that are owned by the Company. Other Bailed Property consists of equipment, materials or other items owned by the Company that are placed in the possession or control of the Seller for its use in connection with the Goods. The provisions in this Agreement that apply to Tooling will apply equally to Returnable Containers and Other Bailed Property.

(2.) DURATION AND RIGHT TO USE

- (2.1) The Company grants the Seller a right to use the Tooling exclusively for the purposes of supplying the Goods to the Company, which commences on the date that the Company or any third party on the Company's behalf delivers the Tooling to the Tooling Location and continues until the right to use the Tooling is terminated in accordance with paragraph 4.1 and 4.2 of this Agreement.
- (2.2) All risk of loss or damage to the Tooling shall pass on loading of the Tooling onto the relevant delivery vehicle. The Seller shall obtain carriage insurance to not less than the full replacement value of the Tooling as notified by the Company to the Seller.
- (2.3) Property in the Tooling shall at all times remain with either the Company or a customer of the Company who owns the Tooling (as applicable).

(3.) SELLER OBLIGATIONS

- (3.1) The Seller will at its expense:
- (3.1.1) Maintain the Tooling, including its repair or replacement, in the condition necessary to produce the Goods in accordance with the terms of the Production Purchase Order and be responsible for all wear and tear, excluding normal wear and tear for Returnable Containers and Other Bailed Property.

- (3.1.2) Properly house the Tooling, Returnable Containers and Other Bailed Property and insure them against loss or damage, even if it occurs despite Supplier's exercise of due care;
- (3.1.3) Ensure that the Tooling, Returnable Containers, and Other Bailed Property is kept separate to property owned by the Supplier or a third party.
- (3.1.4) Company will not be liable for any expenses or disputes in relation to the repair of the Tooling due to the Seller's default, misuse, lack of use or neglect.
- (3.1.5) If the Seller fails repair Tooling to an appropriate standard for the production of the goods or fails to repairs Tooling within reasonable time may lead to termination of this Agreement and any additional expenses relating to effecting the Company's performance.

(4.0) RETURN OF TOOLING

- (4.1) The Seller must obtain the Company's prior consent in written notice at a minimum of 6 weeks before returning the Tooling back to the Seller's premises or such other address as the Seller may specify in the return notice.
- (4.2) The Company will endeavour to provide 6 weeks written notice to the Seller, if the Company require that the Tooling is to be returned to the Seller's premises or such other such address if specified by the Seller.
- (4.3) The provisions of paragraph 4.4 shall apply if the Agreement or all Contracts in relation to which the Tooling is supplied are terminated.
- (4.4) The provisions of paragraph 4.1 shall apply. On receipt of the Return Notice or termination of the Agreement or all Contracts to which the supply of Tooling relates the Seller shall:
 - (4.4.1) Immediately make available to the Company for collection at the Company's expense the Tooling in good and substantial condition and repair and working order (fair wear and tear excepted);
 - (4.4.2) If the Tooling is required to be de-installed, carry this out at its own expense; and
 - (4.4.3) promptly deliver to the Company at the Seller's expense all insurance policies, licences, registrations and other documents relating to the Tooling.

(5.) RELOCATION OF TOOLING

- (5.1) The Seller must obtain the Company's prior consent in written notice at a minimum of 6 weeks before moving the Tooling to another location of the Seller or third party.
- (5.2) For the purposes of meeting the requirements of purchase orders, the Seller must obtain the Company's prior consent in written notice at a minimum of 90 days before moving Tooling in Mass to another location of the Seller.
- (5.3) The Seller, its Toolmakers and Sub-contractors may relocate the Tooling without prior consent for no more than 2 business days for the sole purpose of cleaning and maintenance, unless Company has requested Seller not to do so.

- (5.4) On receipt of the relocation of Tooling notice or termination of the Agreement or all Contracts to which the supply of Tooling relates the Seller shall, immediately make available to the Company for collection at the Company's expense the Tooling in good and substantial condition and repair and working order (fair wear and tear accepted).
- (5.5) If requested by Company, the Seller will return the Tooling to the Company or relocate the Tooling to another location specified by the Company. The Company will endeavour to provide Seller with 6 weeks written notice before requesting the return or relocation of Tooling.
- (5.6) For the purpose of meeting supply demands, Seller will at Seller's expense, take such actions as are necessary or appropriate to ensure the uninterrupted supply of goods and services to the Company for no less than 90 days from the agreed relocation of Tooling.

(6.) NOTICE OF POTENTIAL DELAY IN COMPLETION

- (6.1) Seller will notify Company immediately by written notice if the Seller has reason to believe that the Tooling might not be completed by the date specified on the Production Tool Order. Providing such notice will not relieve the Seller from its obligations in the Production Tool Order and any additional expenses.

(7.) DISPOSITION OF TOOLING

- (7.1) The Company will endeavour to inform the Seller of any reduction in production. It is up to the Seller to manage its own stock in accordance with the production schedule. If there is no demand for supply, it is the responsibility of the Seller to challenge such demand.
- (7.2) Company will notify and grant written permission of when the Seller shall dispose of the Tooling.