ADVIK	General Quality Agreement	**Document No. :** AHPL/SQA/ST/01/E
		Revision No.:00
		Revision Date:07.02.2016

By and Between

Supplier Name	
Address	
Supplier Code	
Place of Registration	
VAT Number	
Registration Number	
Hereinafter referred to as 'Supplier'	

Customer Name	**ADVIK HI-TECH PVT.LTD**
Address	Plot No.B-5, Chakan Industiral Area, Phase-II Vilage-Vasuli, Tal-Khed, Dist-Pune-410501.
Hereinafter referred to as 'AHPL'	

AHPL Representative	**Supplier Representative**
Name	Name
Sign & Stamp Date :	Sign & Stamp Date :

Rev No.	Date	Rev Details
00	07.02.2017	Initial Release

General System requirements -

1. Supplier shall give written confirmation or objective evidence for third party certification to an active version of ISO 9001 or ISO-TS 16949 or defined roadmap for the same with agreed time line.

A. Audits -

1. Based on AHPL request AHPL representative along with customer shall be entitled to visit any product related location of the supplier or sub-supplier to conduct process audit or system audit.

B. Quality Performance –

1 Supplier shall comply with AVRS (Advik Vendor rating System for Quality & delivery).

2 Supplier shall close the quality issue with 8D methodology with response time 4 Hrs. after receipt of complaint, root cause analysis in 4 days & complete closure with evidences within 7 days & visit AHPL as & when required.

2. Quality Targets – supplier shall comply with quality target set by AHPL time by time.
3. The supplier shall be directed and controlled by Supplier Quality Manager and Incoming Engineer / Inspector to use IPP / IPP Tags prior to deliver the material to AHPL and fulfil the Traceability requirements as per specified by customer.
4. **Please refer quality targets for respective commodity as per Annexure - I**

C. NPD – APQP & PPAP

1. Supplier shall have comprehensive APQP process in accordance to AIAG or AHPL guidelines.
2. Supplier shall attain specification review meetings and comply with the agreement.
3. Supplier shall comply AHPL PPAP requirement.
4. Supplier shall conduct PPAP on date specified.
5. The standard PPAP submission level shall be 3 or mutually agreed.
6. PPAP sample parts are clearly labeled.

D. FMEA –

1. FMEA shall recognize & evaluate the potential failure modes of process & its effects.
2. Supplier shall identify the actions that could eliminate or reduce the chances of potential failure occurring & document entire process.

E. Measurement System Analysis –

1. Supplier shall perform MSA according to latest AIAG MSA manual & AHPL criteria for all gauges & measurement systems / equipment's indicated in respective control plans.
2. Supplier shall comply AHPL acceptance criteria.
3. Each MSA study demonstrate that %GRR <10% with number of distinct categories (ndc) ≥ 5.
4. In case of %GRR >10% & <30% or Ndc<5 supplier has to implement corrective actions. If %GRR >30% then such measurement system should not use to manufacture AHPL parts.

F. Process Capability & Control –

1. Supplier shall carry out SPC study for CTQ dimensions at defined frequency to confirm the process capability & submit the reports to AHPL.
2. The acceptance criteria for short term studies is a Cmk & Ppk >=1.68 and for long term process capability Cpk>= 1.33 is required. If required capability is not reached then 100 % testing is mandatory.
3. Without prior written approval from AHPL the supplier shall not rework components or any other activity other than documented process flow.

G. Lot Traceability & Change Point Control

1. Supplier shall submit the PDIR & raw material test report with each lot.
2. Supplier shall submit or identify the lot with IPP (Initial Prod Part) tag if any change in process under change point control.

H. Shelf Life

1. Supplier has to define & follow shelf life of component wherever applicable.

I. Improvement Projects

1. Supplier shall participate in all improvement projects initiated by AHPL & comply to review frequency as decided by AHPL.

J. Contingency Plans

1. Suppliers are required to prepare contingency plans (e.g. facility interruptions, Labor shortages, key equipment failure) to reasonably protect AHPL supply of product in the event of emergency, excluding acts of natural disaster.

Annexure – I

Quality Targets		
Sr. No.	**Commodity**	**Quality Target FY - 2016-17**
1	Casting	2.55% (Including Machining)
2	Machining	1700 ppm
3	Sheet Metal	4250 ppm
4	Sintering	850 ppm
5	Plastic	850 ppm
6	Fasteners	850 ppm
7	Rubber	425 ppm
8	Spring	425 ppm

AHPL Representative	**Supplier Representative**
Name	Name
Sign & Stamp Date :	Sign & Stamp Date :

TOOLING AGREEMENT

Advik Hi-Tech Pvt Ltd

AND

("Supplier")

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Clause

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ANNEXURE-'A'

TOOLING AGREEMENT

This **TOOLING AGREEMENT ("this Agreement")** is made and executed at Pune, India on this _____ day of 2019 YEAR ["**Effective Date**"].

BY AND BETWEEN

M/s ADVIK HI-TECH PVT.LTD., a Company incorporated under the Companies Act, 1956, having its registered office at Gat No.357/99, Chakan- Talegaon Road, Village- Kharabwadi, Tal-Khed, Chakan, Pune- 410501, India. Through its authorized representative Mr. Ajayveer Singh, Age 42 yrs, Occ. General Manager Supply change, Residing at Pune. [Hereinafter referred to as "**the Company/Advik**", which expression shall unless repugnant to the context or meaning thereof shall mean and include its successors, executors, administrator's and permitted assigns.)

…PARTY OF THE FIRST PART

AND

M/s. **_____,** a Company incorporated under the Companies Act, _____ and having its registered office at _____. Through its authorized representative _____, Age _____ yrs, Occ. _____, Residing at _____. [Hereinafter referred to as "**the Supplier**", which expression shall unless repugnant to the context or meaning thereof shall mean and include its successors, executors, administrator's and permitted assigns.)

…PARTY OF THE SECOND PART

The Company and the Supplier shall jointly be referred to as "**the Parties**" and individually be referred to as "**the Party**".

WHEREAS

A. The Supplier vide "**Supply Agreement**" dated _____ had / has agreed to manufacture and supply various components / castings / parts ("**the product/s**") to the Company. The Supplier had/has agreed to manufacture and supply the product/s as per the terms and conditions of the Supply Agreement.

B. Therefore, in furtherance of the Supply Agreement entered between the parties, the parties have mutually decided to enter into this Agreement wherein the Supplier shall either manufacture/develop or procure/purchase various tools such as dies, moulds, and jigs etc. ("**the Tools**") which are/will be required by the Supplier for the purpose of manufacturing the product/s and finally supplying the product/s as per the specifications and requirements of the Company as per the Supply Agreement entered between the Parties. The terms and conditions of tooling and packaging is same as particularly mentioned in Annexure 'A' attached herein with this Agreement.

C. Thus, the parties have mutually decided to enter into this Agreement and to reduce in writing the terms and conditions which shall govern their relationship.

NOW THEREFORE THIS AGREEMENT WITNESSETH AND IT IS AGREED BY THE PARTIES AS UNDER:

1. NATURE OF THIS AGREEMENT

The Supplier herein agrees that in order to manufacture and supply the product/s to the Company as per the specifications and requirements of the Company under the Supply Agreement, the Supplier is required to manufacture/develop or procure/purchase the tools. Therefore, the parties have mutually decided to enter into this Agreement which shall govern their relationship with respect to manufacture/development or procurement/purchase of the tools.

2. TERM

This Agreement shall commence on the Effective Date and shall remain valid till the expiry or termination of the Supply Agreement, whichever is earlier subject to termination as stated herein. However, the termination of this Agreement shall not in any manner cause/lead to termination of the Supply Agreement.

3. RIGHTS, OBLIGATIONS AND DUTIES OF THE COMPANY

a. The Company will provide the Supplier all the requisite drawings, information and documents, if any, required for the due execution and performance of the terms agreed under this Agreement.

b. The Company will pay the tool development charges to the Supplier ("**the tooling charges**") which may range from 0% to 100% of actual cost of the tools procured or manufactured or lump sum amount as per mutually agreed terms from time to time. The tooling charges may be apportioned in accordance with the different lots or quantities of product/s to be manufactured by the Supplier from time to time as per mutually agreed terms from time to time.

c. The Company shall have the right to inspect the records of the tools manufactured and/or procured by the Suppliers.

4. RIGHTS, OBLIGATIONS AND DUTIES OF THE SUPPLIER

a. The Supplier shall for the purpose of manufacturing and supplying the product/s to the Company as agreed in the Supply Agreement either manufacture/develop the tools on its own or procure/purchase the tools from the Company nominated supplier/s.

b. The Supplier shall manufacture/develop or procure/purchase the tools as per the specifications and requirements of the Company. In case of any deviation from the specifications and requirements as provided by the Company to the Supplier, it shall amount to material breach of this Agreement.

c. The Supplier shall always ensure that in case it procures/ purchases the tools from the Company nominated supplier/s, such tools shall be in conformity with the specifications and requirements of the Company.

d. The Supplier shall with the help of the drawings of the product/s or the tools, if any, ("**the Drawings**") provided by the Company shall manufacture/develop the tools or procure/purchase the tools from the Company nominated supplier/s within the time which will be stipulated by the Company. The Supplier shall always ensure that time is the essence of this Agreement as the fulfilment of the obligations by the Supplier under this Agreement shall enable the Supplier to finally supply the product/s to the Company as per the Supply Agreement.

e. The Supplier shall use the tools only for the purpose of manufacturing the product/s for the Company and not for any other purpose. If the Supplier uses the tools for any other purpose other than that of the Company, it shall amount to material breach of this Agreement by the Supplier.

f. The Supplier shall be responsible to incorporate or cause to be incorporated any necessary changes in the tools at its own cost/s as and when required by the Company, based on the performance report/s from the Company for such tools so as to finally manufacture and supply the product/s as per the Company's specifications and requirements.

g. The Supplier shall be responsible for keeping unique identification numbers for the tools to be used for manufacturing the product/s for the Company.

h. The ownership of the tools to be manufactured/developed or procured/purchased by the Supplier shall always remain with the Supplier.

i. The Supplier shall always keep the tools under its control and supervision and shall not divest the authority of the tools with any other company/person etc. whatsoever at any point of time.

j. The Supplier shall always keep the record/s of all the tools to be either manufactured/developed by it or procured/purchased by the Company nominated supplier/s.

k. The Supplier shall not have the right to transfer the tools either in exchange for payment or free of cost to any third party.

l. The Supplier shall be responsible for the maintenance of the tools either manufactured/developed by it or procured/purchased from the Company nominated supplier/s in accordance with professional standards of diligence and prudence, under its own supervision and control.

m. The Supplier shall bear all the statutory liabilities arising in the ordinary course of business on account of manufacture/development or procurement/purchase of the tools like excise duty and/or any other taxes.

5. INTELECTUAL PROPERTY

It is agreed by the parties that the drawings of the Company used by the Supplier to manufacture/develop or procure/purchase the tools shall be the exclusive property of the Company at all times. The Supplier shall as and when required by the Company immediately returns the Drawings to the Company.

6. CONFIDENTIALITY

a. The Supplier shall hold or cause to be held, in strict confidence, any / all information including Intellectual Property related information relating to the Company (whether oral and/or written) which the Company will provide to the Supplier (hereinafter referred to as "**Confidential Information**") during the performance of its obligations under this Agreement. This confidentiality obligation shall not apply to information, which is now, or hereafter becomes, generally known to the public through no act or fault of the Supplier.

b. This clause shall survive for all time to come even after the expiration and/or termination of this Agreement.

7. INDEMNITY

The Company shall not be liable for any act of the Supplier and the Supplier shall indemnify or keep indemnified the Company for all losses, damages, claims etc. that may be initiated by a third party against the Company due to manufacture/ development or procurement/purchase of faulty tools (not according to the specifications and requirements of the Company) at any point of time.

8. TERMINATION OF THIS AGREEMENT AND ITS EFFECTS

a. The Company shall have the right to terminate this Agreement by giving 2 (two) months prior written notice to the Supplier.

b. Notwithstanding whatever stated hereinabove, the Company shall have the right either to withhold the tooling charges or any amount to be paid under this Agreement or the Supply Agreement or forthwith terminate this Agreement and claim damages, for any loss, if any, caused to the Company on account of:

   i. Breach and/or material breach of any of the terms and conditions of this Agreement by the Supplier.

   ii. Any act/omission of the Supplier and/or its personnel/employees etc. contrary to the terms of this Agreement or Supply Agreement.

c. In addition to damages, the Company shall have the right to claim suitable compensation from the Supplier.

d. Notwithstanding anything contained in this Agreement the Company shall have the right to seek other remedies either in law or at equity so as to make good the losses/ damages caused to it for reasons as stipulated hereinabove.

e. On the termination of this Agreement for any reason whatsoever the Company shall have the right but not an obligation to purchase the tools from the Supplier at the depreciable value at the price to be determined by the parties.

f. The Supplier shall immediately return all the confidential information to the Company without retaining any copy/s thereof.

9. ARBITRATION

Any/all disputes, controversy or claims and/or questions whatsoever arising out of or in connection with this Agreement shall be referred to a sole arbitrator to be mutually appointed by the Parties. The arbitration proceedings shall be governed by the Arbitration and Conciliation Act, 1996, amendments and modifications applicable from time to time. The venue of the arbitration proceedings shall be Pune, India and the language of the arbitration shall be English. The Arbitrator shall have the power to conduct fast track summary disposal of the dispute dispensing with the provisions/rules of the Indian Evidence Act and Civil Procedure Code. The award of the arbitrator shall be final and conclusive, and binding upon the Parties.

10. GOVERNING LAW AND JURISDICTION:

This Agreement shall be construed, interpreted and applied in accordance with and shall be governed by the laws applicable in India. Subject to the arbitration clause, the Pune courts shall have the exclusive jurisdiction to entertain any dispute or proceeding arising out of or in relation to this Agreement.

11. COST

Each party shall bear its own expenses in relation to execution of this Agreement.

12. AMENDMENT

The Parties to this Agreement may, add, delete, amend or alter all or any of the terms and conditions of this Agreement as mutually agreed upon from time to time and such modification and changes shall not be effective until the same are in writing and duly signed by the authorized representatives of the Parties.

13. AMBIGUITIES:

Any ambiguous language in this Agreement shall be interpreted as to its fair meaning, and not strictly for or against either party. Matters not provided for in this Agreement shall be mutually decided by the Parties, decision so agreed upon shall be final and binding on the Parties.

14. COUNTERPARTS

This Agreement may be executed in two or more counterparts, each of which shall constitute an original and all of which together shall constitute one and the same agreement.

15. SEVERABILITY

If any part of this Agreement is or becomes illegal, invalid or unenforceable, that part shall be ineffective to the extent of such invalidity or unenforceability only, and notwithstanding the invalidity or unenforceability of such part the remainder of this Agreement or the remaining provisions of this Agreement shall be effective. The terms and conditions of this Agreement shall be in consonance with the terms of the Supply Agreement. However, in case there is a conflict or inconsistency between the terms of this Agreement and the terms of the Supply Agreement, the terms of the Supply Agreement shall prevail.

16. NO THIRD PARTY RIGHTS:

A person who is not a party to this Agreement shall not have any right to enforce any term of this Agreement.

17. NOTICES

All written notices given pursuant to this Agreement shall be by e-mail, cable, telegram, telex, hand delivery or registered (air) mail and shall be deemed to be given

on the date such notice is dispatched or such registered letter is mailed or such hand delivery effected. Such written notices shall be addressed to the last known address of the party concerned or following address of the party. Either party shall promptly notify the other party of any change in its address.

ADDRESS

The Company/ADVIK
M/s _____,
_____

Supplier

M/s _____,
_____

[CLIENT TO FILL IN]

18. ENTIRE AGREEMENT

This agreement, represents the entire agreement between the parties and supersedes and cancels all previous negotiations, agreements or commitments (whether written or oral) with respect to the subject matter hereof. This Agreement shall be executed by the authorized representatives of the parties.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed on the day, month and year first hereinabove written by their duly authorized representatives.

THE COMPANY/ADVIK	**SUPPLIER**
By:	By:
Name:	Name:
Title:	Title:
Witnesses	Witnesses

****

ANNEXURE-'A'

Tooling Ownership

1. With the PSW acceptance by Advik, the Parties agree to transfer the legal ownership of the initial and all Replacement Tooling to Advik and acknowledge that Advik shall have the sole and exclusive title of the Tooling. Supplier shall from thereon possess the Tooling on behalf of Advik only. Supplier shall mark the ownership of Advik by obvious property tags permanently fixed on the Tooling. The Tooling shall not be transferred, sold, alienated, hired or in any way pledged to a third party without prior and written consent of Advik. Supplier shall immediately inform Advik in the event that any third party claims title of the Tooling or any party seeks foreclosure on an interest in the Tooling.
2. Supplier will provide to Advik on a regular basis or upon request an updated list of Advik or Advik's Customer Tooling ownership.

Tooling Development and Quality

1. Tooling shall comply with any and all agreed documents, such as drawings, specifications, samples, Feasibility Commitment (FC), Supplier Component Review (SCR), Part Change Notification (PCN), Engineering Change Request (ECR), Part Submission Warrant (PSW) and all agreed revisions of the respective PSW, and other descriptions furnished, specified or adopted by Advik in their latest version for the Contract Product.
2. Supplier, at its sole cost and expense, shall ensure that Tooling is maintained in line with the latest version of the GQA and the respective Category Quality Requirements General Quality and Approval Standards (hereinafter referred to as "**CQR**") which have to be accepted by the Supplier.
3. Supplier guarantees Advik a complete visibility of the Tooling development and any modifications (e.g. for design, technology, time schedule, test program, specification, etc.) and will provide a written Tooling progress report until the Tooling has been accepted by Advik.
4. Upon completion of the installation operation and final adjustment, setting of the initial Tooling and first sample approval, a final approval procedure shall take place.

Tooling Maintenance and Replacement

1. In order to ensure the quality of produced and delivered Contract Products, Supplier shall be responsible – at its own cost – for Tooling maintenance and Tooling performance. Additionally, Supplier shall maintain the Tooling at the same level of performance as measured and controlled during the PPAP.
2. Flawless and continuous delivery towards Advik is of the essence. Therefore, Supplier shall be responsible, at his own cost, for the timely production of a subsequent Tooling due to wear and tear as well as to inform Advik in advance about Tooling replacements, timing and start of production out of the new Tooling,

in consideration of necessary tests and approvals to be performed by Advik or its customers. For Replacement Tooling, all obligations of this contract remain the same as for the initial Tooling.

3. Supplier is only allowed to scrap a Tooling after receiving written confirmation of Advik.
4. In accordance with Supplier's life cycle coverage obligation, it is the obligation of Supplier to store the Tooling for 15 years beyond end of production (EOP) at its own costs. Terms and conditions for the delivery of small volume production after EOP will be defined separately.
5. Tooling has to be stored in a fire proof, protected location separated from the place of production if it is not used for production.
6. Any direct or consequent damage either caused by the Tooling to the Supplier's property, Supplier's personnel or to any third parties or caused to the Tooling by any event, including Force Majeure, is in the responsibility of the Supplier.

Tooling Audit, Information and Documentation

1. Advik or its designee is allowed to inspect the Tooling at any time during normal business hours.
2. Upon request of Advik, Supplier shall inform Advik about the status of the Tooling related to its lifetime and conditions.
3. Supplier will conduct a capacity check related to plan quantities on agreed and communicated occasions. The frequency of the capacity check is fixed in the Project Tooling Agreement. In emergencies, Supplier and/or Advik will conduct a capacity check within 24 hours after request from Advik.
4. In specific cases, such as timing constraints, quality problems, Tooling withdrawal and any Tooling modifications, Supplier shall provide all necessary documents, such as drawings, technical descriptions, manuals, photographs, time schedules and test programs to Advik.
5. Supplier will inform Advik of all technical problems of the Tooling, failures and non-expected behaviors if they might affect deliveries or quality.

Tooling Exclusivity

Supplier may exclusively use the Tooling for the manufacture of Contract Products issued by Advik and not for its own account or for the account of any third party, unless Advik has expressly permitted such use in writing in advance.

Right of Withdrawal of Tooling

1. Supplier shall – upon Advik request – deliver or make available the Tooling immediately to Advik in good condition in case of any of the following:
    a) Supplier discontinues voluntarily or becomes unable to supply Contract Products;

b) Supplier’s deliveries are delayed or Supplier refuses to deliver;

c) Supplier is not able to meet quality requirements;

d) Supplier is no more ready to offer competitive conditions regarding the related Contract Product,

and provided Supplier is unable to resume performance within a reasonable time.

e) termination of this Strategic Supplier Contract.

2. If Advik requests the recovery of the Tooling and the cost has not been completely paid, Advik shall pay the remaining cost. The costs for striping down of this Tooling are to be borne by the Supplier and the transport costs incurred to be borne by Advik.

Tooling and Packaging

1.1 ADVIK reserves its title of ownership to the tooling if provided by ADVIK to the SUPPLIER. In case the tooling shall be manufactured by the SUPPLIER or a third party engaged by the SUPPLIER, ADVIK will acquire the ownership upon paying 80 % of the agreed tooling price. In all other cases, ADVIK shall become co-owner in proportion of the agreed tooling price and the payment it has made so far. In case the tooling remains on the premises of the SUPPLIER, and if the transfer of the actual possession of the tooling has not occurred yet, the transfer of the actual possession to ADVIK will be legally constructed as the SUPPLIER keeping the tooling for ADVIK. The SUPPLIER is obliged to keep the tooling in a fiduciary capacity and to use the tooling exclusively for the manufacturing of the products for ADVIK and the delivery to ADVIK. The SUPPLIER is obliged to mark all tooling in a way that the ownership of ADVIK or third parties named by ADVIK is properly visible.

1.2 The SUPPLIER is obliged to insure at his own expense all ADVIK - or third party owned tooling to the extent of the original value against property damage. The SUPPLIER herewith assigns to ADVIK all claims based on such insurances. ADVIK herewith accepts the assignment.

1.3 The SUPPLIER is obliged to carry out all necessary and required maintenance and inspection work concerning the tooling as well as the necessary repair work including the procurement of replacement parts at his own expense, in timely manner. The risk of accidental loss of the tooling on the premises of the SUPPLIER shall be borne by the SUPPLIER. The SUPPLIER shall immediately inform ADVIK of any disturbances regarding the tooling as soon as such events have occurred.

In case of a suspension of the delivery, or in any case of a non-performance, actual insolvency proceedings regarding the property of the SUPPLIER, the actual insolvency of the SUPPLIER, or the termination of the supply contract by ADVIK, ADVIK has the right to reclaim the tooling (and the tooling of the named third parties) after paying the outstanding tooling costs, if any. The SUPPLIER has neither the right of retention nor any other right to keep the tooling.

In case the SUPPLIER has mandated a third party to manufacture the tooling or in case such tooling remains at the premises of such third party for the production of the product or parts thereof, the SUPPLIER is obliged to conclude an agreement with this third party that grants the same rights towards the tooling as stated in this clause 13, in case the tooling is fully paid. The SUPPLIER assigns his claims regarding the tooling against the third party, as well as other claims concerning the tooling to ADVIK, as far as ADVIK did pay the price of the tooling to the SUPPLIER or to the third party.

1.4 As far as payments of the SUPPLIER to third parties, concerning the tooling, are not fully made by the SUPPLIER and in case of the termination of the contract between the SUPPLIER and ADVIK, the commencement of insolvency proceedings against the SUPPLIER and in case of the insolvency of the SUPPLIER, ADVIK has the right to pay the outstanding tooling costs directly to the third parties instead of paying it to the SUPPLIER. In such an event, the SUPPLIER herewith assigns all claims, concerning the tooling, inclusive title of ownership, it might have against the third parties to ADVIK. The SUPPLIER herewith accepts such an assignment.

1.5 The SUPPLIER shall be not allowed to relocate the tooling without the prior written consent of ADVIK.

1.6 Clauses 13.1 till 13.5 shall also apply for the period of spare parts supply according to clause 17. Clause 13.3 shall also apply accordingly for any packaging material paid by ADVIK.