

## **Material Development Agreement (MDA): Key Terms**

### **1. Preliminary**

- (1) NUVI grants licence to CUSTOMER to use the material for conducting experiments
- (2) NUVI undertakes to develop one Final Sample Material (FSM) for CUSTOMER
- (3) CUSTOMER pays monthly fee to NUVI plus VAT (see, payable in advance.
- (4) any material stays ownership of NUVI
- (5) any invention or discovery that is derived from NUVIs R&D efforts during process is owned by NUVI
- (6) any invention or discovery that is derived from CUSTOMERs R&D efforts during process is owned by CUSTOMER
- (7) mutual notification/certification duties of both parties as to inventions/discoveries derived

### **2. Experiments**

- (1) NUVI provides basic material samples to CUSTOMER
- (2) NUVI provides CUSTOMER with available tech and spec information and 3rd party testing results
- (3) CUSTOMER runs quality check and provides NUVI with a report
- (4) CUSTOMER defines characteristics of desired material based on quality check report and CUSTOMERs desired parameters within NUVIs standards regarding:
  - Ingredients: Tobacco, Marble, Chalk. Other ingredients come with additional costs.
  - Thickness: 0,3 - 1,5 mm; 0,1mm-steps
  - Coloration: see separate list
  - Surface finishing: Different standard types of embossing are available. Possibility of specific embossing by CUSTOMER inhouse or embossing by NUVI with a special embossing tool according to specifications of CUSTOMER. CUSTOMER bears extra costs.
  - Haptics
  - Backing: French Flachs. Other material comes with additional costs.
- (5) Based on CUSTOMERs desired characteristics, NUVI provides CUSTOMER with 3 different material samples in format A6

### **3. Review Phase**

- (1) CUSTOMER and NUVI enter a review phase re the 3 different material samples with the goal of NUVI developing 1 maximum customised material sample (Final Sample Material, FSM) for CUSTOMER
- (2) Review Phase consist of 3 revisions and is fully CUSTOMER orientated
- (3) CUSTOMER has the right to 2 monthly full day meetings with responsible product designers of NUVI in person at location of CUSTOMERs choosing
- (4) NUVI provides CUSTOMER in a step-by-step process with larger review samples up to format A1

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- (5) After revisions NUVI provides CUSTOMER with a 10 sqm of Final Sample Material

## **4. Final Sample Material (FSM)**

- (1) Ownership of Final Sample Material remains with NUVI. CUSTOMER may retain Final Sample Material
- (2) If CUSTOMER produces more than one product sample out of FSM then for documentation CUSTOMER provides NUVI with a free product sample and transfers ownership of product sample to NUVI together with relevant technical and design information. NUVI shall not sell, market and especially not copy product samples nor disclose samples to third parties.
- (3) CUSTOMER can enter with NUVI in a Trial Order Agreement (TOA) for Final Sample Material of max. 100 sqm, only for CUSTOMERs internal purposes
- (4) Any Trial Order Agreement (TOA) is subject to a separate agreement between the parties.
- (5) CUSTOMER can also enter with NUVI into a First Mover Agreement (FMA) regarding FSM. Under FMA NUVI grants CUSTOMER exclusive licence over Final Sample Material for limited timespan and scope. Under FMA CUSTOMER can market FSM exclusively for its purposes.
- (6) Any FMA is subject to a separate agreement between the parties.
- (7) CUSTOMER is aware that according to preliminary planning NUVI's production capacity will be up earliest in Q3/2022 and will be limited to 25 ksqm in 2022.

## **5. Exclusivity**

- (1) NUVI does not grant the CUSTOMER any exclusivity esp. regarding the Final Sample Material or the development of thereof, especially not regarding the Fashion Industry.
- (2) If CUSTOMER and NUVI enter into a separately agreed FMA, NUVI can grant CUSTOMER exclusivity for limited timespan and scope and CUSTOMER can market FSM exclusively.

## **6. Miscellaneous**

- (1) Obligation of CUSTOMER: CUSTOMER shall not transfer, sell, use otherwise etc. the material or any information derived from material
- (2) Non-disclosure provisions for both parties
- (3) Mutual information duties regarding testing and review results
- (4) Costs and Expenses: Notwithstanding the monthly fee, each Party bears its own costs. If CUSTOMER chooses a meeting with NUVI personnel not in Frankfurt, CUSTOMER will bear in addition reasonable travel and accommodation costs for NUVI personnel, payable in advance. NUVI will not bear any costs of CUSTOMER.
- (5) Representations and Warranties
- (6) Confidentiality
- (7) Term and Termination
- (8) No transfer of rights deriving from MDA
- (9) German law relevant, arbitration clause to Frankfurt (Main) Chamber of Commerce and Industry

## **7. Monthly fee**



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- (5) General: Based on individual agreement, taking into account CUSTOMERs and NUVI's needs/risks
- (6) Amount: From 10k-25k EUR per month, depending on expected extent of R&D-work and on CUSTOMERs sales expectations/projections
- (7) Duration: Depends on expected extent of R&D-work, in average 6-8 months
- (8) Payable: 50% during R&D-work, due at the beginning of each month. 50% due only after material is ordered by CUSTOMER
- (9) In case of large material orders (>5.000 sqm): Offsetting of up to 50% of unpaid monthly fee with material order costs possible