



Ambrit Industries, Inc.



QUALITY DIE CASTING

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Ambrit Industries Customer Owned Tooling Policy

Because the die casting process requires costly tooling such as molds, trim dies, and other fixtures or tools that are custom made to produce the customer's unique product design, these tools are normally purchased by and owned by the customer but stored and used for production at Ambrit. If the customer already has the tooling required to produce their product, the tooling is delivered to Ambrit, stored and used at Ambrit, but it remains the property of the customer. If the customer orders and pays for new tooling to be built by Ambrit, Ambrit purchases and supervises the construction of the new tooling from Ambrit's tooling vendors and then sells the tooling to the customer by invoicing the customer for the cost of the tooling.

All tooling that has been provided by the customer, or that has been purchased from Ambrit, invoiced and paid for in full by the customer, is defined as "Customer Owned Tooling" as used in the remainder of this document. All Customer Owned Tooling will be used exclusively for the manufacture of products that are sold to the owner of the tooling, or to entities that the owner of the tooling has specifically authorized Ambrit in writing to sell the product made by this tooling. All Customer Owned Tooling will be subject to inspection and audit by the customer as required, be kept free of liens and encumbrances caused by supplier and not be modified in any manner without express written consent of the customer. The customer can take possession of the Customer Owned Tooling at any time, without additional charge, by giving reasonable notice to Ambrit and by providing the transportation, or paying for the transportation, of the tooling to the customer's specified location.

Ambrit will store, handle, clean, lubricate, and maintain Customer Owned Tooling in a commercially reasonable and prudent manner to minimize loss or damage. Ambrit will replace the components listed below in Customer Owned Tooling at no additional charge, provided the listed components are made with standardized mold components and were worn out by tooling use at Ambrit, rather than delivered to Ambrit in worn out condition in a customer supplied tool.

1. Standard ejector pins up to 1" diameter.
2. Standard return pins up to 3/4" diameter.
3. Standard leader pins up to 1 1/4" diameter.
4. Standard angle pins up to 1 1/4" diameter.
5. Standard simple round core pins up to 1" diameter and 1" deep into the casting with no more than two drafted diameters inside the casting and a with a flat end.

All other components of Customer Owned Tooling that fail due to normal wear and use are to be repaired or replaced at the customer's expense. Such repairs will be quoted to the customer at the time of the failure and ordered when a customer purchase order for the repair or retool has been received. Please note that tool longevity can vary greatly depending on the number of small and delicate features required in the tooling to produce the customer's design, by the greater thermal shock created by large or thick castings, by the type of material being cast, and by the number of castings produced by each mold cavity.

Customer Owned Tooling will not be scrapped, salvaged, or otherwise made unserviceable without the express written consent of the customer and shall be maintained for seven years after the completion of the last purchase order for the parts there from, unless the inactive Customer Owned Tooling is returned to the customer prior to that time at Ambrit's discretion. It is the customer's responsibility to keep Ambrit notified of any changes in the company name, location, contact information, or ownership as well as the intended disposition of the Customer Owned Tooling. If Customer Owned Tooling has been inactive for more than seven years, Ambrit will make reasonable attempts to contact the

customer to determine the disposition of the inactive tooling. If the customer cannot be located or contacted within reasonable efforts, the Customer Owned Tooling may be scrapped or salvaged at Ambrit's discretion.

In rare instances, Ambrit may choose to enhance its production capability and efficiency by purchasing additional custom made tooling, at Ambrit's expense, to produce our customer's products. Ambrit owned tooling that produces parts to our customer's unique design will be used exclusively for the manufacture of products that are sold to the owner of the design, or to entities that the owner of the design has specifically authorized Ambrit in writing to sell the product made to this design. Tooling built at Ambrit's expense remains the sole property of Ambrit and cannot be taken by the customer unless it is purchased by the customer at a price agreed to by both parties. When the tooling becomes inactive, Ambrit will take reasonable steps to insure that the tooling is destroyed or rendered inoperative when scrapped or salvaged to avoid the possibility of unauthorized use of the tool.

Ambrit Industries Inc. agrees to protect the confidentiality of its customer's intellectual property to the best of our ability. Ambrit's customers need to be aware that our primary and best source for our die casting tooling is a very reputable American company that manufactures the tooling in China. This means that the customer's drawing will need to be sent to China both for quoting and building of their tooling. Ambrit Industries Inc. cannot control or take responsibility for any release of confidential information that occurs in China. If your intellectual property is too sensitive for this risk, please do not submit it for quotation.



President

7/6/20

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