



XIRIS
Inspection Solutions with Vision

Xiris Automation Inc.

1016 Sutton Drive, Unit C5, Burlington, Ontario, Canada L7L 6B8

Tel: 905-331-6660 Fax: 905-331-6661 Email: sales@xiris.com

TOOLING TERMS AND CONDITIONS

Vendor: _____

1. Ownership of Tools. The Vendor shall convey to Xiris sole and unencumbered title any tooling, dies or jigs, moulds, drawings, and specifications (collectively the "Tools") whether the Tools have been completed or still in process, subject only to a lien in favour of the Vendor for the balance of the purchase price thereof. The Vendor shall be a bailee of the Tools and shall at all times keep the manufactured tools segregated and separately identified from the Vendor's own property or any other property and shall keep the Tools safe and maintained in good condition, reasonable wear and tear only excepted.

Xiris shall be entitled to terminate all contracts with the Vendor and/or request the Vendor to immediately return to Xiris all Tools in the Vendor's possession in any of the following circumstances:

- (a) Where the Vendor is involved directly or indirectly in a labour dispute that prevents it from fulfilling its obligations;
- (b) Where the Vendor becomes insolvent, makes an assignment or is petitioned into bankruptcy, or has a receiver is appointed, or is otherwise unable to carry on business in the normal course;
- (c) Where the Vendor is unable to supply Xiris with the goods under the terms of the applicable accepted purchase order, the terms of any applicable supply agreement and/or these Tooling Terms and Conditions;
- (d) Where the Vendor breaches the terms of these Tooling Terms and Conditions;
- (e) Where the applicable accepted purchase order or the terms of any applicable supply agreement are terminated for any reason.

Additionally, Xiris shall have the right to require the return of the Tools for any or no reason whatsoever upon thirty (30) days' notice to Vendor. The foregoing rights are conditional upon Xiris fulfilling the payment terms in relation to the purchase of the Tools.

The Vendor acknowledges it shall obtain an acknowledgement that the Xiris is owner of the Tools from each third party with which it contracts that uses, holds or otherwise has access to the Tools.

2. Maintenance of Tools. The Vendor agrees to absorb normal maintenance cost during normal tool life of any of Xiris' Tools while in Vendor's possession. Normal tool life will be considered terminated when Xiris no longer accepts parts produced from that Tool because of defects caused by tool wear. At that time, quotations will be submitted by the Vendor covering cost of reworking the affected Tool, or of replacing part or all of the Tool as needed, or additional cost of whatever secondary operations may be involved.

3. Exclusive Use of Tool. The Tools will not be used to produce parts for any other party without written consent of Xiris.

4. Changes in Tooling. Where changes in the Tools are necessary due to changes in specifications mutually agreed upon by Xiris and Vendor, such changes shall be at Xiris' expense; however, if such changes are necessary due to changes in Vendor's facilities or equipment, they shall be at Vendor's expense.

5. Disposal of Tools. Vendor shall not dispose of the Tools without Xiris' specific prior written authorization.

6. Insurance. Xiris shall be responsible for maintaining all necessary insurance for the Tools during the life of any applicable supply agreement and/or these Tooling Terms and Conditions.

The undersigned, being a duly authorized signatory of Vendor and on behalf of Vendor, hereby accepts these Tooling Terms and Conditions.

Signature

Name and Title

Date