

Schedule No. 8 to the Request for Quotation No. 1/LogPorta/2017

CONTRACT NO.

for the performance of the order ‘Procurement of Research and Development Services within the LogPorta Project’

(hereinafter referred to as ‘**Contract**’)

made in Bolszewo on by and between:

- (1) **Porta KMI Poland Spółka z ograniczoną odpowiedzialnością Spółka komandytowa** with its registered office in Bolszewo (84-239), 54 Szkolna street, entered into the Register of Entrepreneurs of the National Court Register held by the District Court Gdańsk-Północ in w Gdańsk, 8th Commercial Department of the National Court Register under KRS No. 0000504087, NIP: 5850006204, REGON: 190542423, represented by the General Partner, Porta KMI Poland Spółka z ograniczoną odpowiedzialnością with its registered office in Bolszewo (84-239), 54 Szkolna street, entered into the Register of Entrepreneurs of the National Court Register held by the District Court Gdańsk-Północ in w Gdańsk, 8th Commercial Department of the National Court Register under KRS No. 0000414616, NIP: 5882396214, REGON: 221627742, authorised capital of PLN 31,000.00 (say: thirty-one thousand zlotys), represented by:

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hereinafter referred to as ‘**Principal**’, and

- (2)

hereinafter referred to as ‘**Contractor**’;

The Principal and the Contractor shall be referred to hereinafter jointly as ‘**Parties**’ or individually as ‘**Party**’.

The Principal executes this Contract in relation to the implementation of the project entitled: ‘LogPorta. Development and implementation of process innovations in optimization of production and logistics activities’, for which it is applying for co-financing within the Regional Operational Program of Warmińsko-Mazurskie Province for the years 2014-2020, Measure 1.2 ‘Innovative companies’, Sub-Measure 1.2.2: Business-to-science co-operation, hereinafter referred to as ‘Project’. This Contract is made as a consequence of awarding the Contractor within the proceedings carried out under the Request for Quotation No. 1/LogPorta/2017 of November 2017, in compliance with the principles of fair competition, efficiency, equal treatment of contractors, and transparency and with all efforts made by the persons conducting the proceedings to maintain objectivism and impartiality.

§1

[Subject Matter]

1. The Principal commissions and the Contractor undertakes to render the research and development services within the scope indicated in § 2 hereof, in order to develop the innovative technology of product flow automation from the production area to the stage of sorting and completing customer orders (hereinafter referred to as '**Subject Matter**') in the manner and on terms and conditions set out herein.
2. The detailed description of the Subject Matter hereof, including the concept of implementing research and development work, is included in Schedules No. 1 and 2 hereto.

§2

[Method of Performing the Subject Matter and the Scope of Research and Development Work]

1. The Contractor shall conduct research and development work, its final effect to be the confirmation of achieving the level that enables to create a solution to be implemented in the target system (being the preparation for the level of first production).
2. The scope of implemented R&D work shall include:
 - Developing the guidelines of the automation of product flow in the Principal's production activities in the area of assembly of door leaves and frames (the plant in Elk) and the further flow and handling of products in the process to the sorting stage (the plant in Nidzica).
 - Developing the design assumptions for innovative solutions necessary for the demonstration in the production activities in order to verify previously developed concepts.
 - Developing innovative models of solutions and test simulations in conditions reflecting operational conditions for their evaluation, which will result in the technical documentation necessary to build a pilot installation.
 - Building a pilot (test) installation for the developed solutions and testing them in the environment as a model in real-life conditions. Confirming the achievement of a level that enables the creation of a solution that may be implemented in the target system.
3. As a part of the Subject Matter hereof, the Contractor shall provide the Principal with testing samples and materials from the conducted work as necessary for the independent verification of results by a third party.
4. The Principal reserves the right to participate once in the tests of the pilot line on a date agreed upon with the Contractor.
5. The Contractor shall transfer the results of his R&D work to the Principal in a report (hereinafter referred to as the 'Report') under a take-over certificate.
6. The Contractor shall prepare the Report containing the results of conducted R&D work in Polish and English in hard (2 pcs.) and electronic copies.
7. The Report shall include as the minimum:

- Information on the methodology and course of the conducted research and the validation of outcome of the performed R&D service, including information about options and parameters that were analysed,
 - Information on the results of research and validation of outcome of the performed R&D service, including the confirmation of or comments on the indicated key elements or parameters that were subject to assessment,
 - Information on the pilot line built within the R&D work and the simulated processes, the scope of tests and their outcome, and
 - The concept of the target system and recommendations for the method of its implementation by the Principal at the stage of the first production separately for the plants in Ełk and in Nidzica.
8. The Contractor represents that he holds the qualifications, knowledge, and experience necessary for the due and timely performance of the Subject Matter hereof.
 9. The Contractor represents that the Subject Matter hereof shall be performed with due diligence, according to the announcement on the award and the guidelines received from the Principal, resulting from the professional character of his business and in the manner that provides the complete and due security of the Principal's interests, including in accordance with the principles of loyalty and confidentiality.
 10. The Contractor represents that he holds personnel with qualifications necessary for the performance of the Subject Matter hereof.
 11. The Contractor represents that the Subject Matter hereof shall be the outcome of his independent work and creativity and shall not violate any works or rights of any third parties.

§3

[Time Schedule of Performing the Subject Matter]

1. The deadline for commencing the research work: at the latest 7 calendar days of the date of executing this Contract.
2. The deadline for completing the Subject Matter hereof – at the latest until 31 March 2018.
3. The deadline for completing the Subject Matter hereof shall be the date of transferring the Report on R&D Work to the Principal under a take-over certificate. The deadline for completing the Subject Matter hereof shall be deemed to be met, if on the date of the deadline the take-over certificate for the Report is signed by both Parties.
4. The final take-over shall concern the Subject Matter hereof made without any defects. If any defects are found during the take-over, the Principal shall have the right to refuse to accept the Subject Matter hereof and shall set a deadline to the Contractor for remedying any defects thereof.
5. If any defects are found during the repeated take-over by a second deadline, the Principal shall have the right to terminate hereof through the Contractor's fault within 30 days of the date of the second take-over. This right shall not waive the Principal's right to withdraw from this Contract under the regulations of the Civil Code.

§4

[Remuneration]

1. For the performance of the Subject Matter hereof, the Principal undertakes to pay the total fixed-rate remuneration amounting to net (in words:) plus VAT at an applicable rate (hereinafter: 'Remuneration'), if VAT is due under applicable regulations.
2. The value of the Remuneration set out in section 1 above shall not change for the term hereof.
3. The Remuneration mentioned in section 1 shall include all the costs due to the performance of the Subject Matter hereof by the Contractor, including but not limited to the costs of conducting research, tests, simulations, the production of the test line, the preparation and delivery of samples for verification tests, and the preparation and submission of the final report.
4. The Principal shall pay the Remuneration to the Contractor in the following manner:
 - a)% of the Remuneration, i.e. net (.....00/100), plus VAT at an applicable rate, if VAT is due under applicable regulations, as the advance payable within 14 days of the date of signing this Contract under an invoice issued by the Contractor; and
 - b)% of the Remuneration, i.e. net (.....00/100), plus VAT at an applicable rate, if VAT is due under applicable regulations, payable within 14 days under an invoice issued by the Contractor after the take-over certificate of the Subject Matter hereof mentioned in §3(3) hereof is signed by both Parties.
5. The payment shall be made with a transfer to the Contractor's bank account No.
6. The date of payment shall be the date of debiting the Principal's account with a due amount.
7. The Contractor undertakes to provide the Principal with a correctly issued invoice for the contractual payment 14 days before a due date hereunder; otherwise, the Principal shall not be liable for any overdue payments.
8. The Principal represents that he is an entity authorised to receive VAT invoices.
9. Should the Principal be in arrears with the payment of remuneration due to the Contractor under a correct invoice issued in compliance with the terms and conditions hereof, the Principal shall pay the Contractor statutory default interest on the amount of the invoice for every day of delay.

§5

[Duties of the Principal]

1. To provide the proper and reliable performance of the Subject Matter hereof, the Principal shall provide the Contractor upon every request of the Contractor with access to materials necessary for the performance of the Subject Matter hereof during the term of this Contract.
2. The Principal shall provide the Contractor as soon as possible with complete information and clarification necessary for the performance hereof and shall provide the Contractor with the possibilities of performing the research work.
3. The Principal shall cooperate with the Contractor in order to provide the due performance of the Subject Matter hereof and to develop the optimum solution.

§6

[Duties of the Contractor]

1. Within the performance of the Subject Matter hereof, the Contractor undertakes to provide the Principal with any and all advise, opinions, explanation, and consulting (by phone, e-mail and in writing) within the scope required by the Principal and concerning the Subject Matter hereof.
2. The Contractor shall collaborate with the Principal in order to provide the effective and timely performance of the Subject Matter hereof and the development of optimum solutions.
3. The Contractor shall notify the Principal of the performance of the Subject Matter hereof, including the course and outcome of R&D work, as well as about the progress of preparing the Report upon every request of the Principal.

§7

[Data and Information Protection]

1. During the term and upon the termination or expiration hereof, the Contractor shall maintain the confidentiality of any confidential information he may acquire during the term hereof, except for any information that was disclosed to the public domain beforehand by the Principal. Any transfer, disclosure, use, disposal, or offering the disposal of confidential information shall be allowed upon prior consent of the Principal in writing or otherwise null and void.
2. Confidential information shall include results of R&D work implemented hereunder, including any and all analyses, findings, descriptions of solutions and models, studies, designs, drawings, schemas, etc. Confidential information shall also include any and all information that concerns, either directly or indirectly, the business, products, services, positive and negative know-how and the activity of the Principal, regardless of whether it constitutes the business secrets in the meaning of the regulations of the Act of 16 April 1993 on counteracting unfair competition (including any information provided in contracts, commercial documents, and by-laws) and any and all other information, regardless of its nature and form (oral, written, and electronic) that has been or may be disclosed due to the performance hereof by the Principal or on his behalf to the Contractor, regardless of the form of transferring or obtaining such information. The provisions hereof shall also constitute confidential information.
3. At the latest on the date this Contract expires or is terminated, the Contractor shall return to the Principal any and all documents and other materials concerning or including confidential information held by the Contractor, regardless of the way in which the Contractor has acquired any such documents and materials. The obligation to return documents and information given in the preceding sentence shall include any and all copies and extracts, including records on any other data storage devices.
4. The Contractor shall act with due diligence in order to protect confidential information against any unauthorised access by any third parties, including in particular to protect it properly in its IT systems.
5. The Contractor shall be responsible for undertaking and providing any and all measures necessary to provide the compliance with this non-disclosure clause by his personnel and contractors.
6. The non-disclosure obligation shall be followed by the Contractor unconditionally and indefinitely.

7. The non-disclosure obligation shall not be violated by the provision of information upon request of competent authorities under applicable rules of law, and the Contactor shall notify the Principal of receiving any requests for providing such information. The non-disclosure obligation shall not waive the Contractor's right to announce to the public any general information about his business activity or information that has to be disclosed under applicable rules of law.
8. The Principal shall have the right to charge the Contractor with a contractual penalty of PLN 50,000.00 for every violation of any of the obligations set forth in this article.
9. The Principal shall be authorised to claim damages according to general rules of law above the value of the contractual penalty mentioned in section 8 above.

§8

[Intellectual Property Rights]

1. The Contractor shall notify the Principal in writing as soon as possible of any solutions developed during the performance hereof which in his opinion may be subject to intellectual property rights, in particular any inventions or utility models.
2. The Principal shall hold the right to any results of R&D work performed by the Contractor hereunder.
3. If any solutions are created during the performance hereof by the Contractor that are subject to industrial property laws, in particular any inventions or utility models, the Principal shall hold the exclusive right to apply for the protection of the solution to a competent patent office, both domestic and foreign, including international ones. The Contractor undertakes to cooperate with the Principal in applying for industrial property protection of every object to competent authorities, in particular to provide any documents and information necessary to prepare descriptions included in the application.
4. The Parties undertake to notify each other as soon as possible of any and all claims of any third parties to the results of R&D work, including but not limited to any solutions being the object of intellectual property rights.
5. If the Contractor intends to use any objects of intellectual property rights held by a third party in the performance of any parts of the Subject Matter hereof, in particular if in order to develop and operate the pilot installation mentioned in § 2(2) hereof he intends to use an invention or utility model protected with IP rights, the Contractor shall, within the Remuneration mentioned in § 4(1) hereof, obtain from the holder of such intellectual property rights a license within the broadest possible scope, to enable him as minimum the use of the IP right object in order to implement the Subject Matter hereof, in particular to create with its use the pilot installation mentioned in § 2(2) hereof and enabling the Principal the use of the IP right object covered by the license to produce a solution based on the outcome of R&D work in the target system and to use the same in the on-going operations of the Principal.
6. At the latest on the date of accepting the Report, the Contractor shall provide the Principal with documents confirming that the license mentioned in section 5 above has been granted or a declaration in writing that the Subject Matter hereof has been implemented without the use of any IP rights, in particular any inventions or utility models, held by any third parties. The failure to provide the document to confirm that the license has been granted within the scope required by

the Principal or a declaration mentioned in the preceding sentence shall authorise the Principal to refuse to accept the Report. Provisions of § 3(4)-(5) shall apply accordingly.

7. Upon the payment of the Remuneration mentioned in §4(1) hereof, the Contractor shall transfer to the Principal for the above-mentioned Remuneration the copyrights to works that will be created within the performance hereof by the Contractor, in particular the Report, regardless of the mode of their recording (hereinafter referred to as '**Works**'), without any territorial or temporal limitations or limitations as to the number of copies, and the Principal shall acquire copyrights to Works with the exclusive right to exercise the same and to allow the performance of related copyrights without any limits and without the obligation to submit any additional declarations in this respect.
8. The copyrights mentioned in section 6 above may be transferred by the Principal to other entities without any limitations.
9. The Contractor gives his open and irrevocable consent to the disposal of Works mentioned in section 6 above by the Principal.
10. The Parties agree that the Contractor shall transfer to the Principal the copyrights in the following fields of exploitation:
 - a) using and distributing the Works in whole or in sections (parts) and with any techniques, including print, reprography, magnetic, electromagnetic, optical and digital recording, including in press, printed and electronic materials and in other communication channels, including over the Internet;
 - b) recording permanently and/or temporarily, in whole or in part, multiplied Works in any number of copies and in any technologies, including print, reprography, magnetic, electromagnetic, optical, and digital recording;
 - c) viewing, any modifications of and using Works by the Principal for his needs, in particular by recording them in computer systems, launching in the electronic distribution, translation, adaptation, changes of arrangement and any and all other changes in the Works, distribution, including renting and leasing of Works or their copies from the capital group of the Principal or entities that cooperate closely with the Principal in his activity, recording on any and all data storage devices known upon the execution hereof, in particular magnetic recording, on CD-ROMs, DVDs of all types and formats, on optical and magnetic-optical discs, on compact discs and any and all other data storage devices that may be created in the future;
 - d) saving Works in computer memory;
 - e) public performance, playing, exhibiting, displaying, making Works or their parts accessible so that one can have access thereto in a place and time at one's discretion, including for promotion and advertisement;
 - f) uploading and making Works or their parts available to the public over the Internet and in local computer networks and in other computer networks;
 - g) preparing copies of Works and their parts in other languages; and
 - h) making Works accessible and transferring them to third parties with the right to use Works and creating derivative and related works.

[Liability]

1. The Contractor guarantees that any and all outcome of the R&D work, in particular any solutions developed due to the performance hereof and Works created as a result of performing hereof as well as the use by the Principal of any such outcome, including solutions and Works, shall not violate rights of any third parties, including in particular any copyrights or other rights within the intellectual property rights. If any such violations or claims of third parties are disclosed, the Contractor shall take any and all necessary measures and actions to indemnify and hold the Principal harmless against any claims, losses, costs and other types of liability towards any third parties and shall indemnify and hold the Principal harmless against any liabilities towards any third parties. Should the Principal incur any losses, costs, expenditures or be obliged to satisfy claims of any third parties, for which the Principal is not liable, the Contractor shall cover the same and reimburse their full value.
2. The Parties jointly agree to respect and mutually protect any and all names, trademarks, models, logos, symbols and other rights and authorizations that are commonly recognised as copyrights and are owned by the other Party or third parties involved in the performance hereof.
3. The Parties shall place and use names, markings, and symbols being copyrighted rights in the manner that complies with regulations and practice applicable in this respect.
4. The Parties shall inform each other of any events that result or may result in the violation of such rights by any third parties and shall take any actions necessary to protect the same or file claims.

§10

[Contact Persons]

1. The contact persons within the performance hereof shall be as follows:
 - a) on behalf of the Principal: e-mail: tel.
 - b) on behalf of the Contractor: e-mail: tel.
2. A change of persons mentioned in section 1 above shall not constitute an amendment hereto and the other Party shall be informed of such a change in writing.

§11

[Contractual Penalties]

1. Contractual penalties shall be charged for default or negligence in the performance of the Subject Matter hereof.
2. The Principal shall pay the Contractor the following contractual penalty if:
 - the Contractor withdraws from the Contract through the Principal's exclusive fault, amounting to 10% of the Remuneration.
3. The Contractor shall pay the Principal the following contractual penalty if:
 - the Contractor delays the performance and transfer of the complete Subject Matter hereof according to the Contract by the deadline set in §3(2) amounting to 0.5% of the value of gross contractual Remuneration for every day of delay; or

- the Principal withdraws from the Contract in whole or in part through the Contactor's fault, amounting to 10% of the gross contractual Remuneration for the whole Subject Matter hereof set forth in § 5(1).
4. The Parties reserve the right to claim damages according to general rules of law above the value of contractual penalties.

§12

[Amendments]

1. Any and all amendments and supplements hereto shall be in writing with an appendix or shall be otherwise null and void.
2. The Principal allows for an option to make amendments hereto compared to the content of the Contractor's offer. Such amendments, however, cannot violate the content of Guidelines applied to carry out the proceedings and under which the Contract has been made. Such amendments may concern:
 - 2.1. changes of the Contractor's Remuneration due to amendments to the rules of law, including VAT regulations,
 - 2.2. changes of performing the Subject Matter hereof,
 - 2.3. changes that make the provisions hereof more detailed, if their introduction is necessary due to differences or ambiguities in the Contract that cannot be remedied otherwise and if the amendment makes it possible to remove any such differences and make the Contract more detailed in order to interpret its provisions explicitly,
 - 2.4. the shortage of the offered Subject Matter hereof or its part (e.g. due to the discontinuation of production or withdrawal from the market); it is acceptable to deliver another Subject Matter hereof or its part featuring parameters at least equal to or better than presented herein,
 - 2.5. the necessity to implement the Subject Matter hereof using technical/technological solutions other than indicated herein in the situations where the use of the planned solutions might result in the default or faulty performance of the Subject Matter hereof,
 - 2.6. changes that do not lead to the change of the Contract provided both the following conditions are fulfilled:
 - 2.6.1. the necessity to amend the Contract results from the circumstances that could not have been anticipated by the Principal despite acting with due diligence, and
 - 2.6.2. the value of changes does not exceed 50% of the value of the order determined originally in the Contract,
 - 2.7. the change of the Contractor awarded by the Principal with a new contractor:
 - 2.7.1. as a result of a merger, division, transformation, bankruptcy, restructuring or acquisition of the present Contractor or his business, if the new contractor fulfils the conditions of joining the proceedings, there are no grounds for excluding the contractor from the proceedings and this does not result in any major amendments hereto,
 - 2.7.2. as a result of taking over the liabilities of the Contractor towards his subcontractors by the Principal,

- 2.8. changes that do not result in the essential modification of the Contract, if the total value of changes is lower than EUR 209,000.00 and not less than 10% of the value of the award determined originally herein,
- 2.9. any minor changes, where a minor change shall be understood as a change that does not change the essential nature of the Contract compared to the original Contract, and none of the following circumstances occurs:
 - 2.9.1. an amendment introduces conditions which, if given in the contract award proceedings, might make other contractors participate in the proceedings or might make other offers accepted, or
 - 2.9.2. a change violates the economic balance of the Contract in favour of the Contractor in the manner that is contrary to the original provisions hereof, or
 - 2.9.3. a change extends or reduces significantly the scope of services and liabilities hereunder or involves the replacement of the Contractor awarded by the Principal with a new contractor, in cases other than listed in section 2(7).

§13

[Final Provisions]

1. Any and all disputes that may result from this Contract and that may not be resolved amicably shall be resolved before common courts competent for the registered office of the Principal.
2. This Contract shall be governed by Polish law. Regulations of Polish law, in particular the Polish Civil Code, the Act on Copyrights, and the Act on Industrial Property Rights shall apply to any issues not governed herein.
3. Without prior consent of the Principal, the Contractor shall have no right to transfer any rights or obligations hereunder in whole or in part.
4. This Contract has been made in two copies, one for the Principal and one for the Contractor, in Polish and in English (however, only in Polish, if the Contractor has his registered office in Poland). Should any differences occur between the Polish and English versions, the Polish version shall prevail.

Schedules:

Schedule No. 1 – Terms of Reference

Schedule No. 2 – Contractor's Offer

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Principal

Contractor