Terms and Conditions for Embedded Software Products and Embedded Software Services

These Terms and Conditions for Embedded Software Products and Embedded Software Services ("Terms and Conditions") together with the quotation and/or order confirmation by Vector Informatik India Pvt. Ltd. ("Vector") and the corresponding purchase order placed by customer ("Customer") on Vector shall be collectively referred to as the "Agreement".

I. Delivery of Embedded Software Products of Vector (Standard Software)

1. Scope of Delivery

1.1 Vector shall deliver to the Customer the embedded software products for microcontrollers specified in the Agreement, together with the related user documentation (collectively hereinafter referred to as the "Software Products") in accordance with the Terms and Conditions contained herein.

1.2 In case any software is specified in the Agreement as software of pre-suppliers, Vector does not undertake any warranty in respect of such software. Further, Vector does not assume any warranties or liabilities for any information in the product description of such pre-supplier software, nor does Vector warrant that the pre-supplier software is free of any Defects.

1.3 To the extent Vector’s Software Products have interfaces for interoperability with third party software not to be delivered by Vector, Vector shall provide the Customer such information as may be necessary for the use of such interfaces, subject to reimbursement of Vector’s expenses. The Customer may pass such information on to other contractors to the extent necessary.

1.4 Vector shall deliver the user documentation of the Software Products in electronic form on media. If the user documentation for software specified in the Agreement as that of pre-suppliers is not already delivered by that pre-supplier to Vector for the purpose of its distribution to Vector’s customers, Vector shall, to the extent commercially reasonable for Vector, deliver such user documentation, if so requested by the Customer in writing and subject to separate remuneration as may be agreed between the Parties in the relevant Agreement. The format of the user documentation of pre-supplier software to be delivered by Vector to the Customer depends on the format provided by the pre-supplier to Vector (on media or in print form). Vector does not assume any warranties or liabilities whatsoever in respect of such user documentation for the pre-supplier software.

2. Customer’s Right of Use

2.1 Customer’s right of use as regards the Software Products shall be as agreed in the Agreement. Unless otherwise agreed in the Agreement, Vector grants to the Customer the non-exclusive and non-transferable, temporally and territorially unlimited right to use the Software Products for the Customer’s application purposes (hereinafter referred to as the "License").

2.2 To the extent the Software Products are based on AUTOSAR specifications, the Customer may use the Software Products only for applications in the automotive or non-automotive industry as defined in the relevant AUTOSAR Premium Member Agreement as “Automotive Applications” and/or “Derived Applications” and the definitions of “Automotive Applications” and/or “Derived Applications” stated in the said premium member agreement shall be deemed to be incorporated herein by reference.
2.3 The Customer agrees to use the Software Products only with the combination of processor family, compiler/linker and relevant hardware (e.g. CAN box) specified in the Agreement. Notwithstanding the aforementioned, the License shall comprise usage of the Software Products with derivatives of the specified processor family even if such derivatives are not expressly specified in the Agreement. However, Vector does not assume any warranties or liabilities for the usability of the Software Products on such derivatives.

2.4 The Customer may copy, modify and enhance the Software Products and integrate them into the Customer’s electronic control units, provided, however, that the Customer shall not directly or indirectly remove or modify references to Vector’s copyright in the source code. Further, the Customer may copy the object code (not the source code) generated with the Software Products and distribute it only as an integrated part of the Customer’s electronic control units, and not separately.

2.5 The Customer shall not claim any rights whatsoever (either in full or in part) against Vector with regard to any modifications, enhancements and / or other variations of any nature whatsoever of the Software Products that the Customer has performed, and Vector shall in no way be subjected to restrictions in its own further development of the Software Products in any way.

2.6 The Customer shall not sub-license, assign or otherwise transfer the License granted to it herein to any third party without Vector’s prior written consent which shall not be unreasonably withheld by Vector. Further, the grant of such consent shall be subject to such third party undertaking, in writing, to be bound by Clause 4 (“Software Protection”) below and the License restrictions under the Agreement.

2.7 Notwithstanding anything contained in Clause 2.6 above, if Vector has granted the Customer a right to use the Software Products within the Customer’s entire company or the Customer’s Group Companies (company or enterprise license), such right of use shall not be assignable and / or transferable. In this case the license fee shall be re-negotiated in the event of substantial enhancements of Customer’s company or Customer’s Group Companies other than by organic expansion. “Substantial enhancement” is defined as at least ten (10) per cent increase of revenues at the time of the enhancement in relation to the time of the grant of the original License by Vector.

3. Performances

3.1 It shall be the sole responsibility of the Customer to bring the Software Products into operation. The Customer shall inspect the Software Products under their conditions of use before the Customer uses them productively. Vector may assist the Customer in this respect upon request in return for compensation based on expense incurred by Vector in this regard.

3.2 The Customer shall examine the Software Products for Defects immediately upon delivery and, regardless of whether during examination or at any time thereafter, if Defects are recognizable report the same immediately to Vector in writing. In doing so, the Customer shall also examine such parts of the Software Products the Customer intends to use only occasionally. Vector shall not be liable for any recognizable Defects which are not immediately reported in writing by Customer to Vector.

3.3 Vector shall appoint a ‘customer adviser’ and the Customer shall appoint a single point of contact (“SPOC”) to facilitate communication between the Parties. Such customer adviser and SPOC shall either make decisions or bring about decisions without delay. The customer adviser shall record decisions in writing and the SPOC shall be available to Vector to provide all necessary information. Vector shall involve the SPOC to the extent necessary for the performances under the Agreement.
4. **Software Protection**

4.1 The Customer shall receive the source code, as part of the Software Products, and shall hold it as a licensee while using the Software Products in accordance with the Customer’s own purposes. However, the Customer shall not be entitled to the delivery of the source code of the directly related application software products described in the product description (e.g. generation tools).

4.2 Subject to Clause 4.5 below, the Customer shall not disclose any part of the Software Products in source code or give access to the Software Products to any third party.

4.3 The obligations contained herein apply to any modified, enhanced and / or integrated versions of the Software Products as well.

4.4 The Customer shall ensure that the source code is not misused in any manner whatsoever. In particular, the Customer shall only store it on its IT system for the time during which the source code is worked on and shall keep the source code locked up during all other times. The Customer shall only give access to the source code to such employees who imperatively need it for their project work and are bound by similar confidentiality obligations ensuring the protection of the Software Products.

4.5 The Customer may provide the source code to subcontractors temporarily, so that such subcontractors may work on the source code for such purposes and in accordance with such tasks which are ordered by the Customer from the subcontractor. Prior to the delivery of the Software Products to the subcontractor, the Customer shall bind each of such subcontractors through a legally enforceable agreement to return the delivered Software Products to the Customer at the end of the relevant order and to delete any copies of the Software Products. Further, the Customer shall also require the subcontractors to undertake software protection and confidentiality obligations regarding such source code no less strict than those set forth in Clauses 4.2 through 4.4 and Clause 31 ("Confidentiality"). The Customer shall be solely responsible to ensure that each of such subcontractors comply with the undertakings under such agreement.

4.6 The Customer shall not directly or indirectly develop any software similar to and / or derived from the Software Products, and distribute such software directly or indirectly or in any other way.

4.7 The Customer shall use the user documentation related to the Software Products strictly for internal purposes and copy it only to the extent permitted and required under the Customer’s License. The Customer shall not translate, modify or enhance the user documentation, or create other derivative works of such user documentation, and the same shall remain the property of Vector at all times.

4.8 The Customer acknowledges that the Software Products and the related user documentation and other documents – including their future versions – are copyrighted and represent business and trade secrets proprietary to Vector. The Customer shall ensure protection of the Software Products against misuse with no limit in time.

4.9 The Customer hereby agrees and acknowledges that breach of any one or all of the aforementioned obligations by the Customer would result in substantial loss to Vector and as such, the Customer shall be liable to pay to Vector a reasonable compensation for such loss. The Customer is obliged to provide to Vector all and any relevant information related to such breach of aforementioned obligations.
5. **Remedy of Defects**

5.1 The following provisions in this Clause 5 concerning the removal of Defects shall only apply to (i) Software Products designed, delivered and approved by Vector for serial use by the Customer; and (ii) Defects existing at the time of delivery of the Software Products. For all other Software Products, Vector disclaims all and any warranties and/or liabilities to the fullest extent permitted by Applicable Law.

5.2 If the Customer finds, in the course of correct use of the Software Products, what the Customer believes to be a defect in a Software Product, the Customer shall immediately provide Vector with a written report containing specific information as to the nature of the defect and the conditions under which it occurs, in writing.

5.3 The Customer may only raise claims if (i) the Customer can reproduce a defect or demonstrate it by using computer output; and (ii) the notification of the defect is made by the Customer immediately and in the manner and form stipulated in Clause 5.2 above.

5.4 The Customer shall assist Vector to the extent reasonable in the removal of Defects. In particular, the Customer shall transmit the defective Software Product to Vector in the same form as it was upon occurrence of the defect, at the request of Vector, and the Customer shall provide machine time and / or testing time on the Customer's systems. Further, the Customer shall forthwith integrate remedied versions or replacement deliveries provided by Vector.

5.5 In the event of Defects which seriously impair the use of the Software Product, Vector shall, upon the Customer's written request, provide a workaround solution prior to the final removal of the defect. As regards all Defects other than the ones which seriously impair the use of the Software Products, Vector only needs to remove such Defects at the time scheduled by Vector within the framework of proper version maintenance; provided, however, that Vector shall provide workaround solutions for such Defects as well, if this is reasonable to Vector. In the event of Defects in software expressly identified as software by pre-suppliers in the Agreement, Vector only needs to do so if this is technically possible and commercially reasonable for Vector. However, Vector shall provide such correctional measures to the Customer which the pre-supplier provides to Vector.

5.6 All claims against Vector shall not be considered to be valid and, in particular, without limitation, the Customer shall not be entitled to any remedy hereunder if the Customer modifies the Software Products or manipulates them in any manner whatsoever.

5.7 Vector is entitled to reimbursement of its expenses in full, if the Customer reports what the Customer believes to be a defect without being able to prove it to be one.

6. **Remuneration, Support Services**

6.1 The remuneration for the delivery of the Software Products shall be due forthwith with their delivery, regardless of whether support services have been agreed on in the Agreement, such as installation, modifications and/or enhancements, or any other services.

6.2 All support services (e.g. support, implementation, brief or extended training, or any other consulting services) shall be reimbursed separately per expense on the basis of time consumed, unless otherwise agreed in the Agreement.

6.3 In case of remuneration per expense, hourly rates, traveling expenses and incidental expenses shall be paid in accordance with Vector's price list applicable at the time of support services. Vector may submit invoices on a monthly basis.
II. Customer Specific Programming (Modifications and/or Enhancements of the Software Products)

7. Scope

7.1 If so agreed in the Agreement, Vector shall provide Customer specific programming, in particular modifications and/or enhancements regarding the Software Products specified in Clause 1 above. In this event, Vector grants to the Customer the same right of use on the modifications and/or enhancements as Vector has granted on the Software Products to which they belong.

7.2 Vector shall deliver user documentation for modifications and/or enhancements only if expressly agreed in writing in the Agreement. In such an event, Vector may, at its sole discretion, provide the documentation for modifications and/or enhancements which have an impact on the user documentation of the standard Software Products in a separate document.

8. Performances within Customer Specific Programming

8.1 In the event that the Customer requires Vector to perform modifications and/or enhancements regarding the Software Products, the Customer shall do so by submitting a written request together with a specification sheet to Vector, detailing the requested modifications and/or enhancements. Vector shall then prepare a detailed specification (e.g. as a project proposal or in other written form), based on the Customer's specification sheet, which shall become part of Vector's quotation for the modifications and/or enhancements. Vector shall evaluate change requests by the Customer to the detailed specification and implement them into the quotation. Vector shall be entitled to reimbursement of its expenses and to remuneration for the development of such detailed specification as well as for the evaluation and/or implementation of change requests.

8.2 The Customer shall order modifications and/or enhancements in writing based on the detailed specification developed and updated by Vector. The approved detailed specification shall be the basis for the realizations. In the course of the realization, the detailed specification may be further detailed by Vector with the Customer's assistance.

8.3 In addition, the provisions of Clause 3 ("Performances") above shall apply mutatis mutandis to such modifications and/or enhancements.

9. Change Requests

9.1 In the event the Customer requests Vector to undertake any modification of the already agreed on requirements, including any addition to it, and if the requested modification is reasonable and acceptable to Vector, Vector may agree to the same. However, Vector, at its sole discretion, shall be entitled to an appropriate adaptation of the terms of the Agreement, in particular to the extension of time for the completion and/or to an additional compensation, as may be mutually agreed by the Parties, as set out in Clause 9.3 below.

9.2 If it is necessary to detail the Customer's requirements listed in the Agreement or requested pursuant to Clause 9.1, Vector shall develop a revised detailed specification with the Customer's assistance and shall submit it to the Customer for approval. The Customer shall respond to the same in writing within 14 days.

9.3 Agreed modifications and the resulting adaptations of the terms of the Agreement pursuant to Clause 9.1 shall necessarily require to be in written form including by way of written confirmation by Vector of the oral request of the Customer, and in such event, the wording of
Vector’s confirmation shall be deemed to express the Customer’s requirements correctly, unless the Customer objects to the same without delay.

9.4 Vector shall submit requests for adaptations of the Agreement without delay after receiving and examining the Customer’s request for any modifications of the requirements and / or revisions in the detailed specification. The Customer shall notify Vector within 7 days after receiving such request from Vector in the event it disagrees with the requested adaptation. Non-receipt of such notification from the Customer within the said 7 days shall be deemed to be an approval of Vector’s request for adaptations.

10. **Installation of Customer Specific Programming and Remedy of Defects**

10.1 Upon the Customer’s request, Vector shall install the Customer specific programming in return for remuneration per expense. In this event, the Customer shall confirm the successful installation in writing within 7 days of such installation.

10.2 As regards the remedy of Defects, the provisions of Clause 5 above shall apply.

III. **Maintenance of the Software Products and Modifications and/or Enhancements**

11. **Subject Matter**

11.1 In the event maintenance of the Software Products is agreed on by the Parties in the Agreement, maintenance services shall include and be limited to the delivery of further developed versions of the Software Products and the correction of errors after the limitation period for Defects.

11.2 The maintenance of the Software Products distinguishes between SLP (Software License Package), HLP (Hardware License Package) and SIP (Software Integration Package). Vector shall only be obliged to provide maintenance for the latest version of the Software Products released for use by Vector.

11.3 The amount of the maintenance remuneration shall be agreed on in the Agreement.

11.4 All other performances of Vector shall be compensated separately, in particular the installation of further developed versions, the transfer of Customer specific modifications to further developed versions of the Software Products, and the adaptation of Customer specific enhancements to further developed Software Products of Vector.

12. **Correction of Errors in the Framework of Maintenance**

12.1 In the framework of maintenance, software defects are defined as deviations from the features the Software Products shall have for their latest version according to Vector’s specifications or which they must have for customary use.

12.2 The duty to remove defects shall only relate to the latest released version of the Software Products. Support for the preceding version shall end with the delivery of the latest version.

Vector shall provide to the Customer updates with corrected defects of the Software Products including their documentation pursuant to Clause 1.1, after their release by Vector in the framework of the SIP maintenance agreed on between Vector and the Customer.
12.3 The Customer may request remedy of defects in preceding versions only to the extent Vector is capable of rendering such performances. In this event, Vector may request reimbursement of Vector’s additional expenses, including, without limitation, costs and expenses accruing for the maintenance of the required support and maintenance environment.

12.4 In addition, the provisions of Clause 5 shall apply herein.

13. **Further Development of the Software Products under Maintenance**

13.1 In the event the Customer has ordered SLP and HLP maintenance, Vector shall provide to the Customer further developed versions of the Software Products including their related user documentation in accordance with Clause 1.1, after the release of such versions by Vector, within the framework of the agreed SIP maintenance. The aforementioned shall not apply to such enhancements as may be offered by Vector separately as new embedded software products in Vector’s price list.

13.2 The Customer agrees to test the new versions before using them for production purposes.

13.3 Vector agrees to further develop the current version in the event changes in legal regulations or other provisions applicable for the Software Products require further development.

13.4 The inclusion of modifications which may only be realized through full or partial reprogramming of the Software Products, or the inclusion of new developments required by legal regulations or other provisions which are mandatory for the Software Products shall not be covered by the maintenance remuneration provided under Clause 11.3 above. In these events, Vector may request reasonable additional remuneration for the new version.

14. **Maintenance Remuneration, Term**

14.1 The maintenance remuneration shall be calculated in accordance with the right of use specified in the Agreement pursuant to Clause 2.1. The amount of the maintenance remuneration shall be appropriately adjusted in the event the right of use increases.

14.2 The Customer shall pay the maintenance remuneration to Vector annually in advance, and shall pay any additional amount due under Clause 14.1 herein above within the period stated under Clause 27.1 herein below.

14.3 Such maintenance remuneration shall be subject to reviews and revisions by Vector with effect from the next calendar year, pursuant to Vector’s price list effective from time to time.

14.4 The agreement on maintenance shall run for a period of one (1) year, unless otherwise mutually agreed in such agreement.

15. **Maintenance of Modifications and/or Enhancements**

15.1 As long as there exists an agreement on maintenance for the Software Products, Vector shall perform maintenance for the related modifications and/or enhancements as well, subject to timely remuneration of Vector’s expenses, unless otherwise mutually agreed.

15.2 In the event maintenance of modifications and/or enhancements in return for lump-sum compensation is agreed on in the Agreement, Vector shall perform the same maintenance services as for the related Software Products. The lump-sum compensation shall also cover the transfer of modifications and/or enhancements to new versions of the Software Products, and, if needed, also the adaptation of add-on programs to further developed versions of the Software Products.
IV. Customer Specific Programming Services Without Regard to Software Products and other Services

16. Subject Matter

16.1 Vector shall provide consulting, integration, implementation, coaching, planning, organization and/or programming services to the extent agreed in the Agreement. Such performances shall either be under service contracts (cooperation) or contracts to produce a work. Clauses 16 through 20 below shall apply to both service contracts and contracts to produce a work. Clauses 21 through 24 below shall only apply to contracts to produce a work.

16.2 Vector shall perform its services in accordance with prevailing market practices and pursuant to the requirement specification confirmed by the Customer or pursuant to the Customer's written requirements confirmed by Vector, as the case may be.

16.3 The Customer shall provide all necessary support without delay, in particular all necessary information as may be required by Vector to perform the said services.

16.4 Upon the Customer’s request in writing in this regard, Vector shall provide a monthly progress report in relation to each order.

17. Cooperation

17.1 Vector shall appoint a ‘customer adviser’ and the Customer shall appoint a SPOC to facilitate communication between the Parties and the provisions of Clause 3.3 shall apply accordingly.

17.2 Vector shall perform the services at the Customer’s site to the extent necessary, otherwise at Vector’s business premises. To the extent Vector performs its services at the Customer’s site, the Customer shall provide Vector’s personnel with the necessary workstations and equipment.

18. Remuneration

18.1 The remuneration for Vector’s services and/or deliverables shall be agreed on in the Agreement. Unless otherwise agreed, Vector shall be remunerated on the basis of hourly rates in accordance with Vector’s respective price list, as may be revised and submitted to the Customer from time to time. The hourly rates shall be valid for the current calendar year. If it is agreed that the performances shall begin in the fourth calendar quarter, the same rates shall apply to the following calendar year as well. Subsequently, Vector reserves the right to require an increase pursuant to any increase of Vector’s list prices.

18.2 In case of remuneration per expense, Vector shall submit invoices on a monthly basis and the payments for the same shall be due and payable by the Customer within 30 days on receipt of such invoice. Vector shall record the working time of Vector’s employees in a list, together with the performed services. The Customer may request inspection of the list at any time.

18.3 In case of lump-sum orders, Vector may request payment as follows, unless otherwise agreed in the Agreement:

- ¼ of the remuneration payable upon execution of the Agreement;
- ¼ of the remuneration payable upon the confirmation of the requirement specification, alternatively half way through the performances;
- ¼ of the remuneration payable upon delivery, as set out in Clause 24; and
- ¼ of the remuneration payable upon acceptance, as set out in Clause 24.
18.4 Travel expenses and travel time shall be reimbursed separately according to Vector’s price list stated under Clause 18.1, regardless of whether remuneration per expense or lump-sum payment is agreed between the Parties.

18.5 Further, all support services (in particular installation, brief or extended training, consultancy services) shall be reimbursed separately, unless they are expressly included in the lump-sum payment under the Agreement.

19. **Right of Use**

19.1 Vector grants the Customer a non-exclusive right to use Vector’s work results for the Customer’s purposes without any restrictions.

19.2 Vector reserves all other rights in respect of such work results and may use the work results outside of the Agreement with the Customer, subject to compliance with Clause 30.

20. **Remedy of Defects**

20.1 Vector shall remedy Defects within a reasonable time period. In the event of Defects which seriously impair the use of Software Products. Vector may upon the Customer’s written request, provide a workaround solution prior to the final removal of the defect.

20.2 In addition, the provisions of Clause 5, except for Clauses 5.1 and 5.5, shall apply mutatis mutandis.

21. **Special Terms and Conditions for Contracts to Produce a Work**

Clauses 22 through 24 shall only apply to contracts to produce a work.

22. **Performance**

In concert with the Customer, Vector shall prepare a detailed time schedule for performing the services under the Agreement and revise the same from time to time, if necessary.

23. **Change Request**

The provisions of Clause 9 shall apply *mutatis mutandis*.

24. **Deliveries and Acceptance**

24.1 Vector shall deliver developed software and/or other work performances. The Customer shall confirm the delivery in writing.

24.2 The Customer agrees to inspect Vector’s work performances, with regard to software inclusive of their documentation, and to confirm acceptance in writing if the work performances meet the agreed specifications. The Customer shall test all parts of the work performances including those intended only for occasional use. Unless otherwise agreed, the acceptance test period shall be two (2) weeks as of the date of delivery of the work performances.

24.3 It shall be deemed that the Customer has accepted Vector’s work performances according to the Agreement if the Customer has not reported a material defect within one (1) week after the end of the acceptance test period.

24.4 To the extent partial deliveries are agreed on, each partial delivery is subject to acceptance by the Customer. The interaction of the components of each partial delivery shall be tested with the last partial delivery.
V. General Terms and Conditions for all Sections of the Agreement

25. Tele Support

25.1 Per request by Vector, the Customer shall enable Vector to perform tele support (tele diagnosis, tele corrections, transfer of new versions) to the extent technically possible. In concert with Vector, the Customer shall, at its own expense, provide a telecommunication connection as needed to meet the requirements from time to time, so that the IT systems of the Parties may be connected.

25.2 For security and privacy purposes, access to the Customer’s IT system by Vector shall be controlled by an adequate security procedure established by the Customer. The Customer shall release the connection for usage. Vector shall, from time to time, inform the Customer of the measures performed by Vector on the Customer’s IT system.

25.3 In the event, the Customer does not enable Vector to perform tele support, the Customer shall reimburse Vector for additional costs for the remedy of Defects, in any event travel time and travel expenses.

25.4 In the event, the Customer transfers data to Vector for their restoration or for the search for Defects, Vector shall establish such technical and organizational measures in Vector’s organization as are equivalent to those the Customer shall establish, subject to them being in accordance with Applicable Laws and more specifically the provisions of the Information Technology Act, 2000 and the rules made thereunder.

26. Data Processing

26.1 To the extent Vector, in the due course of processing orders under the Agreement, obtains access to the Customer’s personal data, and/or needs to process or use such personal data otherwise, Vector shall do so by order of the Customer, in accordance with the provisions of the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011. Vector shall process and use personal data only within the scope of the Customer’s instructions.

26.2 The Customer is solely responsible for its compliance with the provisions of the Applicable Laws on data protection with regard to the collection of personal data, the disclosure of personal data to Vector, as well as the processing and use of such data undertaken by Vector by order and pursuant to the instructions of the Customer.

26.3 Vector shall only employ such employees for handling the Customer’s personal data as have agreed to be bound by similar confidentiality obligations as contained herein. Upon request, Vector shall communicate to the Customer the contact details of Vector’s designated ‘data protection officer’.

27. Charges and Payments

27.1 Unless otherwise specified herein, all payments under the Agreement shall be made by the Customer in full within 30 days after invoicing by Vector.

27.2 Duties, taxes and levies including GST – if applicable – shall be paid by the Customer on all such payments.

27.3 If payments by Customer are delayed, the Customer shall forthwith cease to use any Software Products, services and / or other deliverables contemplated herein, till the outstanding payments are duly cleared by the Customer.
27.4 All delayed payments shall attract interest @ 18 % per annum for every day of delay in such payment.

28. Disruptions in the Performance and Warranty Period

28.1 In the event a cause, for which Vector is not responsible, impairs compliance with a deadline, Vector may request reasonable extension of the deadline. In the event the expense is increased due to a cause falling within the scope of responsibility of the Customer, Vector may request reimbursement for its added expenses as well.

28.2 If the delay exceeds 30 days for reasons solely attributable to Vector, the Customer is entitled for every subsequent week to a late fee charge of 0.5 % of the value of that part of the works that cannot be used in accordance with the contractual purpose, provided that such late fee charge shall not exceed 5 % of the total contract value.

28.3 After 30 days of delay as referred to in Clause 28.2 above, the Customer may set a reasonable grace period taking into account the already granted 30 days, declaring that after expiry of such grace period, the Customer shall refuse further performances from Vector regarding that particular order. If the period expires or the performance finally fails, as the case may be, the Customer may assert its statutory claims within the framework of Clause 29.4.

28.4 In case the grace period specified in Clause 28.3 has expired, Vector may set an appropriate period of time for the Customer to declare whether or not the Customer still requests performance. The Customer’s claim for performance shall be excluded if the declaration period expires without result.

28.5 The warranty period for the software products shall be a period of 24 months.

29. Vector’s Liability

29.1 The implementations are based on the specifications of OSEK/VDX, ISO, ASAM, LIN, AUTOSAR, and/or the vehicle manufacturer specified in the Agreement (collectively hereinafter referred to as the “Specifications”). Vector shall not be liable for the infringements of third party rights, to the extent that such infringement is caused by Specifications.

29.2 With regard to the fact that Vector may not test the Software Products and/or implementations in all possible applications due to their high configurability, the Customer acknowledges and agrees to specifically test the Software Products and/or implementations with diligent care before the Customer uses them, in particular in applications which may result in bodily injuries and/or financial losses.

29.3 Other than as specified in Clause 29.4, the Customer shall be solely responsible for damages of third parties on the grounds of product liability and/or manufacturer’s liability and Vector assumes no responsibility whatsoever in respect thereof.

29.4 To the extent permitted by Applicable Law, Vector shall only be liable for damages, including any and all claims, losses, expenses and/or liabilities (collectively hereinafter referred to as the “Damages”) in case of willful misconduct or negligence solely attributable to Vector. In respect of any claim based on negligence solely attributable to Vector, Vector shall be liable for Damages only if Vector has breached the basic duty of care owed by it to the Customer and only if such breach has caused the Customer to suffer a direct loss and/or injury. In this event, Vector’s liability shall be subject to a cap of the value of the Agreement or INR 9,000,000, whichever amount is lower.
30. **Intellectual Property Rights**

30.1 All rights, title and interest in and to the Intellectual Property of Vector shall remain vested exclusively in and continue to be owned by Vector, Vector’s Group Companies and/or their licensors and the Customer shall not acquire any right, title and interest in and to the Intellectual Property of Vector nor do any such act which would prejudice, jeopardize or harm Vector’s right to Intellectual Property of Vector. It is hereby agreed that any Intellectual Property held or owned by Vector, Vector’s Group Companies and/or their licensors conceived and/or developed even after the date of the Agreement, shall also be considered as Intellectual Property of Vector, for the purpose of these Terms and Conditions.

30.2 Except as provided under these Terms and Conditions, no further right or license to the Intellectual Property of Vector is granted or implied herein and the Customer shall ensure that it does not use the Intellectual Property of Vector for purposes other than those expressly set out in these Terms and Conditions.

30.3 The Customer agrees and undertakes not to and/or permit or procure any other person to do the following in relation to Intellectual Property of Vector:

30.3.1 represent that it is the owner or proprietor of such Intellectual Property of Vector;

30.3.2 subject to Clause 2 above, make any changes or modifications or developments to such Intellectual Property of Vector;

30.3.3 cause or permit anything to be done (or, as the case may be, not done) which may damage, endanger or compromise the Intellectual Property of Vector in any way;

30.3.4 subject to Clause 2 above, make any copies, whether by way of back up or otherwise, of the Intellectual Property of Vector or such technology forming part of the Intellectual Property of Vector, except with the prior written consent of Vector;

30.3.5 reverse engineer, decompile or disassemble, discover the underlying ideas of the Intellectual Property of Vector (or attempt to any of foregoing), except with the prior written consent of Vector;

30.3.6 subject to Clause 2 above, sell, license, sub-license, share, distribute, convey, transfer, assign transmit, broadcast, make available or disclose to any third party, the Intellectual Property of Vector;

30.3.7 use the Intellectual Property of Vector in any manner after termination of the Agreement and/or the License;

30.3.8 challenge the validity or enforceability of, or Vector’s entitlement to use, any of the Intellectual Property of Vector;

30.3.9 dispute or impugn the validity of the Intellectual Property of Vector, whether registered or unregistered, and shall not cause, suffer or omit to be done any act which, shall adversely affect or prejudice or dilute Vector, Vector’s Group Companies and/or their licensors’ interest, right or title to the Intellectual Property of Vector;

30.3.10 other than as expressly allowed in these Terms and Conditions, the Customer shall not:

(i) use the Intellectual Property of Vector to create any technology, applications, systems or products;
modify, translate or create adaptations or derivative works of the Intellectual Property of Vector; or

use any documentation in respect of the Intellectual Property of Vector in any manner.

In each case as provided in (i)-(iii) above, infringing the rights of Vector over its Intellectual Property.

30.3.11 take any action which would prejudice, jeopardize or harm Vector, Vector’s Group Companies and/or their licensors’ ownership rights in the Intellectual Property in any manner whatsoever.

31. Confidentiality

31.1 Each of the Parties undertake to use and to cause their respective employees, officers, and representatives (collectively hereinafter referred to as the “Employees”) to use all information obtained by it from the other Party under or in connection with the Agreement, as well as all other information disclosed by the other Party and specifically designated by it in writing as ‘confidential’ (collectively hereinafter referred to as the “Confidential Information”), only for purposes of performing the Agreement. The receiving Party further undertakes to keep Confidential Information confidential for an unlimited period of time.

31.2 The receiving Party shall disclose Confidential Information only to those Employees who imperatively need to know it for the purposes of performing the Agreement, and only provided that such Employees are bound by similar confidentiality obligations in respect of such information.

31.3 The confidentiality obligations shall not apply to data and/or any information already known to the receiving Party at the time of the execution of the Agreement or which has become or become known to the receiving Party outside of the performance of the Agreement.

31.4 Vector shall not be obliged to keep confidential any of Vector’s ideas, concepts, know-how or techniques related to hard- and/or software services. Clause 31.1 shall remain unaffected.

31.5 In addition to the above, Vector may include the name of the Customer and a brief description of the performances in a reference list. All other advertising references to the Customer shall be agreed on in advance with the Customer.

32. Indemnification

The Customer shall indemnify, defend and hold harmless Vector from and against any and all claims, demands, causes of action, losses, liabilities, costs and expenses (including but not limited to all reasonable legal costs and expenses) which may arise out of or are related to (a) any misstatement or breach of any representation or warranty; or (b) the failure by the Customer to fulfil any agreement, covenant or condition which results in a breach of these Terms and Conditions.

33. Governing Law and Jurisdiction

These Terms and Conditions shall in all respects be governed and interpreted by, and constructed in accordance with the laws of India. Subject to Clause 34 below, these Terms and Conditions shall be subject to the exclusive jurisdiction of the competent courts in Pune, India alone.
34. **Dispute Resolution**

34.1 In the event a dispute arises out of or in relation to the Agreement, the Parties shall attempt in the first instance to resolve such dispute through an amicable discussion / negotiation.

34.2 In the event that such amicable discussion / negotiation do not resolve such dispute to the satisfaction of the Parties within 15 days from commencement of discussions / negotiations or such longer period as the Parties agree to in writing, then the dispute shall be finally settled by arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996 and any modifications and re-enactments thereof from time to time.

34.3 The Parties shall appoint one arbitrator each and the two arbitrators so appointed shall appoint a third arbitrator who shall be a jurist qualified for the office of a judge and shall preside over the arbitration proceedings. The expedited procedure provisions shall not apply.

34.4 In the event the Parties are not of the same nationality, the president of the arbitration tribunal shall be of a neutral nationality different from the nationality of both the Parties.

34.5 Any arbitration hearing shall include a written transcript of the arbitration proceedings. The arbitration tribunal shall issue written findings of fact and conclusions of law stating the reasons and legal provisions which are relevant for the decision and shall award costs of arbitration to the substantially prevailing Party.

34.6 If there is no substantially prevailing Party, each Party agrees to bear its own costs of arbitration and to equally share the fees and expenses of the arbitration tribunal, unless the arbitration tribunal decides otherwise.

34.7 The arbitration shall be conducted in the English language and the seat and venue of arbitration shall be at Pune, India.

35. **Termination**

35.1 Vector shall have the right, upon written notice, to immediately terminate or suspend (in its sole discretion) Vector’s order confirmation and Vector’s quotation, and discontinue or suspend the delivery of the Software Products (without liability) in the event that:

35.1.1 the Customer has violated these Terms and Conditions, including the failure by Customer to pay sums when due;

35.1.2 the Customer has engaged in conduct that has caused or may cause (in Vector’s sole reasonable judgment) damage to the Software Products;

35.1.3 any bankruptcy, insolvency, administration, liquidation, receivership or winding up proceeding is commenced in respect of the Customer or any of its affiliates; or

35.1.4 Vector receives any direction, notification or instruction from any Governmental Authority or Applicable Authority to suspend or terminate the provision of services to the Customer (through no fault or negligence of Vector).

With respect to items 35.1.1. – 35.1.2 above, unless the same interferes with, or has the potential to interfere with Vector’s operation or maintenance of the Software Products or with Vector’s other Customers’ use thereof, Vector shall provide the Customer with a written notice of the foregoing breach or violation and a twenty (20) day opportunity to cure the same before terminating Vector’s order confirmation and Vector’s quotation. For the avoidance of doubt, in the event of a suspension/notice period, Customer will still be liable to pay all dues owed to Vector for the duration of the suspension period.
36. **Miscellaneous**

36.1 The following documents constitute the complete agreement between the Parties and in the event of any ambiguity, discrepancies or inconsistency between the following documents, the documents shall be interpreted and read in accordance with the order of priority in which they are listed hereunder:

a. Vector’s order confirmation;

b. Vector’s quotation;

c. These Terms and Conditions;

d. The Customer’s purchase order (without any terms and conditions referenced therein).

36.2 Severability - If any provision contained in the Agreement shall be determined to be invalid or unenforceable under Applicable Laws, all other provisions of the Agreement shall continue in full force and effect unless such invalidity or unenforceability adversely affects the underlying intent of the Agreement or unless the invalid or unenforceable provision comprises an integral part of, or is inseparable from the remainder of the Agreement.

36.3 Entire agreement – The Agreement sets forth the entire understanding of the Parties with respect to the subject matter hereof and supersedes all prior agreements, understandings and representations, written and oral.

36.4 Relationship - Each Party hereto is an independent contractor, and nothing contained in the Agreement shall be construed to be inconsistent with this relationship or status. Neither Party owes a fiduciary duty to the other. Nothing in the Agreement shall be in any way construed to constitute either Party as the agent, employee or representative of the other.

36.5 Waiver - Failure or delay on the part of either Party to exercise any right, power or privilege under these Terms and Conditions shall not operate as a waiver thereof; nor shall any single or partial non exercise of any right, power or privilege preclude any other future exercise thereof.

36.6 Amendments - The Agreement may be amended only by an instrument in writing signed by duly authorized representatives of each of the Parties.

36.7 Survival - Notwithstanding anything contained in these Terms and Conditions, the provisions contained in Clauses 29 (Vector’s Liability), 31 (Confidentiality), 32 (Indemnification), 35 (Termination) and 36 (Miscellaneous) of these Terms and Conditions shall survive the termination of the Agreement.
Schedule I

Defined terms in these Terms and Conditions

“**Applicable Laws**” shall mean any statute, law, regulations, ordinance, rule, judgment, notification, rule of common law, order, decree, bye-law, government approval, directive, guideline, requirement or other governmental restriction, or any similar form of decision, or determination, or any interpretation, policy or administration, having the force of law of any of the foregoing, by any government authority having jurisdiction over the matter in question;

“**Confidential Information**” shall have the meaning ascribed to it Clause 31.1 of these Terms and Conditions;

“**Damages**” shall have the meaning ascribed to it Clause 29.4 of these Terms and Conditions;

“**Defects**” shall be limited to deviation from the agreed specifications in the Software Products;

“**Employees**” shall have the meaning ascribed to it Clause 31.1 of these Terms and Conditions;

“**Group Company**” in relation to another company, shall mean such company's subsidiary company, joint venture company and such company in which it has significant influence;

For the purpose of these Terms and Conditions, significant influence shall have the same meaning as ascribed to it under the Companies Act, 2013;

“**Intellectual Property**” shall include content, teaching techniques, storyboards, photographs, ideas, concepts, creations, works of authorship, drawings, computer programming code, software programs including their source code and object code, databases, proprietary techniques, flowcharts, data, documents, instruction manuals, records, memoranda, notes, user guides, discoveries, innovations, inventions, advancements, improvements, know how, trade secrets, trademarks, service marks, copyrights, works of authorship, designs, utility models, tools, devices, prototypes, models, methods, procedures, processes, systems, principles, algorithms, models, sketches, formulae, electronic codes, research projects and other confidential and proprietary information in any form, format, medium or mode and all adaptations, derivative works, translations based on or using the foregoing; in any manner whatsoever, including in electronic, print, digital, audio, visual or any format, medium or mode, now known or discovered in future, in use commercially or otherwise, in each case whether finished, unfinished or a work in progress;

“**License**” shall have the meaning ascribed to it Clause 2.1 of these Terms and Conditions;

“**Software Products**” shall have the meaning ascribed to it Clause 1.1 of these Terms and Conditions;

“**Specifications**” shall have the meaning ascribed to it in Clause 29.1 of these Terms and Conditions.