



## LINAMAR GLOBAL TOOLING REQUIREMENTS - POLICY

(For Supplier Tooling)

The purpose of this document is to set forth Requirements of LINAMAR's policy, and audit procedures with regard to LINAMAR and Customer-owned special tooling located at Supplier's facility(ies). Machinery and equipment (M&E), whether dedicated or non-dedicated, including, but not limited to, stamping presses, weld presses (all variations), indexing machines, CNC machines, automated transfer, robots, handling systems or computer/CAD stations, tool room equipment, and lab equipment are not special tooling. This also includes equipment where it may be necessary to alter uniquely in order to manufacture the necessary LINAMAR part. In addition, there may be items that may fall into a supplier's definition of tooling but, are not items that LINAMAR chooses to own at a suppliers site. The utilization cost of these items are assumed to be included in the supplier's burden portion of the piece price, they will not be reimbursed by LINAMAR as special tools. The fact that M&E may have been in a LINAMAR tooling purchase order in the past is not relevant nor does it set precedent for how we manage our business today. It is the responsibility of the supplier to ensure its sub-suppliers comply with these requirements.

- Special tooling is tooling specifically designed for the production of, and is unique to, a LINAMAR productive part.
- Generic tooling, general-purpose items and equipment are excluded, even if these items are dedicated to the LINAMAR part (i.e., fasteners, drills, etc.). Refer to appendices for general clarification.
- Examples of non-tooling related expenses that are not includable are employee travel expenses, layouts, sampling costs (PPAP, tooling/process run-offs), general staff resources, etc. Additionally, incremental costs associated with procurement, follow up, etc. are considered to be part of the parts supplier's overhead costs and likewise recovered in the burden portion of the production piece price. Engineering on subsequent tools for the same product is not reimbursable.
- LINAMAR claims ownership of all tooling designs and tooling. Any vendor claims of proprietary tooling, or tooling design, shall be deemed intellectual and physical property of the vendor, and therefore NOT reimbursable by the LINAMAR Purchase Order. Any vendor claimed proprietary tooling or designs included in the LINAMAR Purchase Order may be removed at any step of the review or audit process. LINAMAR shall have access to all special tooling data and designs at their request.