

## **Stock Cleanse Agreement**

**In accordance with our commitment to support the principle of efficient stock management, Tube Gear Ltd offer the following stock cleanses arrangements.**

1. One stock cleanse per annum only will be offered in an agreed month as part of our Business Development Plan. The stock cleanse will be overseen by the relevant TGL Sales Engineer, stock cleanses outside the agreed month will not be allowed.
2. All stock to be cleansed will be viewed by the TGL Sales Engineer and accepted only on the following basis:
  - a. Items must be in pack quantities and in a re-saleable condition. Products only of current specification in original packaging which are undamaged, in re-saleable pristine condition and under two years old are included in this agreement.
  - b. Items, quantities and value will be agreed between the Branch Manager and TGL Sales Engineer and identified on the **Stock Cleanse Authority form**. The TGL Sales Engineer will process all requests after inspection of products.
  - c. Once agreed, the items to be cleansed will be secured by the TGL Sales Engineer, identified and left ready for collection.
3. TGL will arrange the collection of goods as soon as possible after the completion and submission of the Stock Cleanse Authority form at TGL's expense provided that all conditions of the Stock Cleanse Agreement have been met.
4. The value credited to each product item will be nett invoice price less a handling charge to be agreed with the TGL Sales Engineer and Distributor Branch Manager.
5. The total value of any given stock cleanse will not exceed 5% of the previous years sales to the branch.
6. Non-standard items that are made to order will not be cleansed.
7. Product will only be accepted as part of the stock cleanse on the basis that the distributor ordered it no more than 2 years before any given stock cleanse.
8. Only goods purchased by the particular 'distributor branch' will be accepted as part of the stock cleanse.
9. The terms of the stock cleanse arrangement may be varied at the discretion of TGL at the beginning of any calendar year.