

## Annex Developments

### 1. Scope of application

This ANNEX DEVELOPMENTS governs the provision of DEVELOPMENTS in conjunction with the CONTRACTUAL TERMS.

### 2. Definitions of terms

<b>EXISTING INTELLECTUAL PROPERTY RIGHTS</b>	All intellectual property rights and results that are eligible for protection as intellectual property rights, including but not limited to all inventions, trademarks, utility models, designs, patents, copyrights as well as any and all KNOW-HOW of a PARTY at the time the DEVELOPMENT is ordered.
<b>WORK RESULTS</b>	All SERVICES, contents and results (especially reports on tests, reviews, trials and developments, along with findings, recommendations, ideas, drafts, designs, drawings, inventions and KNOW-HOW) the SUPPLIER has created as part of the DEVELOPMENT.
<b>KNOW-HOW</b>	All knowledge and experience specific to products or production – be they of a technical, commercial, administrative, financial or other nature – that a PARTY acquired through experience and testing, and which are of practical use in business operations.
<b>MILESTONE</b>	Individual distinct results, interim results, partial or interim services of the DEVELOPMENT.
<b>NEW INTELLECTUAL PROPERTY RIGHTS</b>	All intellectual property rights, including but not limited to all inventions, trademarks, utility models, designs, patents, copyrights as well as any and all KNOW-HOW and WORK RESULTS eligible for protection as intellectual property rights, which arise in the course of the provision of DEVELOPMENTS.
<b>USE</b>	Specifically encompasses the right of duplication, dissemination, public reproduction and any public use, including the right to process, further develop, exploit and integrate as well as to modify and process intellectual property rights.

### **3. General obligations**

- 3.1 Unless otherwise agreed in writing, the SUPPLIER must create the DEVELOPMENT at its own responsibility, using its own personnel, its own health and safety equipment and, to the extent necessary, its own devices, equipment and tools.
- 3.2 The DEVELOPMENT contractually owed by the SUPPLIER includes its assistance with GRAMMER's further development on the basis of the SUPPLIER's special expertise.
- 3.3 The SUPPLIER implements all measures needed to obtain the necessary product-safety and conformity assessments and declarations. The SUPPLIER will furnish GRAMMER with related results and records.
- 3.4 The SUPPLIER must provide a SERVICE that reflects the current state of the art with respect to science and technology (*Stand von Wissenschaft und Technik*), as well as all applicable statutory provisions (including those related to product liability and product safety) and industry-specific norms, and adequately document as much. What matters for purposes hereof is the state of the art at the time of acceptance. The SUPPLIER must ensure compliance with these requirements by means of a suitable internal control system.

### **4. Development**

- 4.1 The cooperation's goal, the specific scope of the SERVICE, requirements in terms of content and schedule as may apply to the DEVELOPMENTS and MILESTONES to be realized by the SUPPLIER as well as the agreed rate of compensation are agreed separately – e.g., in ANNEX PROJECT.
- 4.2 The SUPPLIER declares that it has taken note of (and, if necessary, procured) the records, documents and information of significance to the DEVELOPMENT and is familiar with the scope of the SERVICE, the purpose and objectives of the DEVELOPMENT and any resulting requirement.
- 4.3 The SUPPLIER undertakes to thoroughly review any and all of GRAMMER's requirements in reference to and in connection with the DEVELOPMENT, especially with regard to completeness and implementability and including a comparison of the contents pursuant to section 4.2. If, based on such review, the SUPPLIER has doubts or concerns or needs additional information, it will promptly so advise GRAMMER in writing.

### **5. Changes**

- 5.1 The SUPPLIER is not entitled to change and/or amend the SERVICES ("CHANGES") without GRAMMER's consent.

- 5.2 The SUPPLIER is obliged to propose CHANGES it deems necessary or expedient to GRAMMER.
- 5.3 At any time, the PARTIES may demand CHANGES to SERVICES pursuant to the provisions of this section (“CHANGE PROCEDURE”). A CHANGE PROCEDURE may be initiated by the SUPPLIER or GRAMMER by way of an APPLICATION FOR CHANGE or a CHANGE REQUEST, respectively.
- 5.4 Supplier’s application for change**
- 5.4.1 In the event that the SUPPLIER intends to make CHANGES to SERVICES, or if it is obliged to do so pursuant to section 5.2, the SUPPLIER must file a written application seeking GRAMMER’s consent to the intended CHANGE (“APPLICATION FOR CHANGE”).
- 5.4.2 At a minimum, the APPLICATION FOR CHANGE must contain
- a) a detailed and comprehensible comparison of the intended CHANGES to the SERVICE as agreed;
  - b) a breakdown and explanation of the advantages and disadvantages of the CHANGE as well as of the need for it;
  - c) a breakdown of the technical and commercial implications of the CHANGE, especially for the scope of SERVICES, fixed dates and deliverability, prices, weight, SERVICES already provided, liability for spare parts, LCC/RAMs, technical norms as well as statutory and official requirements, including possible approval procedures, along with other features of the SERVICE and the contractual bases of the PARTIES’ business relationship;
  - d) a breakdown and explanation of any resulting duties of assistance on GRAMMER’s part.
- 5.4.3 GRAMMER will evaluate the APPLICATION FOR CHANGE, request additional information from the SUPPLIER if needed and make a decision on whether to approve or deny it within a reasonable period of time. Upon its written approval or denial, the CHANGE PROCEDURE concludes in reference to the APPLICATION FOR CHANGE.
- 5.4.4 Should GRAMMER consent to the APPLICATION FOR CHANGE, the SUPPLIER must conduct initial sample testing.
- 5.5 If and to the extent that GRAMMER incurs costs due to, in connection with or as a result of the APPLICATION FOR CHANGE, including internal processing and administrative costs, the SUPPLIER must reimburse it for such costs against documentary proof.
- 5.6 The SUPPLIER bears any and all costs and expenditures incurred due to, in connection with or as a result of the APPLICATION FOR CHANGE, including its implementation.
- 5.7 GRAMMER’s change request**
- 5.7.1 GRAMMER will communicate intended CHANGES in writing (“CHANGE REQUEST”) along with the scope of the CHANGE as well as the preferred date of its implementation.

5.7.2 The SUPPLIER will immediately, but in any case within 5 (five) calendar days

- a) evaluate the CHANGE REQUEST and review it for completeness and implementability;
- b) provide GRAMMER with a written statement containing, at a minimum, the information pursuant to section 5.4.2;
- c) submit to GRAMMER a detailed written OFFER to implement the CHANGE on the basis of the CHANGE REQUEST (“CHANGE OFFER”); the SUPPLIER is bound by the CHANGE OFFER for a period of 6 (six) months from GRAMMER’s receipt thereof.

5.7.3 The PARTIES will enter into an agreement about any and all costs and expenditures incurred due to, in connection with or as a result of the CHANGE REQUEST, including its implementation.

5.8 The CHANGE PROCEDURE in reference to the CHANGE REQUEST is completed either with the written acceptance of the CHANGE OFFER or the lapse of the six-month acceptance period pursuant to section 5.7.2 c).

5.9 GRAMMER is entitled but not obliged to accept CHANGE OFFERS. If GRAMMER accepts a CHANGE OFFER in writing, the SUPPLIER is obliged to implement the changes agreed therein.

5.10 During the CHANGE PROCEDURE, the SUPPLIER is obliged to render SERVICES in accordance with previous agreements unless GRAMMER informs the SUPPLIER in writing that the SERVICES are to be suspended or restricted for the duration of the CHANGE PROCEDURE.

## **6. Acceptance**

6.1 The SUPPLIER discharges its duties (especially in terms of completing MILESTONES and the DEVELOPMENT) at the time of acceptance. Such acceptance is based on a test and acceptance regime to be approved by GRAMMER, which the PARTIES will jointly establish in writing – if possible, prior to the commencement of the SUPPLIER’s work.

6.2 The SUPPLIER must provide GRAMMER with written documentation of the completion of MILESTONES and the delivery of DEVELOPMENTS in accordance with the PROJECT-SPECIFIC ARRANGEMENTS.

6.3 Insofar as MILESTONES have been agreed, GRAMMER will accept them once they are eligible for acceptance.

6.4 Unless otherwise agreed in writing, ACCEPTANCE takes place at the GRAMMER’s registered office.

6.5 A report is prepared to document ACCEPTANCE and signed by both PARTIES.

## **7. Compensation**

- 7.1 The agreed total price GRAMMER must pay to the SUPPLIER for the DEVELOPMENT is set forth in the ORDER.
- 7.2 Unless otherwise agreed in writing, the total price agreed upon
  - 7.2.1 is a fixed rate and includes all expenditures needed for the DEVELOPMENT;
  - 7.2.2 encompasses all NEW INTELLECTUAL PROPERTY RIGHTS or other USER RIGHTS, including the KNOW-HOW transferred to GRAMMER, as well as the use of EXISTING INTELLECTUAL PROPERTY RIGHTS if and to the extent that using them is necessary for the exploitation of the DEVELOPMENTS.
- 7.3 Unless otherwise agreed in writing, payment is made within 30 (thirty) calendar days of the acceptance of a SERVICE and the receipt of a complete and proper invoice.
- 7.4 If MILESTONES have been agreed, the SUPPLIER issues a separate invoice following the acceptance of the MILESTONE. GRAMMER acquires the title to a given MILESTONE as soon as it comes into being.
- 7.5 The PARTIES do not intend to make joint investments. Each of the PARTIES will bear such expenditures in connection with a SERVICE, including but not limited to costs related to personnel, equipment, tools and materials, as may be associated with its contribution. Unless otherwise agreed in writing, compensation for the SUPPLIER's SERVICE is provided exclusively in the manner set forth in this section.

## **8. Existing intellectual property rights**

- 8.1 GRAMMER remains the owner of its EXISTING INTELLECTUAL PROPERTY RIGHTS. So long as the SUPPLIER requires EXISTING INTELLECTUAL PROPERTY RIGHTS for completing the DEVELOPMENT in relations with GRAMMER, GRAMMER hereby grants the SUPPLIER a non-exclusive, free and sublicensable license for purposes of the SUPPLIER's provision of the SERVICE to GRAMMER. The SUPPLIER may transfer such license only with GRAMMER's express consent.
- 8.2 The SUPPLIER remains the owner of its EXISTING INTELLECTUAL PROPERTY RIGHTS. The SUPPLIER hereby grants GRAMMER an irrevocable, transferable and sublicensable license for USE in perpetuity insofar as doing so is necessary for the contractually intended use, including but not limited to re-processing and re-selling the SERVICE itself or products, and especially for purposes of series and spare-part production by GRAMMER or third parties acting on GRAMMER's behalf.
- 8.3 The SUPPLIER will disclose EXISTING INTELLECTUAL PROPERTY RIGHTS to GRAMMER without undue delay insofar as they are used in connection with the projected STATE OF

DEVELOPMENT. In such a case, the SUPPLIER will also inform GRAMMER of the extent to which (i) third parties have a right of co-use with respect to EXISTING INTELLECTUAL PROPERTY RIGHTS and (ii) the SUPPLIER is restricted in its use of such EXISTING INTELLECTUAL PROPERTY RIGHTS.

## **9. Work results**

- 9.1 The title to any and all WORK RESULTS passes to GRAMMER as soon as they come into being. The SUPPLIER must deliver WORK RESULTS free from copyright notices or other labels of the SUPPLIER.
- 9.2 Insofar as WORK RESULTS take the form of software, the USE thereof is not limited to the object code. GRAMMER is entitled to receive the source code and the documentation free of charge.

## **10. New intellectual property rights**

- 10.1 The SUPPLIER must inform GRAMMER without undue delay of all new knowledge and intellectual property rights flowing from the SERVICE. The SUPPLIER is obliged to discharge such duty to provide information vis-à-vis GRAMMER on its own initiative and without undue delay, as well as to grant GRAMMER access to all relevant records.
- 10.2 GRAMMER is the exclusive beneficial holder of the NEW INTELLECTUAL PROPERTY RIGHTS created by the SUPPLIER during the term of this agreement and its implementation. Insofar as the NEW INTELLECTUAL PROPERTY RIGHTS are non-transferable, the SUPPLIER transfers to GRAMMER an exclusive, unlimited, transferable and sublicensable right of USE in perpetuity and throughout the world.
- 10.3 Insofar as the WORK RESULTS constitute NEW INTELLECTUAL PROPERTY RIGHTS, GRAMMER is specifically entitled, at its own discretion, to register intellectual property rights for them in its own name both at home and abroad, to pursue them further or even to drop them at any time. The SUPPLIER will furnish GRAMMER with the information needed for the pursuit of intellectual property rights, to assist GRAMMER with registration as needed and to refrain from taking any action that might adversely affect the grant of such intellectual property rights.
- 10.4 Insofar as the WORK RESULTS are protected under the SUPPLIER's copyrights, the SUPPLIER hereby grants GRAMMER an exclusive, unlimited, transferable and sublicensable right to USE the WORK RESULTS in perpetuity and throughout the world, including all types of use in the automotive and commercial vehicle sectors or related industries, provided that the work's distinct intellectual character is preserved; such right is included with the agreed rate of compensation. The SUPPLIER consents to GRAMMER making the WORK RESULTS available for third-party use.

- 10.5 If and to the extent that the SUPPLIER requires EXISTING INTELLECTUAL PROPERTY RIGHTS in order to create the DEVELOPMENT for GRAMMER, the SUPPLIER is entitled to a basic, revocable, non-transferable and non-sublicensable right to use NEW INTELLECTUAL PROPERTY RIGHTS for the purpose of rendering the SERVICE to GRAMMER. The USE and exploitation of the NEW INTELLECTUAL PROPERTY RIGHTS in relations with third parties is prohibited.
- 10.6 The SUPPLIER must fully avail itself of NEW INTELLECTUAL PROPERTY RIGHTS of its employees by so declaring vis-à-vis the inventor, and transfer such NEW INTELLECTUAL PROPERTY RIGHTS to GRAMMER immediately thereafter.
- 10.7 In the event that GRAMMER drops a NEW PROPERTY RIGHT or does not register it in every country, GRAMMER must transfer the right to assume and/or register such NEW PROPERTY RIGHT to the SUPPLIER in a timely fashion if the SUPPLIER declares its intention to make use thereof.
- 10.8 In cases of section 10.6 or in the event of series production by the SUPPLIER for GRAMMER, GRAMMER grants the SUPPLIER a right of use with respect to NEW INTELLECTUAL PROPERTY RIGHTS at fair market conditions, such right to be restricted in terms of time and place to such series production (including spare parts) or another, separately agreed purpose.

## **11. Third-party rights to DEVELOPMENTS**

- 11.1 The SUPPLIER must ensure that the DEVELOPMENTS do not infringe third-party rights.
- 11.2 If the SUPPLIER is aware of third-party intellectual property rights opposing the DEVELOPMENT, it must communicate such fact to GRAMMER immediately after learning thereof and prompt GRAMMER for a decision on exploitation or non-exploitation.
- 11.3 Insofar as the SUPPLIER enlists the assistance of SUBCONTRACTORS in connection with the DEVELOPMENT, it must ensure, by way of suitable contractual provisions, that GRAMMER receives property and user rights in keeping with the provisions of this ANNEX DEVELOPMENTS.
- 11.4 The SUPPLIER is obliged to ensure that it is within its rights to grant EXISTING INTELLECTUAL PROPERTY RIGHTS, WORK RESULTS, KNOW-HOW and NEW INTELLECTUAL PROPERTY RIGHTS to GRAMMER, including in relations with enterprises affiliated with the SUPPLIER pursuant to §§ 15 et seqq. of the German Stock Corporation Act (*Aktiengesetz – AktG*) and/or SUBCONTRACTORS, and will grant such rights to GRAMMER.

## **12. Warranty**

- 12.1 The period of limitation for warranty claims equals 24 (twenty-four) months from the ACCEPTANCE of a given SERVICE.
- 12.2 In all other respects, defects afflicting DEVELOPMENTS are subject to the statutory provisions of the law governing contracts for work and labor.

## **13. Assistance**

- 13.1 To a reasonable degree, GRAMMER is obliged adequately to assist with the completion and delivery of the DEVELOPMENT.
- 13.2 The SUPPLIER may assert rights on account of GRAMMER's breach of a duty of assistance only if it previously called on GRAMMER in writing to take the action in question within a reasonable period of time.

## **14. Confidentiality**

The SUPPLIER must not publish the WORK RESULTS, NEW INTELLECTUAL PROPERTY RIGHTS or the DEVELOPMENT or disclose its work for GRAMMER without GRAMMER's prior written consent.