

General Terms and Conditions

for research and development assignments to be performed by "Elektrische Automatisierungs- und Antriebstechnik EAAT GmbH Chemnitz"

1. General

The General Terms and Conditions of EAAT GmbH meet the requirements of contract research and are based on the German Law on General Terms and Conditions.

2. Quotation

The Quotation describes the task with reference to the specific range of application, contents and scope of the work, the period intended for the processing, the remuneration and the research and development objective.

3. Order Placement

If the Order Placement contains any deviations from the Quotation, such deviations shall only apply as agreed after our express written confirmation.

4. Delivery Date / Period for Processing

The agreed services are to be delivered by the delivery date agreed in the contract. Premature delivery shall be deemed to be agreed.

If we recognise that the agreed period for processing is not sufficient, we will submit suggestions for modification to the client in writing - with specification of the grounds - as a basis for a consensual adaptation of the processing period.

5. Client Participation

The client undertakes to meet the duties of participation agreed within the framework of the contract. If the client fails to comply with this obligation or fails to comply within the agreed period, the contractor reserves the right to assert the claims resulting from § 642 and § 643 Civil Code (BGB).

6. Dispatch

Our deliveries are performed ex works. Dispatch is at the expense and for the risk of the party ordering.

The risk passes to the party ordering as soon as the products have been made available to him or handed over to a forwarder or freight carrier, but at the latest when the products leave our enterprise.

If the subject of the contract arrives damaged on the customer's premises, the customer shall bear the burden of proof for the transport damage. To preserve the right to compensation for damage, the customer is obliged to request the freight carrier to record the facts and confirm the damage.

7. Passing of the Risk

At the time of completed delivery, all risks shall pass to the customer.

The insurance cover required from this moment is to be obtained by the customer at his own expense. This also applies if assembly or installation work is still to be provided by us on the customer's premises or at another agreed site.

We will only provide for the insurance cover if expressly agreed in writing in the specific case. This also applies to products handed over for repair from the time of receipt up to the moment of completion.

8. Acceptance

The customer undertakes to accept the service agreed in the contract within 14 days after transfer unless acceptance is excluded due to the properties of the goods. An acceptance record is to be created and signed by both parties to the contract. If the acceptance is not performed within the period set forth in Clause 1, the service provided shall be deemed to be accepted.

9. Remuneration

The remuneration is an agreed price unless invoicing is to be performed expressly on the basis of work actually done with specification of an upper cost limit. Value-added tax is to be added if applicable.

The customer will be informed immediately if it can be foreseen that the intended result cannot be reached with the agreed remuneration. In this case, we will submit appropriate suggestions for further measures.

10. Payment

As a rule, an appropriate advance payment is agreed. It is due in accordance with the agreed payment schedule. If no payment schedule is established, the date of the invoice or of the payment demand shall be binding. Payments are to be effected without deduction to the business account of EAAT GmbH at Sparkasse Chemnitz

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with specification of the invoice number.

If the client fails to comply with the terms of payment, the contractor is entitled to charge default interest at a rate 3% above the current discount rate of Deutsche Bundesbank per year, but at least the lending rate applicable in normal banking business. It is not necessary to issue the other party notice of default to found this obligation to pay interest. Setting off against our claim is only permissible if the counterclaim is uncontested or else final and conclusive.

11. Reservation of Title

EAAT reserves the title to all deliveries and services until all claims against the customer are satisfied. The customer is not entitled to give the services in pledge or to pledge them as security for a debt. He is, however, entitled to resell, modify or process the services in the ordinary course of business. Any processing into a new product by him is deemed to be on our behalf with effect for EAAT, but without resulting any obligations for us. We already now grant the customer a co-ownership at the ratio of the new value of the new product to the value of our service. The customer undertakes to keep the new product safe with the diligence of a prudent businessman and free of charge.

If the customer intends to resell our service or the new product manufactured there from, he is obliged to indicate our title to his customer. To safeguard the claims of EAAT in accordance with Par. 1, the customer already now transfers to us any claims resulting from the reselling of the services, including all ancillary rights, to the amount of the value of our services with priority above the remaining part of his claims. Upon request from the customer, the security due to us is to be released as far as the value exceeds our claims by 20 %.

12. Warranty

EAAT warrants the application of scientific diligence and observance of the recognised rules of technology, but not that the research and development objective is actually achieved. In case of any defects, EAAT is entitled to rectify or repair such defects free of charge within a period of 6 weeks. If such attempts at rectification or repair of the defects are in vain, the customer is entitled to request a reduction of the remuneration or cancellation of the contract. Any further warranty claims shall be excluded.

The warranty is limited to 12 months after acceptance of the research and development result. This shall also apply to warranty claims which are not subject to the legal warranty periods.

13. Liability

The liability of EAAT, its legal representatives and agents, resulting from violations of the contract or tort shall be limited to cases of deliberate action, gross negligence, absence of a warranted property or violation of a duty where failure to comply would endanger the contract.

14. Results from Performance of the Contract

The result of the performance of a contract is made available to the customer in accordance with the terms and conditions of the appropriate contract after completion of the project.

The customer is granted a non-exclusive license to use the filed or granted privileges or industrial property rights in accordance with the relevant task definition against reimbursement of an appropriate share of the costs (for application, maintenance and defence of the privileges or industrial property rights and for employee inventor remuneration in accordance with the relevant law if the license is utilised).

Upon request, in lieu of the non-exclusive license, the customer is granted an exclusive, non-gratuitous license to use the filed or granted privileges or industrial property rights for the range of application underlying his order. Such a request is to be declared in writing to EAAT at the latest 3 months after granting of the privilege or industrial property right. In such a case, EAAT is granted a non-exclusive, free license for use for its own scientific purposes.

The customer shall be granted a non-exclusive, free license to use the research and development results and know-how protected by copyright which results from performance of the contract. Any exclusive licenses granted for the resulting field of application require a separate agreement.

If already existing property rights and/or copyrights are used to perform the contract and if they are imperative to utilise the research and development result, the customer shall be granted a non-exclusive, non-gratuitous license on the basis of a separate agreement.

15. Conflicting Privileges or Industrial Property Rights of Third Parties

EAAT will inform the customer immediately of any third party` s privileges or industrial property rights which become known to it and which could be violated by the use of the services. EAAT and the customer will decide by common consent whether and how any third party` s rights are to be taken into account in the services to be furnished.

In case of a non-appealable obligation for the customer to effect a payment due to a violation of a privilege or industrial property right, either the required licenses can be arranged on behalf of the customer or else we may suggest a modified service or parts thereof to rectify the accusation of violation, at our discretion. In case of violation of the privileges or industrial property rights of any third parties, the customer shall have no further claims beyond the above.

16. Confidentiality

EAAT and the customer agree for the term of the contract/agreement and also thereafter not to make information disclosed to each other and declared to be confidential available to any third parties. This shall not apply to information which is already in the public domain at the time of its disclosure and to information where both contracting parties have waived confidential treatment. This waiving of confidentiality is to be documented in the text of the contract/agreement or otherwise in writing.

17. Publications/Advertising

The customer is entitled to publish the R&D results from the contractual relationship after prior agreement with us subject to specification of the author and EAAT. Such agreement is intended, in particular, to ensure due consideration of pending applications for privileges or industrial property rights, doctoral theses and dissertations. The use of results from the contractual relationship for advertising purposes is subject to the express written consent of EAAT. We reserve a general right to publication and the right to use the results from the contractual relationship for our advertising purposes; only if exclusive licenses are acquired by the customer, is EAAT obliged to agree any publications with the customer.

18. Termination

Customer and EAAT are entitled to terminate the agreement/contract on important grounds with immediate effect.

If no significant progress has been achieved at least 6 months after commencement of the work, termination is possible with 30 days notice to the end of a month.

Once the termination becomes effective, EAAT shall hand over the result of the work reached up to this time to the customer within further 4 weeks. The customer agrees to reimburse the costs incurred up to this time, plus value-added tax.

19. Place of Performance and Jurisdiction

Place for performance of the services and for payments and exclusive jurisdiction in case of any disputes or conflicts resulting directly or indirectly from the contractual relationship shall be Chemnitz. Exclusively Chemnitz is agreed in writing as jurisdiction for the dunning procedure.

20. Miscellaneous

Any other stipulations deviating from these General Terms and Conditions are to be agreed in the contract and shall have priority.

Any collateral agreements or amendments are only valid if performed in writing.

The contractual relationship shall be construed and governed exclusively in accordance with German law.

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