

May 2015

VEM Tooling MOLD WARRANTY

Objectives:

- To provide written warranty documentation between VEM Tooling, called Mold Builder, and Mold Buyer/Molder (referred to as the “Mold Buyer”) with respect to inserts and components of a mold (the “Mold”).
- To clearly define the responsibilities and accountabilities of Mold Builder and Mold Buyer.

Mold Builder Responsibilities:

- Provide the Mold design in accordance with Mold Buyer’s written specifications.
- Build the Mold consistent with the final approved prints and material specified in the BOM
- Conduct mechanical sampling of the Mold for One Thousand (1,000) cycles or as otherwise agreed upon in writing with Mold Buyer.
- Provide a tear down, inspection and cleaning of the Mold after the Mold is mechanically sampled.
- Identify wear components not covered by this Mold Warranty as described in **Schedule 1** hereto.

Mold Buyer Responsibilities:

- Review and approve in writing the Mold design received from Mold Builder.
- Perform periodic maintenance to the Mold as described in **Schedule 1** hereto.
- Conduct maintenance not less than that required by a Mold Manual Handbook, including with respect to preventive maintenance, cleaning procedures, greasing, type of grease and replacement of worn alignment components.
- When submitting a warranty claim with respect resulting in repair liability for Mold Builder, submit all preventive maintenance documentation and photos to Mold Builder, including, without limitation: Preventive maintenance documentation that includes at least the following: (i) notation of wear or damage with accompanying photos; (ii) list of replaced components; and (iii) reasonably detailed comments from an in-house Maintenance Technician including with respect to date, cycle count and such technician’s name.
- Promptly pay for technical assistance from Mold Builder as determined by Mold Builder.
- For each warranty claim made, submit to Mold Builder an executed copy of the final Purchase Order.
- Upon a warranty claim resulting in the exchange of an insert or a component portion of the Mold, return the original item promptly to Mold Builder at Mold Buyer’s expense.

Limited Warranty: Mold Builder grants the following Limited Warranty with respect to the inserts and components of a Mold:

- This Mold Warranty covers Molds built to industry standards not less than SPI Classification Type 101.
- Mold Builder warrants the inserts and components of the Mold against failures that can be directly attributed to defects in material or workmanship while following design practices generally known and accepted in this industry, for the period or number of cycles set forth in **Schedule 1** attached hereto. Pursuant to this Mold Warranty, Mold Builder will take commercially reasonable action to repair the inserts and components of the Mold to its original design specification.
- Warranty period is either year/s or in cycles as specified in **Schedule 1** hereto (the “Warranty Period”), commencing upon the initial production release of the Mold.
- If Mold Builder receives, during the Warranty Period, written notice of a defect in any insert or component of a Mold manufactured by Mold Builder, then Mold Builder, or its authorized representative, shall either repair or replace the insert or component of the Mold, at Mold Builder’s sole option. Any replacement provided by Mold Builder pursuant to this Mold Warranty

may vary in design from the original item in question and will not necessarily include any original engraving or similar customization; provided, however, that a replacement will have functionality that is at least equal to what is being replaced.

- OTHER THAN THIS “LIMITED WARRANTY”, THERE ARE NO REPRESENTATIONS OR WARRANTIES BEING MADE BY OR ON BEHALF OF MOLD BUILDER IN CONNECTION WITH THIS MOLD WARRANTY. MOLD BUYER ACKNOWLEDGES AND AGREES THAT: (A) OTHER THAN THE LIMITED WARRANTY, MOLD BUILDER MAKES NO REPRESENTATIONS OR WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY REGARDING THE CONDITION, MERCHANTABILITY, FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE OR USE, DESIGN, CAPABILITIES, QUALITY OR ANY OTHER CHARACTERISTIC OF THE MOLD OR ANY INSERT OR COMPONENT THEREOF; (B) MOLD BUYER IS PURCHASING MOLD “AS IS”; (C) MOLD BUILDER’S TOTAL LIABILITY FOR DAMAGES ARISING IN CONNECTION WITH THIS MOLD WARRANTY SHALL NOT EXCEED THE SPECIFIC PAYMENT PAID BY MOLD BUYER TO MOLD BUILDER, REGARDLESS OF WHETHER SUCH CLAIM ARISES UNDER CONTRACT, TORT, STATUTE OR OTHERWISE; (D) MOLD BUILDER SHALL HAVE NO LIABILITY WHATSOEVER FOR ANY SPECIAL, CONSEQUENTIAL OR INCIDENTAL DAMAGES, REGARDLESS OF WHETHER MOLD BUILDER HAS BEEN ADVISED OF THE POTENTIAL FOR SAME; AND (E) NO DEFECT, DAMAGE, LOSS, FAILURE, OR CHARACTERISTIC OF THE MOLD OR ANY INSERT OR COMPONENT THEREOF SHALL RELIEVE MOLD BUYER OF ANY OF ITS OBLIGATIONS UNDER ANY AGREEMENT WITH MOLD BUILDER, INCLUDING ANY OBLIGATION TO MAKE ANY PAYMENT, WHICH OBLIGATIONS SHALL AT ALL TIMES SHALL REMAIN ABSOLUTE.
- In furtherance and not in limitation of the general exclusion language set forth above, the following is not covered by this Mold Warranty:
 - Hot runner systems, heating elements and pre-engineered components used in the Mold not manufactured by Mold Builder.
 - Standard components and/or items requiring periodic replacement like date stamps, alignment components, devices and ejection components.
 - Components exposed to abrasive materials (like gate inserts, cavity inserts, etc.) that require periodic coating and/or refurbishment.
 - Components and / or materials consigned from any 3rd parties.
 - Any other problems, including those arising as a result of:
 - α) Damage caused by closing on molded parts or runners unless such damage is a result of a construction or quality defect of the Mold.
 - β) Damage to cross parting line components caused by unequal thermal expansion that occurs when temperature settings differ by 20°F or higher.
 - χ) Improper or lack of Mold maintenance or preventive maintenance.
 - δ) Modification of the original design without review and prior written approval of Mold Builder.
 - ε) Improper molding machine maintenance or preventive maintenance and platen parallelism integrity.
 - φ) Components or materials not provided or supplied by Mold Builder.
 - γ) Operation outside the Mold’s intended operation or cycle time specification if a targeted cycle time is provided by Mold Builder.
 - η) Unauthorized modification, opening force, or misuse of the Mold during operation.

- ι) Improper molding machine set up, incorrect mold sequencing and improper Mold assembly.
- φ) Damage due to acts of *force majeure* or accident.
- κ) Changes of Plastic resin other than specified on the part print

Shipping and Handling:

- All freight, shipping and handling charges to and from Mold Builder shall be initially paid by Mold Buyer. If determined to be a warranty repair, Mold Builder will reimburse such charges to Mold Buyer.

**SCHEDULE 1
TO
MOLD WARRANTY**

Mold Builder:

VEM Tooling (Shenzhen) Co. Ltd.
The 2nd Building, Longhui Industrial Park, Fuqiao 3rd Industrial Zone,
Qiaotou Village, Fuyong Town, Baoan Area, Shenzhen, China

Mold Buyer: name and address

Purchase Order Number and date: ...

Description of Mold Project: _____ Project

VEM Mold Number: _____

Mold Classification; Injection Mold

Mold Warranty Period: _____ Year/s or _____ Cycles

starting from DATE: _____

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Mold Preventive Maintenance Schedule:

1. Once the Mold is released for production, the first preventive maintenance will be performed at 25,000-50,000 cycles.
2. The second preventive maintenance shall be performed at 100,000 cycles.
3. The subsequent preventive maintenance intervals shall be reasonably based on the results of the previous two preventive maintenance reviews, though with increments of not more than 100,000 cycles.
4. Mold Buyer has to clean and grease the mold after every run. Mold needs to be stored in a clean and dry and dust free environment.
5. Mold Buyer needs to keep a clear and up to date documentation on all maintenance activities and needs to show this to Mold Builder in case of a warranty claim. Failure to do so will result in the warranties being void.

Wear components not covered by this Mold Warranty:

- 1) **Leader Pins and bushing**
- 2) **Ejector Pins**
- 3) **Hydraulic and Pneumatic Cylinders**
- 4) **Hot runner system, including Manifold and drops**
- 5) **All other purchased components**
- 6) **All other components not made by Mold Builder**