

ANNEXURE

This Tool Agreement is being entered into in the form of Additional Terms & Conditions to the enclosed Purchase Order(P.O) with the above number and date of release.

TOOL AGREEMENT

THIS AGREEMENT is entered into on the date of which the above P.O is released, between M/s. Turbo Energy Limited, a company incorporated under the Companies Act 1956 having its registered office at No.67, Chamiers Road, Chennai – 600 028, Tamil Nadu, hereinafter referred to as TEL (which expression shall mean and include, except where repugnant to the context thereof, its successors in interest and assigns)

AND

The recipient of the above mentioned P.O having its name and Registered Office/Factory/Place of business as mentioned therein, hereinafter referred to as the SUPPLIER (which expression shall mean and include, except where repugnant to the context thereof, its successors in interest and assigns)

WHEREAS TEL is in the business of manufacture, assembly, marketing and sale of parts and accessories of motor vehicles.

AND WHEREAS the SUPPLIER agrees to manufacture and supply/sell to TEL motor vehicle parts/components mentioned in Annexure A in accordance with the terms and conditions of the above purchase order.

AND WHEREAS at the request of the SUPPLIER, TEL has agreed to provide Tool Advance of amount as mentioned in the P.O to the SUPPLIER to enable the SUPPLIER to manufacture/purchase certain Specialized Tools as described in the P.O, for manufacture of TEL's parts/components.

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. This Agreement shall come into force from the date of Purchase Order.
2. The Supplier acknowledges that tools/fixtures covered under the mentioned P.O is the result of proprietary/confidential information/drawings/technical assistance provided by TEL and under no circumstances the Supplier is permitted to use the subject tools except for manufacture and supply of components to TEL. The part numbers of the components are mentioned in the P.O.
3. The Supplier for any reason could not develop the tools, whole or part of, in-house, the Supplier shall locate outside source for manufacture of the same.
4. In case of repair, modification or breakage of the tools, it shall be the responsibility of the Supplier to get the tools repaired, rectified or to procure new tools at his own costs and expenses.
5. The Supplier agrees to use the Tool Advance paid by TEL exclusively for making/purchasing of the tools mentioned in the P.O and for no other purpose whatsoever. The Tool Advance shall be disbursed by TEL as per the terms and conditions mentioned in the Component Purchase Order.
6. Where, the Supplier agrees that the tool advance paid by TEL shall be settled in total after proving the parts to the satisfaction of TEL, Supplier will raise a invoice for the total amount including the total tool cost and the statutory levies as applicable.TEL shall make the payment as per P.O conditions after when the tool shall become the property of TEL.
7. Where the Supplier agrees that the Tool Advance paid by TEL shall be amortized as per the terms and conditions indicated in the Purchase Order for the purpose of payment of statutory levies as applicable. The Supplier also agrees that such amortized tool cost shall be shown separately in the Invoice for the purpose of arriving at statutory levies payable and the Supplier shall ensure to exclude the amortized tool cost from the net value of the Invoice to arrive at the amount payable to TEL.
8. The Supplier agrees that tools as per details mentioned in the P.O, manufactured/procured out of the Tool Advance and as per the drawings/specifications/technical assistance provided by TEL, shall not at any time, be copied/ sold/transferred or otherwise disposed of or hypothecated/pledged with or offered as security to any third party under any circumstances.
9. The Supplier agrees that in the event of any problem faced by the Supplier, which gives rise to the possibility of interruption or stoppage of supplies of parts/components, the Supplier shall be responsible and liable to inform TEL of the above problems and shall hand over, all the tools in good condition to TEL or to any other person authorized in writing by TEL, to enable TEL to get the said parts/components manufactured through third party to ensure uninterrupted continuous supplies.
10. The Supplier agrees that in the event of the Supplier's failure to handover the Tools as mentioned in the P.O under the circumstances explained above, TEL shall be entitled to retrieve the tools lying with the Supplier or their sub-contractors/sub-vendors and use the same to continue production and uninterrupted supply of the parts.
11. The Supplier agrees that in the event any of the tools made/purchased/procured by the Supplier is not as per the required specifications and/or does not perform to the satisfaction/requirements of TEL, the Supplier shall, in consultation with TEL, take all steps to have the said tool modified/repaired or replaced so that the component specifications of TEL can be strictly conformed to. If the above modifications are not possible, the Supplier refund the entire tool advance received by them to TEL.

12. The Supplier agrees that all or any parts/components manufactured by the Supplier using the tools mentioned in the P.O shall be sold/supplied only to the TEL or as per the written orders of TEL and such parts/components shall not be copied/duplicated/sold/transferred to any other party or sold/distributed in the open market, under any circumstances.

13. The Supplier agrees that during the tenure of this agreement or upon termination, the Supplier shall hand over the Tools to TEL. In such an event, the residuary value of the tool advance paid by TEL, if any, shall be residual sale value of the tools. If the entire tool advance is amortized, the sale value shall be determined upon mutual consent and agreement.

14. The Supplier agrees to furnish the confirmation of the balance of the Tool Advance as at 31st March, every year.

15. The Supplier further agrees to furnish or as and when required by TEL a declaration of physical existence of the tools mentioned in this and other various P.O given earlier which can be inspected by TEL with a pre access to the nominated staff of TEL in their premises

15-A The Supplier further agrees to maintain the tool in good condition by proper oiling, even if there is no requirement for the parts manufactured out of the tools for a long time

16. The Supplier agrees to indemnify and hold TEL harmless against any cost, liability, expense and/or damage including loss of profit incurred by TEL arising out of violation of the terms and conditions of this Agreement by the Supplier or any other person acting on behalf.

17. The Supplier is not an Agent or representative of TEL and this Agreement does not constitute a partnership or joint venture. TEL shall not be bound by any representation of the Supplier nor shall TEL be liable for any act or omission of the Supplier.

18. Any amendment or discharge of this Agreement must be in writing and signed by both the parties.

19. In case of any conflict between the terms & conditions contained in this Agreement and the terms & conditions contained in the Purchase Order, the terms and conditions of this Agreement shall take precedence.

20. The Supplier shall take appropriate Insurance Policies against all natural perils, theft, damage, etc. and submit a copy of the insurance certificate to TEL.

21. The Supplier agrees that the Supplier shall not have, by use or otherwise, any intellectual property rights viz. Trade Marks, Copyrights, Designs or Patents, relating to the tools or the parts made out of, any designs/literature/specifications relating to the same or any improvements or modifications to any of the above and the Supplier shall not at any time, make any claim of such Proprietary rights, under any circumstances.

22. The parties recognizes and undertakes to respect the confidentiality and commitment to each as regards the proprietary information contained in part/tool drawings, parts, components and the design, development, manufacture of toolings relevant for the subject parts.

23. In the event of TEL unable to take supply of the parts/components made out of the tools due to change in the model or for any other reason and if the subject tools are capable of being used in the manufacture of any other parts/components, the parties hereby agree that the unadjusted tool advance will be transferred for adjustment against the new parts/components, in which case, the Purchase Order for the corresponding tools and the parts will be amended accordingly.

24. The parties hereto agree that all notices hereunder must be in writing sent by personal delivery or registered mail or telefax unless otherwise specified and must be sent to the TEL and the Supplier to their respective addresses mentioned in the P.O.

25. TEL and the Supplier agree that in case of any dispute or difference of opinion, on the implementation or interpretation of the terms and conditions of this Agreement, the same shall be settled by mutual discussion and conciliation, failing which the matter will be resolved in accordance with the provisions of Arbitration and Conciliation Act, 1996 and the Rules made there under.

26. This Agreement can be terminated upon happening of any of the following:

- a) By either party giving three months written notice to the other.
- b) The Supplier materially breaches any of the terms of this Agreement
- c) The Supplier becomes insolvent or enters bankruptcy, receivership, liquidation, dissolution or similar other Proceeding.
- d) The Purchase Order expires or is terminated

However, TEL reserves the right of termination in case when the Supplier is not able to supply the parts/components, which will endanger the continuous production at TEL.

27. Upon termination/expiry of the Purchase Order, the supplier undertakes to hand over the tools to TEL or keep in safe custody at the request of TEL, subject to and read with clause-13.

28. The parties hereto agree that the Courts in Chennai alone shall have jurisdiction, to the exclusion of all other Courts that may otherwise have had such jurisdiction, to decide any matters relating to this agreement.

For TEL Sign: Name: MANIVANNAN.D Designation: VICE PRESIDENT	Seal	For Supplier Sign: Name: Designation:	Seal
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