**Tailor-made R&D Agreement**

File Number:

Party A:

Legal Representative：

Company Address：

Party B:

Legal Representative：

Company Address：

According to<< the contract law of the people's Republic of China and relevant laws and regulations>>，Party A and Party B reach the following agreements through friendly negotiation on on [DD] [MM] [YY]:

Project Content:

|  |  |  |  |
| --- | --- | --- | --- |
| Project Name |  | Project source |  |
| Proposer |  | Date proposed |  |
| Project Description | Target Market | □China 🗌Europe  □North America □South America  □Australia  □Others（ ） | |
| Applicable Regulations | □CCC □ECE/R44 🗌ECE/R129 □American Standard □Australia Standard  □others（ ） | |
| 1. Project Reason： 2. Detailed Requirements: 3. Economic Indicator Analysis  |  |  |  | | --- | --- | --- | | Item | Estimated | Actual | | Annual Volume |  |  | | Expected FOB Price |  |  | | Design fee |  |  | | Tooling fees |  |  | | Test fees |  |  | | Prototype fees |  |  | | | |

**Project treaty：**

a.The Project is required to be finished before (date).

b.Party B follows the “Expected FOB unit price” to control the costs.

c.Party A follows “Annual Volume“.

d.Party A will bear “Design fee”, “Tooling fees”, “Test fees” “Prototype fees”

e.Party A authorize Party B the exclusive producer, Without Party B’s written permission, Party A can not unauthorized to find other factories to produce.

f.Party B agree Party A the exclusive seller. Without Party A permission, Party B can not sell to other companies.

g.Party A agree to pay the corresponding fee of 【 】yuan to Party B within [ ] days after finishing the corresponding stages.

（Bank account information of Party B）：

（Bank name）：

（number）：

1. Rights and Obligations

1.1.Party A Rights,

1.1.1.Party A has the right to make suggestions and modification ideas for Party B's design before confirm production .After modification, Party B shall notify Party A in writing, and Party A shall confirm the modification within【 】days after receiving the written notice. If it is not confirmed beyond the above period, it shall be deemed that Party A has accepted and confirmed the works designed by Party B.

1.1.2.Party A has the right to request a copyright transfer contract after paying the fees, to enjoy the ownership rights of paid parts.

1.1.3.Party A has the right to obtain all detailed costs of design/tooling/prototype/production.

1.2. Party A obligations

1.2.1. Party A shall cooperate with Party B's R&D work actively，including Providing relevant technical information and materials to Party B in accordance with Party B's requirements. If Party A fails to cooperate with Party B's work which resulting in Party B’s failure in completing the design work at the agreed time, Party B shall not be liable for the breach of contract.

1.2.2. Party A shall complete the payment as agreed in the contract. Party A shall be responsible for Party B's failure to deliver the work results on time due to Party A's payment default.

1.2.3.Party A shall guarantee the accuracy and legality of the data provided to Party B. If Party B suffer any relevant penalty or complaints due to the information provided by Party A, Party A shall compensate Party B for the loss.

1.2.4.Party A is obliged to protect Party B's rights and shall not cancel the project except Party B breach the contract fundamentally.

1.2.5.Party A is obliged to bear the cost increase caused by the increase in demand.

1.2.6 Party A is obliged to protect the confidentiality and exclusivity of technical

information of Party B .

1.3.Party B Rights:

1.3.1.Party B has the right to know the basic information and financial status of Party A’s business.

1.3.2.Party B has the right to extend the developing time based on the Party A ‘s problem.

1.3.3.Party B has the right to increase the charging based on the actual costs and Party A’s extra requirements.

1.3.4.Party B has the right to keep the ownership of tooling and intellectual property before receiving all payments from Party A.

1.4.Party B obligations

1.4.1.Party B is obliged to finish the project based on “Project content” and “Project treaty”.

1.4.2.Party B is obliged to transfer the ownership of the project after receiving all required payments from Party A.

1.4.3.Party B is obliged to protect the confidentiality and exclusivity of technical information of Party A projects.

1. Secret clause
   1. The information contained in this agreement shall be strictly confidential and shall not be disclosed to third parties without the permission of the other party. In the event of such a situation, both parties shall have the right to require the defaulting party to make corresponding compensation.
2. Default clause

3.1.If Party A fails to pay Party B the full amount or does not pay the required fees on time exceeding [ ] days, The Party B can terminate the contract unilaterally and has the right to claim all loses incurred to the Party A.

3.2.If Party B can not finish the project timely based on ” Project treaty”, the Party B need to bear the loss of Party A within the total amount of the contract. If the time being extended by the problem of Party A (Such as frequent modification or late confirmation of information.), the Party B do not need to bear anything.

3.3.If Party A cancel the project without any issue from Party B, Party A should compensate Party B twice the incurred amount.

3.4.If Party B reveals technical secrets during research and development to the third party, Party A is able to cancel the project without any duty, and Party B shall bear all losses.

1. Settlement of disputes

All disputes arising from the performance of this agreement shall be settled through friendly negotiation. Should no settlement be reached through negotiation, the case shall then be submitted for arbitration to Shanghai International Economic and Trade Arbitration Commission (Shanghai) and the rules of this Commission shall be applied. The award of the arbitration shall be final and binding upon both parties. The arbitration language is Chinese.

1. Other clause
2. 5.1.This Agreement shall become effective on the date of signature and seal.

5.2.This Agreement is in two (2) copies, each party have one (1) copy, which has the same legal effect.

If there is any inconsistency between Chinese and English version, the Chinese version prevails.

Party A:

Legal representative：

Party B:

Legal representative：