

# **BRS Superior Seam Technology™® -SST® Strategic Partner New Alpha OEM Manufacturer Licensing Addendum**

The option to become a Building Research Systems, Inc (BRS) Superior Seam Technology™®-SST® Strategic Partner Alpha OEM manufacturer licensee to Ascension license holders comes with benefits, opportunities and responsibilities. The purpose of this addendum is to provide a clearer understanding of those responsibilities to those Ascension licensees that will be choosing to form a symbiotic sales/manufacturing relationship with the Alpha OEM license holders that choose to be a BRS Superior Seam Technology™®-SST® Strategic Partner. The benefits and opportunities of being an Alpha OEM license holder have been discussed by BRS prior to the signing of the licensing agreement and will not be elaborated within this addendum.

## **Alpha OEM Responsibilities:**

- Alpha OEM licensees have elected to become the manufacturing location for the Ascension license holders as they become activated through the purchase of their own profile license agreement.
- ***All Alpha OEM manufacturers are REQUIRED to have second generation profile tooling to qualify for participation for the Alpha/Ascension program.***
- Alpha OEM license holders will be noted as a BRS Strategic Partner of the “TECH TRANSFER” portion of the standard BRS license agreement. This notation will be added to the technical information and “know how” that is part of BRS licensing agreement purchase in exchange for the Alpha OEM licensee participation and commitment as a manufacturer to the Alpha/Ascension licensing program.
- Alpha OEM licensees may sell complete roofing systems including all parts (panels, clips, closures, rake/eave plates, sealants, fasteners and accessories including trim) to provide a complete roof system to any of their clients or service area. However, the Alpha OEM manufacturer may only produce /sell “ cut list” panels when selling to other BRS license holders. All other parts and accessories for the roof system to be purchased by the symbiotic Ascension license holders direct from one of the two Strategic Stamping partners as stated in all BRS licensing agreements.
- Alpha OEM licensee will be available to produce the Ascension license holder panels within 3-7 days after receipt of the latter’s material “Cut List” of required number of parts.

- Alpha OEM licensee price levels should always be better than the OEM typical selling price to the open market. The pricing should reflect an established gross profit of 20% to allow the Ascension license holders a competitive edge.
- Alpha OEM manufacturers will only be required to stock the appropriate 24-gauge coil width required to produce the licensed panel profile. They will offer their paint system coatings whether Kynar® PVDF (Polyvinylidene Fluoride/difluoride) or SMP (Silicone Modified Polyester) in their standard palette color of white only on an AZ50 Galvalume or Acrylume substrate. Any specialty colors or custom paint coating system purchases will be negotiated between the Alpha and the Ascension licensee on a job by job basis. The gross profit margin for this service will be 20% after direct materials, labor, packaging costs to allow the Ascension licensee to have a competitive advantage in their own market/service area.
- The Alpha OEM licensee will offer and stock 24-gauge clear coated AZ55 Galvalume or Acrylume coil for the purchase by the Ascension licensee. The gross profit margin for the manufacture/supply of this material will be 20% after direct materials, labor and packaging has been established.
- Alpha OEM license holders will offer toll roll material services to the Ascension licensees for the manufacture of small quantity, specific or specialty /customer color “Cut List” purchases. The toll roll fee will cover all direct labor, production materials and will include a gross profit limited to 20%.
- The supply or purchase of any large specialty or custom color projects coil stock will be negotiated prior to bid by the Alpha OEM and Ascension licensees. It is strongly recommended the establishment of pre-bid cost/service parameters of these specialty projects agreed to by both parties. The Alpha OEM gross margin for specialty /custom color panels should be limited to 25% above direct material, labor, packaging, overhead and in bound shipping costs unless agreed to otherwise by both parties.
- All shipping fees/expenses of any/all materials will be negotiated between the Alpha and Ascension licensees during initial relational account set-up between both parties.
- The Ascension license holders credit terms to be established by the Alpha OEM licensee as they deem appropriate and agreeable.
- The production of “cut list” panels between the Alpha/Ascension will automatically continue in perpetuity or both parties mutually agree to discontinue their Alpha/Ascension program arrangement.
- The Alpha OEM licensee may cancel the arrangement with any Ascension licensee that fails to meet their agreed upon credit terms or conditions of sale without losing the BRS

Strategic Partner designation for other established or new symbiotic Ascension license holders.

- All Alpha OEM license holders must participate in BRS Quality Control program to assure panel design specification compliance adherence. The quality control check provides assurances to their Ascension symbiotic clients that the panel profiles are in specification and should perform properly when installed correctly and according to design.
- ***All terms and conditions of sale not mentioned are between the Alpha OEM manufacturer and the Ascension licensees.***

### **BRS Commitment to Alpha OEM License holders**

- BRS as a show of goodwill and faith will be providing a \$10,000.00 price reduction off the \$185,000.00 standard licensing fee per profile to the Alpha OEM Licensee. This fee reduction is an act of faith to permit the Alpha OEM licensee value in their participation in the Alpha /Ascension licensing program. The Alpha OEM licensee participation in this program is a beneficial arrangement between all parties. If the Alpha OEM manufacturer wishes to terminate their participation in the program, the arrangement between the Alpha OEM and the Ascension licensees cannot be cancelled without a written 90-day notice and may require up to an additional twelve (12) months of symbiotic support prior to termination date. This action is to allow dependent Ascension license holder(s) the opportunity to seek another BRS Superior Seam Technology™®-SST® Alpha OEM Strategic Partner(s) to assume this vital manufacturing function. This monetary reduction will be noted in the BRS non-exclusive license purchase agreement documents.
- If Alpha OEM licensee terminates their participation in the program in its entirety prior to reaching their five (5) year program agreement signing anniversary date, a prorated portion of the initial BRS goodwill /good faith \$10,000.00 license price reduction amount will be returned to BRS at a rate of \$2,000.00 per year for each year the anniversary date was not achieved.
- BRS will direct new Ascension license purchasers to Alpha OEM license holders which have elected to become known as Strategic Partners to provide them opportunities to expand their business through this BRS Superior Seam Technology™®-SST® Alpha Licensing Program.

BRS welcomes the undersigned to the Superior Seam Technology™®-SST® Alpha OEM/Ascension program. By signing this Alpha OEM Manufacturer Licensing addendum, the company pledges to abide by the responsibilities contained therein and accepts the many tasks of becoming a production facility to Ascension licensees as they become new SST® members.

Addendum shall serve as an Addendum to the non-exclusive License Agreement between \_\_\_\_\_ and **Building Research Systems, Inc** for the TS-324™ Standing Seam Roof System dated this \_\_\_\_\_ date of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Authorized Company Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Witness name/Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
BRS President

\_\_\_\_\_  
Date