

# ABB ELECTRIFICATION SIMPLIFIED GENERAL TERMS AND CONDITIONS FOR PURCHASE OF R&D WORK (2025-01 STANDARD)

## 1. APPLICABILITY

These Terms and Conditions ('Terms') exclusively govern the engagement of the Supplier by an ABB entity ('Customer') or any of its affiliates that directly or indirectly control, are controlled by, or are under common control with the Customer ('Affiliate') in a limited and non-production environment specifically for an R&D Work as outlined in the purchase order or written agreement ('Contract'). The Contract incorporates these Terms by reference and constitutes the entire agreement between the Parties, superseding all prior discussions. In case of any inconsistency, the Contract shall prevail. The Terms apply if Supplier accepts the Contract in writing or by commencing the performance. Any deviation from or addition to these Terms shall only be valid if agreed in writing by the Customer. Electronic signatures are acknowledged. Supplier's Terms and Conditions are excluded.

## 2. SCOPE

In the sense of these Terms, the 'R&D Work' is limited to research, innovation and development work, including, without limitation, simulation, proof of concept, demonstration, design and development, sampling and prototyping, testing, verification, pre-production, manufacturing engineering and first article manufacturing of the product to be manufactured and technical consultancy, engineering and related services, to be performed by the Supplier. These activities are managed through the 'Gate Model for Technology Development' (from G0 to G7) and the 'Gate Model for Product Development' until Gate 4. The Supplier acknowledges that becoming a long-term partner of Customer is not guaranteed, nor is the Customer obliged to continue ordering goods and/or services from the Supplier. Any agreements following this R&D Work (exploration phase) will necessitate a re-evaluation of Terms and will require acceptance of the [ABB GTC Goods and Services \(2024-2 Standard\)](#), [English](#).

## 3. SUPPLIER OBLIGATIONS; INSURANCE

Supplier shall perform the R&D Work in a professional and timely manner, in accordance with the Contract and Customer's instructions, in line with applicable laws and regulations, with appropriate skill and care by using qualified and sufficient personnel and state-of-the-art technology, in accordance with generally prevailing industrial and professional standards attained by companies offering R&D Work of the type offered by Supplier or referenced in the specification. If R&D Work requires use of open-source software ('OSS'), Supplier must obtain Customer's prior written approval. The Supplier shall only use, modify or develop any OSS in compliance with the applicable OSS license terms. Supplier shall allow Customer to inspect and test the R&D Work prior to completion. If R&D Work contains software, Supplier shall provide the source code with the copies of machine-readable version and all other necessary documentation.

At its own cost, the Supplier shall maintain a Commercial General Liability insurance with a minimum coverage of USD 500'000 per occurrence and USD 1'000'000 per year and, in case professional services are provided, a Professional Liability insurance with a minimum coverage of USD 500'000 per each and per occurrence event and USD 1'000'000 per year covering the liability arising out of the Contract and the related Services. Such insurance policies shall remain in effect throughout the term of the Contract and for a period of two (2) years after termination or expiration.

## 4. DELIVERY; WARRANTY

Supplier shall deliver the R&D Work in a manner not to cause any default, or malfunction in the products for which the results of the R&D Work are to be used, or in related software or systems of Customer. Supplier shall meet any milestone dates scheduled in the Contract. The Supplier shall promptly notify the Customer of any circumstances that may affect the timely or proper performance. All Supplier personnel entering Customer's facilities must complete Customer's safety induction and follow its on-site policies.

The Supplier warrants that all R&D Work will fully conform to the Contract and will be free from defects in workmanship and do not infringe third party rights.

## 5. INVOICING AND PAYMENT

The agreed price is inclusive of all fees, costs, duties, tariffs and taxes (excl. VAT). Invoices must include the purchase order reference, description of the R&D Work, and any other information required by the Customer. Expenses must be pre-approved and invoiced at cost. The Customer may accumulate all invoices until the end of a calendar month (EOM). The agreed EOM payment term starts after the date of receipt of Supplier's invoice complying with Customer's instructions. If Services are billed by time, time sheets must be approved by the Customer. The Supplier shall maintain appropriate records to demonstrate charged prices, costs and fees transparently. The Customer may withhold payment for incomplete or non-compliant work. If any payment is late and non-disputed, interest will be charged according to the Customer's country interest rate. Payment may be made by a Customer Affiliate on behalf of the Customer which shall discharge Customer of its payment obligation, although the paying Affiliate will not become liable for any contractual obligation.

## 6. CHANGES AND VARIATION ORDERS

The Customer may request changes which Supplier shall carry out. Any resulting adjustments to price, schedule, or other terms must be agreed in writing. The Supplier may not suspend the performance and may not implement changes without written confirmation from the Customer.

Any subcontracting needs Customer's prior approval.

## 7. REMEDIES

If the Supplier is in breach of the Contract, then the Customer may refuse any subsequent performance and/or may obtain defect-fee R&D Work at the cost of the Supplier.

## 8. INTEGRITY

The Supplier shall comply with all applicable anti-bribery and anti-corruption laws (e.g. FCPA, UK Anti bribery act etc.), trade and export control laws, human rights and safety laws as applicable to their operations, and shall follow the [ABB Code of Conduct \(CoC\)](#) and [ABB Supplier Code of Conduct 2023 \(SCoC\)](#) or equivalent from the Supplier. The Supplier shall not engage transactions with any party subject to international sanctions or restrictions (Belarus, Cuba, Crimea, Donetsk, Luhansk regions of Ukraine, Iran, North Korea, Russian Federation, Syria etc). Breach of these provisions may lead to immediate termination. The Supplier shall maintain appropriate records to demonstrate compliance with this clause as well as charged prices and fees. Supplier shall report any observed or suspected violations of CoC or SCoC or applicable laws via [www.abb.com/integrity](http://www.abb.com/integrity) – Reporting Channels.

## 9. INTELLECTUAL PROPERTY RIGHTS (IPR)

Supplier assigns to Customer full ownership rights, title and interest in and to any IPR arising from the R&D Work. Supplier will execute all documents and assignments as may be needed to perfect Customer's title to the IPR or to register Customer as owner of the IPR. If assigning the IPR to Customer is not possible, Supplier will grant Customer a royalty-free, worldwide, irrevocable, exclusive, perpetual license to the R&D Work, including but not limited to a right to further improve, develop, market, distribute, sub-license, exploit or otherwise use the R&D Work in any way. Each Party shall retain all rights, title and interest in its pre-existing IPR. Supplier grants Customer a worldwide, irrevocable, perpetual, non-exclusive, royalty-free, transferable license to use Supplier's pre-existing IPR embedded in any R&D Work. Supplier shall indemnify Customer from and against any claims that the R&D Work or Supplier's licensed pre-existing IPR infringes third party IPR.

## 10. CONFIDENTIALITY, DATA PROTECTION AND CIBER SECURITY

Supplier shall keep confidential all information received from the Customer for 5 years and agrees to use Confidential Information solely for the purpose of the R&D Work. The ownership of all disclosed data remains with the Customer. Supplier shall ensure that no publication or disclosure of work connected with the R&D Works occurs without the prior written consent of the Customer.

Supplier must comply with applicable data protection rules and regulations and agrees to process any personal data received from Customer in accordance with applicable data protection laws and solely for the purposes of the R&D Work.

Supplier must comply with [ABB Cyber Security Requirements for Suppliers](#).

## 11. TERMINATION

Either Party may terminate the Contract for cause with immediate effect if the other Party commits material breach. The Customer may also terminate for convenience with reasonable notice in which case the Supplier shall be entitled to payment for work properly performed and costs incurred up to the termination date. Upon termination, Supplier shall return all property and information of Customer under its control and provide Customer with all documentation regarding the part of the R&D Work performed and of methods used in connection with it required by Customer to decide whether to exercise its right to buy and to become legal and beneficial owner of such already performed part of the R&D Work. Otherwise, Section 9 shall apply.

## 12. LIABILITY

Supplier shall be liable for losses caused by its negligence or breach of Contract up to the charges payable by the Customer. No limitation of liability applies (i) for death or bodily injury (ii) if liability cannot be excluded or limited under the applicable law (iii) if Supplier breaches of confidentiality undertaking or data protection obligations or infringes of IPRs or (iv) for liability for events arising from gross negligence or willful misconduct. The Supplier is responsible for its employees and subcontractors, and it assumes exclusive responsibility for any IPR claims or occupational accident affecting its employees or subcontractors.

## 13. GOVERNING LAW AND DISPUTE RESOLUTION

These Terms shall be governed by the laws of the Customer's country. The Parties shall attempt to resolve any dispute amicably. Failing such resolution, disputes shall be submitted to the competent courts of the Customer's jurisdiction.