



*Elektromotorji in gospodinjski aparati, d.o.o.
Otoki 21, 4228 Železniki*

Tool agreement

Nº.:

Agreed between:

Domel Elektromotorji in gospodinjski aparati, d.o.o., Otoki 21, 4228 Železniki,
Identification No.: 5045401, tax No.: SI47263512, represented by the director mag. Matjaž
Čemažar (hereinafter referred to as the customer)

and

Identification Nº.: , tax Nº.: , represented by (hereinafter referred to as
the supplier)

1. The subject of the agreement

This agreement deals with the use and maintenance of tools which are Domel's property and are used by the supplier in order to carry out the obligations arising from the agreement.

The expression "tools" in this agreement is used for tools, measurement instruments, models, machines, automatic machines, lines, parts of the lines, gages and other equipment.

2. The ownership of tools

All the tools listed in this agreement – regardless of whether they were provided by Domel, they were made by the supplier itself due to Domel's order or they were bought from the third party – are the property of Domel and are only given to the supplier to use them.

When the supplier makes the tool by itself or buys it from a third party due to Domel's order, the ownership of the tool passes to Domel immediately after the tool is finished and certified by Domel's acceptance record and Domel's report about a functional acceptance. Upon the reception of a tool, the supplier is expected to hand over to Domel:

- assembly instructions; plan of the tool,
- plans of replacement parts which shall be provided by the supplier,
- results of T_FMEA analyze, (Failure Mode and Effects Analysis),
- a written warranty about the expected life span of the tool.

The transfer of a tool is carried out when the tool is included in the annex of this agreement.

3. Marking of the tool

The tools dealt with in this agreement shall be appropriately protected from any kinds of damages or loss and visibly marked with an indelible inscription or marking plate. The content of the inscription is defined by Domel.

The supplier is to take care of the inscription so that is visible to everyone that the tool is not its property. In case the inscription is no longer visible, the supplier is expected to immediately inform Domel about this.

In case the supplier does not act according to this requirement, it is liable to Domel for all damage consequentially caused.

4. The use of the tool

The tool may only be used to carry out Domel's orders. Any other use, without Domel's prior written consent, is forbidden.

The supplier is liable for any other kind of use to Domel.

The tools are not permitted any irresponsible interventions that would result in geometrical change or change of measures of the part. Modifications on the tools may only be carried out after Domel's written consent. The supplier is also expected to carry out two free tests for the tools they accept for usage in their process. In case more tests are needed, the costs are covered by the tool producer if not agreed differently. Passing the tools on to a third party, copying, connecting or mixing with other things are only allowed with Domel's written consent.

The supplier is to prevent the third party from the disposal or the attempt of disposal of the tool. In case this happens, the supplier is to immediately inform Domel about this.

5. Tool maintenance

The supplier shall maintain the tools dealt with in this agreement according to the instructions for use and maintenance of tools. Upon reception of the tool, Domel and the supplier write "The Tool Acceptance Record" and they define the expected life span for the tool which is stated in the record as well as on the filing card of the tool. Thus, the maintenance cost pass onto the supplier. For every maintenance intervention or repair, the person who performs the maintenance shall be provided with Filing card and the last products manufactured.

The supplier is responsible for the repairs and maintenance of the tool:

- for dismantling, washing, cleaning of the tool,
- for cleaning of cast surfaces from Al, polishing and sanding if needed (only for Al casts),
- for replacing ejectors with new ones up to $\Phi 10\text{mm}$,
- for replacing round shaped cores with new ones up to $\Phi 10\text{mm}$,
- for inspection of cooling channels and tool surfaces in order not to get blocked and so that all the joining parts seal well,
- for grinding and flattening of all the imprinted surfaces, except for the part designing surfaces,
- for cleaning and maintaining the casting bush (only for Al casts),
- for grinding and maintaining cutting tools, replacing punching needles up to $\Phi 10\text{mm}$ (only for Al casts),
- for manufacturing ejector bars.

Domel allows only the maintenance needed for faultless working and keeping the life span of the tools. The maintenance is to be also preventive according to the specific characteristics of the tool. The critical spare parts are to be always in stock in order to shorten the maintenance time and to increase the reliability of semi-products supply.

In case of substantial tool break-downs on the tools dealt with in this agreement, the supplier writes "The Record of Tool Break-Down. Domel and the supplier agree where the tool is repaired and who covers the costs. In the case the tools and replacement parts are worn out before the end of its planned life span, the costs are paid by the tool producer, after the end of its planned life span they are covered by Domel.

The supplier covers all the costs of replacing of the lost tool or the tool which becomes useless due to supplier's activities. The substitute tool, due to the before listed reasons, becomes Domel's property and the subject of this agreement.

When the tool is transferred to the supplier, it is given valid constructional documentation of the tool, i.e.:

- assembly instructions; plan of the tool,
- plan of replacement parts which shall be provided by the supplier.

The supplier is expected to keep "The Filing Card of a Tool" for every tool, which shall include:

- the expected life span,
- the total number of manufactured pieces,
- the observations during the batch – description,
- the interventions carried out during the batch – description,
- the interventions carried out after the batch – description.

On returning of the tool, the filing card is submitted to Domel.

In case the supplier does not keep "The Filing Card of the Tool", it is penalized with the amount of maintenance for each tool.

The supplier is expected to enable Domel to audit, at any time during the working time, the condition of the tools and all documentation connected with them. Domel claims its right to annually take stock inventory check of Domel's tools at the supplier.

The supplier is expected to carry out, at its own expense, regular metrological check of the measuring tools which are Domel's property. Other requirements regarding the measuring tools shall be used similarly as for the manufacturing tools.

6. Storage

The tools dealt with in this agreement are to be stored in an appropriate room, clearly marked and prepared for the next batch. At the end of a batch, the supplier is to measure the last piece (in the case of the multi-nest/cavity tools for each nest/cavity). The last piece (for every nest/cavity) is to be fixed to the tool, the results of measurements are to be kept in an appropriate place. The tool which is no longer faultless, is to be marked "Tool under repair". The supplier is expected to inform Domel about the tool which is no longer in use and to ask for further instructions.

7. Insurance

All the tools dealt with in this agreement are to be insured against all kinds of damage or loss and disposal at their replacement value (value of a new replacement tool).

8. Returning the tool

Domel has a right, without stating any particular reason, to claim back individual or all tools given to be used by the supplier. The supplier is given sensible time limit for the tools to be returned, so that it is able to fulfill the existing orders.

Domel has a right to claim back the tools in case the supplier is not capable to provide proper quality and quantity within appointed time.

When the agreement expires, the supplier is expected to return the borrowed tools and measuring instruments at the latest in a two week period. The tool is to be in equal condition as it was when received, except for the wear caused by normal use.

9. Terminating the agreement

Domel may terminate this agreement on the whole or in the part which is related to an individual tool, without period of notice and claims immediate return of an individual tool or all tools, without supplier's right to claim anything, except what this agreement states differently:

- a) When the supplier does not want or is not able to accept extra orders for delivery of parts which are manufactured by the tools or the supplier wants to supply at the prices and under other conditions which are above the level of the comparable competition.
- b) When the supplier, despite a written notice, does not accept an order for the supply of parts which are manufactured by the tools.
- c) When Domel has no need for the supply of parts which are manufactured by the tools.
- d) When bankruptcy procedure or debt enforcement or liquidation is launched or when there are serious doubts about payment capability of the supplier.
- e) When the tools are not used according to the terms of this agreement or the supplier lets a third party use them without an excusable reason or if Domel need them for its own use.

In the case that bankruptcy procedure or debt enforcement or cancellation of the registration of a firm in the Business Register has been launched, Domel has a right to terminate this agreement and claim back the subject of this agreement as it is stipulated in Financial Operations of Companies Act, the same applies to all other cases when Domel's property is in danger.

In case, the supplier does not do that within three days after the invitation, Domel has a right to take the subject of this agreement at the supplier's expenses. In case the subject of the agreement is forfeited, under the stated conditions, the supplier waives to enforce the claim in connection with property security as well as the claims with reference to compensation against Domel.

In case one of the situations stated in the first paragraph of this item develops, the supplier is to deliver the tools to Domel in the faultless condition as it was when received, except for the wear caused by use, including accessories, documentation about maintenance and spare parts. The samples produced in the last batch shall be enclosed to the tool.

10. Solving disputes

Eventual disputes are to be solved in agreement. If this is not possible, the Court of Law related to the owner, i.e. Domel, is competent to deal with the dispute.

11. Transitory and final stipulations

The changes and additional clauses to this agreement are only allowed in written form. Signing the contract, the supplier confirms it is entirely acquainted and accepts responsibilities, rules and procedures defined in this contract.

This agreement is estimated and carried out in accordance with the laws of the Republic of Slovenia.

The rights and obligations which are not defined in this agreement are subject stipulations of the General Purchasing Conditions of Domel and the Code of Obligation (The Official Gazette of the Republic of Slovenia, no. 97/2007).

The agreement comes into force when signed by both parties and its validity expires by the end of the calendar year and is extended for a (1) year automatically, if none of the parties cancels it with a written note three (3) months prior to its expiry date.

This agreement has been written in two (2) identical copies, out of which each party receives one (1) copy.

DOMEL, d.o.o., Železniki
mag. Matjaž Čemažar

/town/city and date/
/authorized signature/

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