



The British Gaskets Group

Best Under Pressure

Stock Holding Agreement

Between **The British Gaskets Group** and “**Customer**”

Scope

The agreement is based on the joint benefit of selected stock holding on the attached part listing, The British Gaskets Group will undertake to maintain an agreed minimal level of stock on hand, (usually and nominally 3 months usage based on historical sales). “**Customer**” will undertake to purchase all parts covered by the agreement, exclusively from The British Gaskets Group for the period of the agreement.

1. Part selection.

The parts covered by the agreement shall be selected by “**Customer**”, and presented to The British Gaskets Group in the form of a typed listing as an attachment to the signed copy of this agreement.

2. Stocking Levels.

The level of stock for each part covered by the agreement, shall be set by mutual consent, and should consider manufacture and supply lead times as well as the level of criticality to the “**Customer**” and the frequency of delivery required.

A standard equivalent of 3 months usage should suffice for all volume, regular order or long lead time parts. An agreed alternative level should be noted for all irregular, short lead or very low volume parts. The level of stock agreed should be entered against all parts noted as “stocked” items in the listing generated in item 1.

3. Start Date

The commencement of the associated 100% service levels afforded to ‘stocked’ items, can only be considered after full stock holding is reached at The British Gaskets Group. Time lapse to full stock holding will depend on manufacture and freight lead times, “**Customer**” will be advised in writing when full stocking level is reached.

Continued.

4(a). Part Phase-out or Termination

Should a single or group of items become obsolete during the life cycle of the stocking agreement, it is mandatory that “**Customer**”, advise **The British Gaskets Group** in writing immediately. Upon receipt



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UK Registrar Coulthards Mackenzie Registered in England (BG) 431728 (BSRM) 951617.



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of such phase out information The British Gaskets Group will advise stock holding qty and any 'on order' commitments that have to be honoured. The delivery to **"Customer"**, of all products on a phase-out item should be achieved within 6 months of the termination notice.

Actions taken on single or groups of phase out items will not affect the balance of parts covered by the agreement.

4(b). Part Phase In or Addition to Agreement

Should a single or group of parts be considered by **"Customer"** as 100% sourced from The British Gaskets Group and **"Customer"** requires that they become additional stocked items covered by the agreement, they should advise in writing immediately, including the preferred level of stock holding. The British Gaskets Group will add to the stocked listing and agreement and advise when full stock levels are reached.

5. Annual Automatic Buy-Off

Should any part during the life cycle of the stocking agreement, be in stock at The British Gaskets Group for 12 months, without a **"Customer"** order and agreed delivery date, the British Gaskets Group will advise **"Customer"** in writing and request an immediate order for delivery of all stock held on that part. It is mandatory that, **"Customer"**, orders and take delivery of the parts within 30 days of our original notice. The part should then be considered as removed from the 'stocked items' listing, unless the **"Customer"** advises, in writing that they would prefer a new stock holding level to be reached.

6. Order Placement

The placing of orders for parts covered by the agreement can be entirely at **"Customer"** discretion, although a lead time of 4 weeks is recommended, since this will facilitate consolidated delivery on agreed dates. Wherever possible **"Customer"** should provide a forecasted 'forward look' or plan to assist with the flexing of stock holding levels to match future requirements.

7. Delivery Frequency

To allow maximum benefit on 'stocked' parts and to assist in the continual reduction of freight charges, The British Gasket Group would undertake to deliver all ordered and available material, at regular intervals. **"Customer"** should advise in writing the preferred date(s) of delivery each month. The British Gaskets Group work a 10 day 'advance' pick and pack cycle to facilitate full consolidation of all ordered and available material.

8. Periodic Review

The British Gaskets Group will undertake a 3 monthly review of all **"Customer"** parts managed as part of the stock holding agreement. Any part that has not been ordered and delivered within the 3 months prior to the review will be considered as 'decreasing volume'. All decreased volume parts will have the minimum stock level adjusted down by 50% and the stock held in excess to the new level will be advised in writing. It will be mandatory for **"Customer"** to place an order for delivery within 30 days of our 'decreased volume' notice.

All parts reflecting a significant increase in volume will be advised to **"Customer"** in writing with a suggested higher level of stock holding, in the interest of protected availability, it is important that **"Customer"** reviews and agrees the new levels as soon as possible.

Continued.

9. Termination of Agreement.

The stock holding agreement will be subject to a standard, written 6 months notice to terminate, on behalf of both parties. A notice to terminate issued by The British Gaskets Group will be attached to a



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part listing detailing all current stocks held and committed to, the phase out of all parts will be managed in line with the “Customer”’s ability to find alternate sources, by agreement the final shipment of all parts should be no later than 6 months after the notice is issued.

Should “Customer” require that The British Gaskets Group continue to be considered as the supplier for any or all parts previously covered by the stock holding agreement, then we will undertake to manage them as non stocked items, for as long as orders are received.

A notice issued by “Customer” will invoke the same listing and analysis of stocks held and committed to, it is mandatory that all parts are ordered and delivered within 6 months of the notice.

Should “Customer” require that The British Gaskets Group continue to be considered as the supplier for any or all parts previously covered by the stock holding agreement, then we will undertake to manage them as non stocked items, for as long as orders are received.

Authorisation to consider attached listed parts as stocked items, with agreement that they be managed in line with the above 9 clauses is issued by:

..... Signature.

.....Name.

.....Title.

On behalf of **“Customer”**

Date.....

Please indicate preferred delivery
Frequency →

Monthly:

Bimonthly:

Weekly:

Please indicate preferred delivery day of the week or specific date(s) of the month →

Agreement to manage all parts covered by the request and authorisation above issued by:

..... Signature.

.....Name.

.....Title.

On behalf of **The British Gaskets Group.**

Date.....



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