

## **Summary of individual car suppliers' purchasing conditions**

1. This appendix summarises the relevant conditions for each of the car suppliers having conditions which restrict their component suppliers' ability to supply other customers.

### **Vauxhall Motors Ltd**

2. Clause 17 of the Vauxhall standard terms and conditions for contractors which manufacture parts for it reads as follows:

- 17: Special dies, tools and patterns used in the manufacture of the goods where obtained by the Seller with the written approval of the Buyer for and at the cost of the Buyer shall remain the property of the Buyer. They shall be kept in good condition by the Seller without expense to the Buyer, except that changes authorised by the Buyer due to the Buyer's change of design or specification shall be paid for by the Buyer. No such special dies, tools, patterns and no drawings supplied to the Seller or used in the manufacture of the goods shall be used in the production, manufacture or design of any other goods nor for larger quantities than those specified except with the express consent in writing of the Buyer and at the termination of this contract they shall be disposed of as the Buyer shall direct.

### **Ford Motor Company Ltd**

3. Under Clause 10 of the Ford Purchase Order Terms and Conditions all drawings supplied by Ford Britain to produce parts remain Ford property. The supplier is licensed to use these drawings only to fulfil the Ford contract and should not disclose the contents to a third party unless permitted to do so by Ford.

4. Under Clause 9(b) of the Ford Full Cost Tooling Order Terms and Conditions where Ford has contributed 100 per cent of the tool cost (which it is Ford policy to do where possible) the tooling is the property of Ford and the supplier is required to clearly mark it 'Property of Ford Motor Company Ltd'. Under Clause 9(j) of the same conditions the supplier is not permitted to use the tooling in the production, manufacture or design of any goods or materials except to the order of the buyer (ie Ford). This condition also applies where Ford has provided part of the tool cost (Clause 9(c)(vi) of the Part Cost Tooling Order Terms and Conditions). Should the component supplier wish to dispose of the tooling where Ford has only provided part tooling costs (and the tooling remains the property of the supplier) Ford must have the first option to purchase the tooling.

### **Rover Group Ltd**

5. The standard terms and conditions for purchases by Rover of OE parts for Rover cars and Land Rover contain the following Clauses 10 and 11.

10. All materials, drawings, patterns, gauges, samples specifications and other technical data prepared for or in connection with the order (in this clause and in clauses 11 and 12 referred to as 'the said items') shall be our property and we may reproduce and use the said items for any purpose whatsoever.
11. You (suppliers) hereby undertake not without our (Rover Group's) prior written consent to use any of the said items except in connection with the Order and, in particular, not to

manufacture or sell the Goods or any part thereof except to us (Rover Group) as we may direct. You shall not apply for any Letters Patent, Registered Design or similar rights or protection in relation to the Goods or the said items.

6. In practically all cases involving the supply of parts developed specifically by or for Rover Group, production by the supplier will involve the use by the supplier of Rover Group intellectual property (patents, copyright, design rights) and tooling for which Rover Group has paid or will pay the supplier, and therefore own. Similarly, the other fixed costs associated with the supply (eg the supplier's setting-up costs) will generally be covered by the price paid by Rover Group.

### **VAG (United Kingdom) Ltd**

7. In the case of those replacement parts sourced by VAG (UK) in the United Kingdom (the minority) it has a standard form of agreement for suppliers. Clause 6 of this agreement relating to copyright reads as follows:

Where the Purchaser (VAG (UK)) has paid any development costs for materials, drawings, patterns, gauges, tooling, samples, specifications and other technical data prepared in connection with the Contract, copyright in the aforesaid shall be the property of the Purchaser who may reproduce and use the said items freely for any purpose whatsoever. The supplier shall not reproduce, use or otherwise dispose of the aforesaid without the prior consent in writing of the purchaser.

### **Peugeot Talbot Motor Company Ltd**

8. Relevant sections of the standard terms and conditions of purchase.

19a: **Special tooling**

All tools, jigs, dies, fixtures, moulds, patterns, plant and/or equipment retained by the supplier for use in the manufacture of goods for Peugeot Talbot (hereinafter called 'tooling') which is supplied or paid for in full by Peugeot Talbot under the terms of the contract or for which Peugeot Talbot is liable to pay under the terms of the contract shall remain the property of Peugeot Talbot and shall be delivered to Peugeot Talbot on request. All materials produced from the tooling referred to in this sub-clause shall be supplied at the price agreed for production goods irrespective of the plant or division of Peugeot Talbot requiring such material.

19d: No such tooling as is mentioned in this clause shall be used in the production, manufacture or design of any goods or materials other than those contracted for pursuant to a Purchase Order or Release Authorisation by Peugeot Talbot, except to such extent as may be agreed pursuant to Clause 21 below.

20d: **Patents**

The supplier undertakes to keep secret and not to divulge to any third party any information, designs, documents or drawings given by Peugeot Talbot to the supplier for the purpose of the contract which will be and remain the exclusive property of Peugeot Talbot.

21: **Sales to Third Parties**

The supplier agrees not to sell items made to Peugeot Talbot's specification to any person, firm or company except with Peugeot Talbot's permission in writing. The supplier agrees to refer to Peugeot Talbot's parts Division all enquiries for replacements.

## **Nissan UK Ltd**

9. The Nissan UK purchase Order conditions contain the following two Clauses 10 and 11.

### **10. Tools and Equipment**

All patterns, drawings, dies, tools and jigs, or any other equipment supplied or paid for by Nissan shall be marked 'Property of Nissan UK Ltd' and shall remain Nissan's property and be returned to Nissan in good condition upon demand. Such patterns, drawings, dies tools and jigs or any other equipment shall not be used in the production or manufacture or design of any goods or materials other than those for which they are supplied and contracted for herein or pursuant hereto nor for larger quantities than those specified.

### **11. Exclusive manufacture**

The supplier will neither during the period of the supply of goods and services as itemised in this purchase order nor at any time thereafter:

- (a) Manufacture or procure to be manufactured other than for Nissan any goods or materials to designs or specifications provided by Nissan.
- (b) Disclose to any person firm or company any manufacturing process or trade secret in connection therewith or any information relating thereto.

## **Nissan Motor Manufacturing (UK) Ltd**

10. The NMUK Order Terms and Conditions contain the following requirements in Clauses 12 and 17.

### **12. Drawings, specifications etc**

- 9(a) Copyright in drawings (including supplier drawings), specifications and sample parts provided by NMUK to the seller is owned by NMUK or its holding company. The seller is not permitted (without the prior consent of a duly authorised official NMUK Purchasing Department) to make any copy (whether in two or three dimensions) of the whole or any part of such drawings, specifications or sample parts. The drawings, specifications and sample parts are the property of NMUK or its holding company or are held by them on behalf of third parties and they (together with any copies which have been made) must be returned to NMUK upon demand or upon discontinuance of business between NMUK and the seller. The seller shall keep confidential such sample parts and any and all information contained in such drawings and specifications and shall take all necessary precautions to prevent loss, damage and access by unauthorised persons to such drawings, specifications and sample parts supplied by NMUK to the seller or coming into existence in accordance with paragraph (b) below shall, whilst in the custody of the seller, be kept by the seller in a secure area and, if called upon to do so by NMUK, the seller permit a representative of NMUK to inspect, and shall answer all reasonable enquiries concerning, the seller's security arrangements.
- (b) At the request of NMUK the seller shall submit drawings of production parts to be supplied, using NMUK paper. Copyright in any such drawings will vest in NMUK. These drawings will be used by NMUK to form the basis of design information between the seller and NMUK and remain confidential and the property of NMUK. The seller shall not submit to a third party any such design without the written consent of NMUK.
- (c) At any time during the continuance of this agreement or after its termination pursuant to the provisions hereof NMUK may reproduce and make available to any third parties any drawings and/or any other documents submitted to NMUK by the seller.'

## 17. Tooling

- (a) Unless otherwise provided in this order or any other agreement between NMUK and the seller all tools, jigs, dies, fixtures, moulds, gauges, patterns, plans and equipment (hereinafter called 'tooling') which is supplied or for which NMUK is liable to pay under the terms of an order shall be marked 'Property of Nissan Motor Manufacturing (UK) Ltd' and shall remain NMUK's property.
- (b) Such tooling shall not be used in the production, manufacture, or design of any goods or materials other than those contracted for herein or pursuant hereto nor for larger quantities than those specified.

## Jaguar Cars Ltd

11. Clause 13 of the Jaguar terms and conditions of purchase requires an undertaking from suppliers not without Jaguar's written consent to use any materials, drawings, patterns, gauges, samples, specifications and other technical data prepared in connection with an order from Jaguar except in connection with that order and in particular not to manufacture or sell the goods or any part thereof except to Jaguar. It is not permitted for such a supplier to apply for any Letters Patent or Registered Design in relation to the goods.

## Alfa Romeo (Great Britain) Ltd

12. Clause 1 of the conditions of purchase states:

Where drawings, specifications etc are provided they may not be disclosed to a third party without our prior written consent.

## Rolls Royce Motor Cars Ltd

13. The Rolls Royce Terms and Conditions of Purchase contain the following two Clauses 8 and 10.

### 8. Rolls Royce Motor Cars property

All materials tooling and other equipment which the Company may order on or loan, or supply to the supplier for the execution of the Order shall be at the suppliers risk in respect of loss or damage until returned to the Company. Such items shall be retained by the supplier in good condition for a minimum of three years after completion of the order and shall not be disposed of other than in accordance with the Company's written instructions nor shall such items be used otherwise than for the purpose of the order without the prior written consent of the Company. The supplier shall ensure that such materials, tooling and other equipment are at all times readily identifiable as being the property of the Company.

### 10. Proprietary information

All information which the company has divulged or may divulge to the supplier and any information relating to the Company's business or products which may have come or may come into the possession of the supplier in the course of carrying out the Order shall be treated by the supplier in confidence and shall not without prior written consent of the company be disclosed to any third parties, nor be used for any purposes other than the execution of the Order.