

INVITATION TO TENDER FOR SOLE SUPPLY CONTRACT
OF COMPETITION TYRES
TENDER SUMMARY AND REQUIREMENTS

The Hong Kong Kart Club (HKKC) objective is to select an exclusive supplier of competition kart tyres whose task will be to ensure the production and delivery of the tyres in the 2012 and 2013 Hong Kong Kart Club (HKKC) Championships.

Interested parties are hereby invited to tender to become the exclusive supplier of tyres in the 2012 and 2013 HKKC Championships.

The selected tenderer will be invited to enter into a contract with the HKKC that will establish the terms of the tenderer's appointment as exclusive supplier. The exclusive supplier will supply the products to HKKC under terms and conditions to be agreed. Bids must be submitted in accordance with the tender requirements as below. The HKKC reserves the right to make amendments to this invitation to tender at any time and to issue a new invitation to tender.

Publication of invitation to tender	17th February 2012
Tender closing date and Time	5th March 2012 16:00 Hong Kong Time
Opening date	12th March 2012
Notification of decision as to selection of tenderer	13th March 2012

Tender Requirements

Tenderers must send their tenders to the following address: Room 1030, Olympic House, No.1 Stadium Path, So Kon Po, Causeway Bay, Hong Kong (phone number: +852 2504 8293 , or e-mail their tenders to hkktc@hkolympic.org no later than 5th March 2012, 16:00 Hong Kong Time. In addition, tenderers must also send two sets of tyres (one set equals four tyres) per type of tyre (“dry” and “wet weather”) to the following address: Room 1030, Olympic House, No.1 Stadium Path, So Kon Po, Causeway Bay, Hong Kong (phone number: +852 2504 8293). The sets must reach aforementioned address no later than 5th March 2012, 16:00 Hong Kong Time.

Tenderers must fill in all necessary information in the [•] locations appears in the below contract. Tenderers are not allowed to make any amendment to contents of the below contract. Tenderers will be disqualified from the tender if the contents of the contract were found amended by the Tenderer.

CONTRACT FOR SUPPLYING TYRES
IN THE 2012 AND 2013 HKKC CHAMPIONSHIPS
BETWEEN

HONG KONG KART CLUB LIMITED Room 1030, Olympic House, No.1
Stadium Path, So Kon Po, Causeway Bay, Hong Kong
hereinafter referred to as the "**ORGANIZER**"

ON THE ONE HAND,
AND

[•] _____

hereinafter referred to as the "**PROVIDER** "
ON THE OTHER HAND.

PART 1 - GENERAL CONDITIONS

RECITALS

(A) The ORGANIZER is the member of the Commission Internationale de Karting (CIK-FIA), the governing body of World Motor Sport, and is appointed by CIK-FIA as the National Sporting Authority (NSA) on Karting for Hong Kong Special Administrative Region.

(B) The PROVIDER is a world known Karting tyres supplier located in:

[•] _____.

(C) It is intended that the ORGANIZER and the PROVIDER will enter into this CONTRACT pursuant to which the PROVIDER will be appointed as the sole supplier of PRODUCT to the CHAMPIONSHIPS for the term set out herein.

1. APPOINTMENT AND SUPPLY

1.1 The ORGANIZER hereby appoints the PROVIDER to be the exclusive supplier of the PRODUCT for the CHAMPIONSHIPS and the PROVIDER hereby accepts this appointment and agrees to supply the PRODUCT for the CHAMPIONSHIPS in accordance with the terms of this CONTRACT and the terms of the SUPPLY AGREEMENTS.

1.2 The PRODUCT that is supplied by the PROVIDER to the ORGANIZER shall be in strict compliance with the TECHNICAL SPECIFICATIONS.

2. RELATIONS BETWEEN THE PROVIDER AND THE ORGANIZER

2.1 The PROVIDER shall ensure the PRODUCT supply to the ORGANIZER is consistent, uniform and compatible with this CONTRACT.

2.2 The ORGANIZER may request amendments to this CONTRACT if it considers that the PRODUCT is not consistent, uniform or compatible with this CONTRACT.

3. LIABILITY

3.1 Without prejudice to the ORGANIZER's other rights, the PROVIDER shall indemnify and hold harmless the ORGANIZER from and against all reasonably foreseeable losses incurred by the ORGANIZER as a direct result of the PROVIDER's:

- (a) failure to supply the PRODUCT of the requisite quantity;
- (b) failure to supply the PRODUCT of the requisite quality; and
- (c) negligence in the supply of the PRODUCT.

3.2 The PROVIDER represents and warrants that it is in a position to meet any liability that may arise under clause 3.1 of this CONTRACT up to an amount of HKD20,000 (twenty thousands Hong Kong Dollars) per event and hereby covenants to maintain such position for the period of time during which the PROVIDER may be liable.

3.3 The PROVIDER shall provide a warranty bond with an amount of HKD20,000.00 (twenty thousands Hong Kong Dollars) to the ORGANIZER within 30 working days upon contact awarded. The bond will be refunded to the PROVIDER within 30 working days upon the completion of the Championships.

4. WARRANTIES

4.1 The PROVIDER represents and warrants that it has full power and authority to enter into and fully perform its obligations under the CONTRACT and the provisions of the CONTRACT, when executed, will constitute valid and binding obligations on the PROVIDER in accordance with its terms.

4.2 The ORGANIZER represents and warrants that it has full power and authority to enter into and fully perform its obligations under the CONTRACT and the provisions of the CONTRACT, when executed, will constitute valid and binding obligations on the ORGANIZER in accordance with its terms.

5. TERMINATION

5.1 Notwithstanding any other provision hereof, either party may terminate the CONTRACT with immediate effect by written notice to the other if any of the following events occur:

(a) the other party has committed a material breach of the CONTRACT which is not capable of remedy or, if remediable, has not remedied it within 30 days of the non-breaching party's written notice requiring the default to be remedied (for the avoidance of doubt, a breach by the PROVIDER of any of GENERAL CONDITIONS 1.2, 2.1, 3 and 4.1 and any of SPECIAL CONDITIONS is acknowledged by the parties to be a material breach);

(b) steps (including any steps analogous to those following) have been taken to wind up the other party or to place the other party into administration or to have a receiver appointed over any of its assets, other than as part of a scheme of solvent reconstruction or amalgamation; or

(c) the other party shall cease or threaten to cease carrying on business or the other party shall make any composition or arrangement with its creditors or become subject to any other insolvency process or proceeding (other than as part of a scheme of solvent reconstruction or amalgamation) or have all or any of its assets or undertakings seized by a government or governmental agency or authority (including any acts analogous to the above).

6. GOVERNING RULES

6.1 The GOVERNING RULES constitute the legal, administrative and technical framework of the CHAMPIONSHIPS and the conditions set forth therein shall have binding force and prevail among the parties to the CONTRACT.

6.2 The PROVIDER acknowledges that the TECHNICAL SPECIFICATIONS and GOVERNING RULES are subject to amendment from time to time.

7. GOVERNING LAW AND LANGUAGE

7.1 The language that shall prevail for the interpretation of the CONTRACT shall be English and the CONTRACT and all documents connected with the CONTRACT shall be written in English. In the event of any conflict between the language of the CONTRACT and any translation thereof, the language of the CONTRACT, English, as the case, shall prevail.

7.2 The governing law of the CONTRACT shall be Common Law.

7.3 The Parties shall endeavor to settle amicably by mutual discussions to resolve any disputes, differences, or claims whatsoever related to this Contract.

7.4 Failing such amicable settlement, any controversy or claim or dispute arising under or relating to this Contract, including the existence, validity, interpretation, performance, termination or breach thereof, shall finally be settled by arbitration in accordance with the International Arbitration Rules of LCIA Rules. Unless the Parties agree to a sole arbitrator, there shall be three (3) arbitrators, with each Party appointing one (1) arbitrator, who collectively will select a third. The language of the arbitration shall be English. The Arbitrator will not have authority to award punitive damages to either Party. Each Party shall bear its own expenses, but the Parties shall share equally the fees and expenses of the Arbitration Tribunal. This Contract shall be enforceable, and any arbitration award shall be final, and judgment thereon may be entered in any court of competent jurisdiction. The arbitration shall be held in Hong Kong, S.A.R.

8. GENERAL

8.1 No delay or omission or failure to exercise any right or remedy provided herein shall be deemed to be a waiver thereof.

8.2 The CONTRACT shall be binding on and ensure to the benefit of the parties and their respective successors and permitted assigns. The PROVIDER shall not be entitled to assign or sub-contract its rights or obligations under the CONTRACT in whole or in part without the prior written consent of the ORGANIZER.

8.3 Any notice to be given under the CONTRACT shall be given in writing delivered to the other party by any one or more of the following methods:

(a) Personal delivery to one of its corporate officers, in which case notice shall be treated as having been given at the time of such personal delivery;

(b) first class registered post or courier delivery service (such as DHL or UPS) to the address mentioned above (or such other address as may be notified to the other party in writing from time to time), in which case notice shall be treated as having been given on the date of actual receipt at that address (or on the next local business day if delivered on a local non-business day or after 4.00 p.m. local time on a local business day), which shall rebuttably be presumed to be the second local business day after posting; or

(c) facsimile to the numbers below (or such other facsimile number as maybe notified to the other party in writing from time to time), in which case notice shall be treated as having been received at the time of actual receipt (or on the next local business day if delivered on a local non-business day or after 4.00 p.m. local time on a local business day) and rebuttably be presumed to have been duly received at the time indicated on the automatic acknowledgement transmitted by the recipient fax machine:

PROVIDER: [•] _____

ORGANIZER: +852 2577 8885

(d) e-mail to the e-mail address below, in which case notice shall be treated as having been received at the time of actual receipt (or on the next local business day if

delivered on a local non-business day or after 4.00 p.m. local time on a local business day) and rebuttably be presumed to have been duly received at the time indicated on the e-mail

PROVIDER: [•] _____

ORGANIZER: hkktc@hkolympic.org

8.4 Any variations of the CONTRACT shall be ineffective unless agreed in writing and signed by the parties.

8.5 If any term, provision or condition of the CONTRACT is held by a court of competent jurisdiction to be invalid, void or unenforceable such invalidity, voidness or unenforceability shall not invalidate the remainder of the CONTRACT, all of which shall remain in full force and effect.

8.6 The CONTRACT may be executed in any number of counterparts (whether original or facsimile counterparts) and upon due execution of all such counterparts by all parties, each counterpart shall be deemed to be an original hereof.

8.7 GENERAL CONDITIONS 2 shall survive expiry or termination of the CONTRACT for any reason (but shall terminate at the time expressly provided in the relevant GENERAL CONDITION, if any).

PART 2 - SPECIAL CONDITIONS

1. SUPPLY OF THE PRODUCT

1.1 The PROVIDER shall supply such quantity of the PRODUCT as is required for the ORGANIZER at 5 (five) working days prior to each EVENT (see CHAMPIONSHIPS calendar in Appendix 1).

1.2 The PRODUCT supplied by the PROVIDER shall be of a strictly uniform quality throughout the duration of the CHAMPIONSHIPS.

1.3 The ORGANIZER does not guarantee the PROVIDER a minimum quantity of the PRODUCT to be supplied. The ORGANIZER has the sole discretion to cancel or reschedule any EVENTS at anytime.

1.4 The PROVIDER undertakes to supply one type of “dry weather” PRODUCT and one type of “wet weather” PRODUCT that must be capable of covering a minimum of distance during the same EVENT as specified in the PRICING FORM, respecting absolutely the performance and safety conditions stipulated in the TECHNICAL SPECIFICATIONS.

1.5 The PROVIDER undertakes to supply all the “dry weather” PRODUCT and “wet weather” PRODUCT intended for the use in the EVENTS (including non-qualifying practice) with a specific mean of identification, in the form of serial number, for each PRODUCT. These identification codes must be affixed to each PRODUCT.

2. DELIVERY OF THE PRODUCT

2.1 The PROVIDER shall ensure the transportation and delivery of the PRODUCT to the specific track of each EVENT at its own expense as specified in Appendix 1.

2.2 The PROVIDER shall ensure that representatives of the PROVIDER are present on-site at least in one of the EVENT per year during the CHAMPIONSHIPS and, in addition, shall ensure that there shall be at least one appropriately qualified representative of the PROVIDER available on-site throughout the duration of the EVENT.

2.3 The PRODUCT supplied by the PROVIDER shall be made available at the specific track no later than 5 (five) working days prior to the starting date of the event listed in Appendix 1.

3. MANUFACTURING CONDITIONS OF THE PRODUCT AND TECHNICAL CONTROL

3.1 The PROVIDER shall provide to the ORGANIZER a detailed technical study of the PRODUCT, for the approval of the HKKC COMMITTEE. In the event that an amendment is made to the TECHNICAL SPECIFICATIONS that requires an amendment to the PRODUCT supplied pursuant to the CONTRACT, the PROVIDER shall provide to the ORGANIZER a detailed technical study of the amended PRODUCT to be supplied pursuant to the CONTRACT to take account of such amendment.

3.2 The PROVIDER shall make such modifications to the PRODUCT to be supplied pursuant to the CONTRACT as the HKKC COMMITTEE may require.

3.3 Technical checks may be carried out on samples taken either directly from the PROVIDER or during the EVENT (PRODUCT used by the COMPETITORS during the running of the EVENT) comparing the quality of the PRODUCT distributed with that of the samples taken.

4. PRICING OF THE PRODUCT

4.1 The price of the PRODUCT supplied pursuant to the CONTRACT to the specific track of each EVENT shall be:

[•] HKD _____ for dry weather medium compound with CIK-FIA Homologations dry tyres

[•] HKD _____ for dry weather medium compound without CIK-FIA Homologations dry tyres

(Either one of the above type will be chosen)

[•] HKD _____ for wet weather compound with CIK-FIA Homologations rain tyres

[•] HKD _____ for wet weather compound without CIK-FIA Homologations rain tyres

(Either one of the above type will be chosen)

(as further detailed on the PRICING FORM), which amount shall be inclusive of all taxes and charges and which amount shall not be increased for any reason.

5. ASSOCIATION RIGHTS

5.1 The ORGANIZER hereby grants the PROVIDER the non-transferable right to describe itself (including in advertising, publicity or other promotional activity) as the Official supplier of the PRODUCT to the CHAMPIONSHIPS (or the direct equivalent thereof in other languages) and to associate its trademark with the PRODUCT supplied pursuant to the CONTRACT (hereinafter referred to as the "ASSOCIATION RIGHTS").

5.2 The ASSOCIATION RIGHTS will be coterminous with the CONTRACT.

5.3 The PROVIDER shall not describe its appointment or role as PROVIDER or the CONTRACT other than in terms of the ASSOCIATION RIGHTS.

5.4 The ORGANIZER maintains a right to demand the immediate withdrawal or cessation by the PROVIDER of any advertising, publicity or other promotional activity it considers contrary to the CONTRACT or to the reputation or interests of the CHAMPIONSHIPS, the ORGANIZER or motor sport in general. The PROVIDER shall immediately withdraw or cease or procure the immediate withdrawal or cessation of any advertising, publicity or other promotional activity in respect of which the ORGANIZER demands withdrawal or cessation.

5.5 Any advertising, publicity or other promotional activity undertaken by the PROVIDER pursuant to the ASSOCIATION RIGHTS shall be entirely at the PROVIDER 's expense.

5.6 The grant of the ASSOCIATION RIGHTS shall not include the right to use any logo or intellectual property belonging to the ORGANIZER (except that the approved description set out in the ASSOCIATION RIGHTS may be used).

5.7 The ASSOCIATION RIGHTS do not create any right for the PROVIDER to associate its PRODUCT with any COMPETITOR.

5.8 The PROVIDER is prevented from advertising, publicizing or otherwise promoting in any form whatsoever, including either direct or indirect advertising, via any media, and in any country, or its relationship with the CHAMPIONSHIPS. All phases of PRODUCT delivery pursuant to the CONTRACT shall be carried out by

personnel wearing no distinctive symbols or designs on their uniforms and using equipment that does not give any indication as to the identity of the PROVIDER, with the exception that the ORGANIZER has given the permission in writing.

5.9 The PROVIDER will be invited to tender the tyre supply contract for the 27th Hong Kong International Kart Grand Prix, which is targeting to be held at the Hong Kong Asia Expo in late November 2012. Priority will be given to the PROVIDER in the event that equal offers were being received during the tender stage.

PART 3 – DEFINITIONS

The following terms shall be understood to have the following meanings for the purposes of the "CONTRACT".

1.1 **CHAMPIONSHIPS** means the year 2012 and 2013 HKKC Club Race Championships:

1.2 **COMPETITORS** means the racing teams or drivers that have been accepted by the ORGANIZER to take part in the CHAMPIONSHIPS.

1.3 **CONTRACT** means the GENERAL CONDITIONS, the SPECIAL CONDITIONS and the DEFINITIONS.

1.4 **ORGANIZER** means the HONG KONG KART CLUB LIMITED (HKKC)

1.5 **DEFINITIONS** means the definitions set out in this Part 3 of the CONTRACT.

1.6 **EVENT** means any race forming part of the CHAMPIONSHIPS. The EVENT is deemed to commence at the scheduled time for scrutineering and sporting checks and includes all practice, qualifying and the race itself and ends at the expiry of the deadline for the lodging of a protest under the terms of the International Sporting Code.

1.7 **HKKC COMMITTEE** means the committee members of the ORGANIZER to carry out all technical checks and controls and to grant the necessary approval prior to the starting up of production.

1.8 **GENERAL CONDITIONS** means the provisions contained in Part 1 of the CONTRACT.

1.9 **GOVERNING RULES** means:

(a) the General Prescriptions applicable to the HKKC Championships,

(b) the SPORTING REGULATIONS; and

(c) the TECHNICAL REGULATIONS;

1.10 **PRICING FORM** means the pricing form provided at **Appendix 2** stating the prices at which the PRODUCT will be supplied at the EVENTS, the PRODUCTION SITE and the OFFICIAL TESTING, if any, to the COMPETITORS.

1.11 **PRINCIPLES OF SPORTING EQUALITY** means the equal treatment by the PROVIDER of all COMPETITORS with respect to:

(a) anything which may affect the performance of the PRODUCT;

(b) the terms on which the PRODUCT is supplied;

(c) the support, access and information made available to the COMPETITORS in relation to the PRODUCT; and

(d) any other matter which affects or may have an effect, however minor, on sporting performance.

1.12 **PRODUCT** means tyres, as such word is described in the TECHNICAL SPECIFICATIONS

1.13 **PROVIDER** means [•] _____

1.14 **PRODUCTION SITE** means the factory that will produce the PRODUCT supplied pursuant to the CONTRACT.

1.15 **SET** means a set of four tyres.

1.16 **SPECIAL CONDITIONS** means the provisions contained in Part 2 of the CONTRACT.

1.17 **SPORTING REGULATIONS** means the Sporting Regulations applicable to the CHAMPIONSHIPS as published and amended by the ORGANIZER from time to time.

1.18 **TECHNICAL REGULATIONS** means the Technical Regulations applicable to the CHAMPIONSHIPS as published and amended by the ORGANIZER from time to time.

1.19 **TECHNICAL SPECIFICATIONS** (**Appendix 4**) means the specification or the homologation form of the PRODUCT.

Signed

On behalf of the ORGANIZER

On behalf of the PROVIDER

[•] _____

In his capacity as

In his capacity as

[•] _____

In

In

[•] _____

On

On

[•] _____

REMINDER

Tenderers **MUST** include the following items in their submission of the tender package:

- 1. Duly filled Pricing Form;**
- 2. Duly filled and signed Contract;**
- 3. Technical Specifications of the tyres;**
- 4. Two sets of tyres (one set equals four tyres) per type of tyre (“dry” and “wet weather”)**

The above items **MUST** be sent to the following address:

Room 1030, Olympic House, No.1 Stadium Path, So Kon Po, Causeway Bay, Hong Kong (phone number: +852 2504 8293).

Deadline:

The tender mentioned **MUST** reach the aforementioned address no later than 5th March 2012, 16:00 Hong Kong Time.

APPENDICES

- 1 - CALENDAR OF HKKC 2012 AND 2013 CHAMPIONSHIPS
- 2 - PRICING FORM (Please fill in the blank area)
- 3 - INDICATIVE TENDER ASSESSMENT CRITERIA
- 4 - TECHNICAL SPECIFICATIONS (to be supplied by PROVIDER)

APPENDIX 1

Year 2012 HKKC Championship Calendar

EVENT 1

Track (English): **Red Fire Kart Circuit,**
Address (English): Sankeng town, Qingxin county, Qingyuan city, Guangdong
Track (Chinese): 清遠紅火賽車場
Address (Chinese): 廣東清遠清新樂園內
Track Tel no.: (86) (763) 5862 622 Ext. 7889
Webpage: www.qxhotspring.com
Starting Date: 12 May 2012
Description: Approximately 40 drivers.

EVENT 2

Track (English): **Sanshui Forest Park Circuit**
Address (English): 27-28 Yincheng garden, Tiyu 1 road
Ronggui subdistrict office, Shunde district, Foshan city,
Guangdong
Track (Chinese): 廣東三水森林賽車會
Address (Chinese): 廣東佛山市三水區
西南鎮森林公園內
Track Tel no.: (86) (757) 8782 1018
Webpage: www.ss-karting.com
Starting Date: 14 July 2012
Description: Approximately 40 drivers.

EVENT 3

Track (English): **Xtreme Speedway, Shenzhen**
Address (English): Near Huangpuhongtian garden, Shajin town, Baoan district
Shenzhen, Guangdong
Track (English): 深圳市極速賽車場
Address (Chinese): 深圳市寶安區
沙井街道黃埔上南東路
Track Tel no.: (86) (755) 2989 7388
Webpage: www.szkarting.com
Starting Date: 15 September 2012
Description: Approximately 40 drivers.

Year 2013 HKKC Championship Calendar

Detail calendar of the year 2013 HKKC Championship is yet to be decided; having said that, HKKC is tentatively target to hold 4 events in the year 2013 HKKC Championship; whilst the approximate number of drivers in each event is yet to be determined.

APPENDIX 2

Pricing Form

Supply of Tyres for the 2012 and 2013 HKKC Championships

Name of Company:

Type of Compound	Minimum Distance of each set	Tyre Model	Manufacturer Retail Price (in USD)	Price offer to HKKC EVENT (in USD)	Freight charges C.I.F. (in USD)
“Dry Weather” Medium Compound With CIK Homologation	75km				
“Dry Weather” Medium Compound Without CIK Homologation	75km				

(Either one of the above tyre model will be chosen)

Pricing Form

Supply of Tyres for the 2012 and 2013 HKKC Championships

Name of Company:

Type of Compound	Minimum Distance of each set	Tyre Model	Manufacturer Retail Price (in USD)	Price offer to HKKC EVENT (in USD)	Freight charges C.I.F. (in USD)
“Wet Weather” Compound With CIK Homologation	75km				
“Wet Weather” Compound Without CIK Homologation	75km				

(Either one of the above tyre model will be chosen)

Please specify any form of sponsorship to the HKKC Championships (if any):

APPENDIX 3

Indicative Tender Assessment Criteria

Supply of Tyres for the 2012 and 2013 HKKC Championships

Item	Assessment Criteria	Weight
1.0	Price offer to HKKC EVENT	25%
2.0	Manufacturer Retail Price	20%
3.0	Sponsorships	20%
4.0	Tyre Performance	30%
5.0	With CIK Homologation	5%
	Total :	100%

APPENDIX 4

TECHNICAL SPECIFICATIONS

Technical Specification or Homologation Form

(to be supplied by Provider)