**디자인 서비스 계약서(견본)의 사용 요령**

※ 본 견본계약서는 특정 산업, 특정 업체, 특정 제품의 디자인 수요를 충족하기 위하여 작성된 것이 아니므로 사용하는 업체는 이 견본 계약서의 어떤 조항을 활용할 것인지를 상황이나 조건에 따라 적절히 조정, 추가, 보완 또는 삭제하여 사용하여야 할 것입니다.

특히 제1조의 경우는 포괄적 일반규정, 소비재 제품 일반, 휴대폰 중의 하나를 선택해야 할 것이고; 제4조의 경우는 발명독점권 등을 디자인 용역발주자가 소유하는지 또는 디자인용역제공자가 소유하는지에 따라 선택해야 하며; 제6조의 용역료의 경우는 일반디자인용역료 또는 휴대전화디자인용역료중의 하나만을 선택 사용해야 할 것입니다.

**DESIGN SERVICE AGREEMENT**

This AGREEMENT(hereinafter referred to as “Agreement”), made this (일) day of (월) , (년) *(날짜 기재)*, by and between *(회사명 기재),* a company *(국가명 기재 예: Korean)*, with its office at (*사업장 소재지 또는 본점 소재지 기재)* (hereinafter referred to as “Company”) and *(회사명 기재),* a company *(국가명 기재 예: Korean)*, with its office at

(*사업장 소재지 또는 본점 소재지 기재)* (hereinafter referred to as “Designer”).

**NOW THEREFORE**, the parties agree on terms and conditions described below:

**Article 1. Definitions**

The terms in this Agreement have the following meanings and any undefined terms shall be interpreted according to the applicable laws and regulations, including Design Protection Act, and commercial practice and customs.

1.1 “Design” has the meaning of the shape, form or color of the article (hereinafter , including the part of the article except for a single article and the font), or a combination thereof, which causes an aesthetic feeling through the visual sense.

1.2 “Intermediate Deliverable” has the meaning of the specific work product or information delivered to the Company by the Designer in the form and means set forth in the proposal.

1.3 “Final Deliverable” has the meaning of the design result or information of the final design proposal.

1.4 “Intellectual property rights” means intangible property rights protected under the intellectual property laws and regulations, including the Copyright Act and the Design Protection Act.

**Article 2. Design Services**

**1안: 제품 디자인에 대해 포괄적 일반 규정으로 둘 경우 사용**

2.1 The Company wants the Designer to conceive and submit to the Company the design for the goods to be manufactured, sold and distributed by the Company (the “New Products”) based on the data and concepts provided by the Company.

2.2 The Company and the Designer will develop the overall perspective category and criteria of the design, which may be used in the individual design needs of the specific kind of New Products to be launched in the market. The features of design and specific items are to be stipulated in a separate purchase order (“the Separate Note”) after consultation between the Company and the Designer.

**2안: 소비재 제품에 대해 보다 상세하게 규정할 경우 사용**

2.1 The Company shall provide Designer with a list or lists setting forth those goods which the Company shall produce and market (“New Products”). The Company shall provide Designer with all pertinent information concerning the desired New Products (including the countries where they are intended to be marketed and the proposed launch dates in each of the countries). [ If the Designer fails to or incompletely perform its obligation due to any failure or delay of provision of such pertinent information, the Designer shall not be liable to its nonperformance or incomplete performance.

2.2 At any time or from time to time within a reasonable period (consistent with Designer's and the Company's reasonable schedules), following receipt by Designer of the aforesaid list or lists, Designer shall provide the Company with a program of suggested, broad design themes and concepts with respect to the New Products ("Design Concepts") which shall be embodied in verbal and/or written descriptions of design themes and concepts and such other detailed designs and sketches therefor, as Designer deems appropriate. Designer shall have full discretion with respect to the manner in which the Design Concepts shall be formulated and presented by Designer to the Company. The Company and Designer shall confer on Design Concepts and shall make such modifications as are required to meet Designer's approval.

2.3 The Design Concepts, as finally agreed upon, shall be the basis of the New Products subject to such changes as the Company with the approval of Designer may deem necessary to increase the sales of said Products. It is understood that local conditions, legal or otherwise, may require variations with respect to Product formulas from country to country. [ Provided that, if any cost incurs due to any change of such Design Concepts before the execution of this Agreement, the Company shall solely bear the cost.] The Company shall advise Designer of any such local conditions and the consequent required variations, and Designer shall not unreasonably withhold or delay his approval thereto. [Provided, any cost additionally incurred from such variation or delay by such variation shall be borne by [ ] ].

2.4 Designer may engage [ such employees, agents and consultants operating under Designer's supervision and control ] / [ such employees, agents and consultants under prior consent of the Company ] / [ key personnel under prior consent of the Company ](such employees, agents and consultants collectively, the "Design Team") as he/it may deem necessary and appropriate.

2.5 The Design Team shall be deemed as employees of the Designer if the Design Team has caused damage to the Company or the third party intentionally or negligently in performing this Agreement.

2.6 From time to time while this Agreement is in effect, Designer and/or the Design Team may (i) develop or modify and implement designs from the Design Concepts or other designs furnished by Designer or (ii) develop and implement new designs, which the Company may incorporate into the New Products.

2.7 If the Company wishes to prepare a design or designs for New Products, it shall/may submit to Designer for his approval of the Company's proposed designs therefor. Designer may, with respect to all designs intended to be incorporated into the New Products, review and approve, with such modifications as he may deem necessary or appropriate, or disapprove, in either event by notice to the Company, designs prepared by the Company.

(필요한 경우에 규정)

**3안: 휴대전화 디자인 개발시 예**

2.1 The Company shall provide Designer with technical guidance (including presentation of Technical Information) and advices necessary for the design of the dual band and smart phone (“New Products”). “Technical Information” mentioned in this Agreement refers to design concepts of New Products, drawings related to manufacturing and application , data, specification and circuit, etc. including advices thereon.

Designer shall provide technical guidance and counseling in verbal and written forms on the designs of the contracted model of New Products, which will be produced by the Company (during the period of this Agreement).

2.2 Both parties agree that the Designer will develop and make delivery to the Company of the following professional design services.

|  |  |  |
| --- | --- | --- |
| **Phase** | **Content** | **Delivery Time** |
| **Phase I** | Orientation / User & Market Research  - Trend Analysis  - Positioning Strategy  - User Profile  - User Research | 1. A: X+9   B: X+4 |
| **Phase II** | Concept & Ideation development  - Visualizing Design Key elements  - User Scenario Based Concept Making  - Idea Sketches | 1. A: X+24   B: X+15 |
| **Phase III** | Design Refinement (Rendering)  - 5 Concepts Development  Presentation trip in ---------- | 1. A: X+37   B: X+21 |
| **Phase IV** | 2D / 3D Drawing  - Final 2D / 3D drawing  for (1) final selected Mock up  (Data : 2D AutoCAD/3D ProE) | 1. A: X+46   B: X+28 |
| **Phase V** | Mock – up  - Making for 1 final Mock up  ※ Including one final Mock-Up expense  Presentation trip in ----------- | 1. A: X+55   B: X+35 |
| **Total** |  | A: X+55  B: X+35 |

“X” is the date of when Designer receives and accepts all the Design Information based on the fixed and final specification from the Company:

**Phase1 – Orientation / User and Market Research**

The Designer will do a qualitative market research study to understand the New Products market and customer perception of the Company’s brand and desired design images.

**Phase2 – Concept and Ideation Development**

Using the data gathered in Phase 1 as the framework, the Designer will generate and develop design concepts that explore the overall industrial design. The design concepts will be generating in the form of sketch renderings with auxiliary elevations and cross-section views as necessary for explanation.

**Phase 3 – Design Refinement (Rendering)**

Reviewing the results of the research report and input regarding the concept directions, the Designer will refine the early concepts into finished renderings supported by CAD outline drawings. 5 concepts will be more fully detailed and developed. The Company shall determine and confirm the refined design provided by the Designer. If the refined design submitted by the Designer are not confirmed by the Company after the Company’s review, the Designer shall redesign no more than twice and deliver the redesigned results by the new schedule agreed by both parties without any delay,

**Deliverables:** 5 Color rendering(s) in Photoshop level

**Phase 4 – 2D / 3D Drawings**

The Designer will make 2D Drawing/3D modeling based on the Company’s selection from the 5 renderings. The Company will confirm the drawing based on Mechanical design.

**Deliverables:** 2D CAD database/3D Pro-E database

**Phase 5 – Making Mock-up and Design Manual**

The Designer will make mock-up based on the drawing which the Company has confirmed. The Designer also will generate Design Manual including delineate features, control locations, and developed exterior profiles and any necessary trim and control details. Section views and detail views will be included as needed for explanation. Notes will indicate preliminary assembly method, materials, color, and finishes. The Designer Manual will serve as a basis for construction of visual models, as well as for preliminary manufacturing review.

**Deliverables:**

3-D design mock-up (Final 1ea) Design manual with notes, colors, and finishes, etc.

**Article 3. Placement and Acceptance of Order**

**(이 계약서를 기본계약서로 하고 건별로 발주서를 통해 주문하는 경우 사용)**

For every specific item of New Products of the Company to be launched, the Company shall place order (“Separate Note”) for the design of the New Products with Designer and Designer shall accept the order.

**Article 4. Amendment of Terms**

4.1 The parties may amend or modify the terms of this Agreement in writing signed therein after mutual consultation if there is reasonable and objective reasons for a change of the terms or the Company requests any change or addition for the output or the term.

4.2 If the details or schedule of the work shall be changed by the request of the Company and the time and cost for the performance of the Designer, [ the Designer may charge the additional expense to the Company as mutually agreed upon. ] [ the Designer may propose the additional expense to the Company and the Company may determine the amount of such expense at the Company’s own discretion. ]

**Article 5. Reporting**

**1안**

The Designer shall submit Progress Report on the designs of the New Products in accordance with the instructions given by the Company.

**2안**

The Designer shall report the progress of the design of the New product to the Company as mutually agreed before. Provided, the Designer shall report to the Company upon the Company’s request for occasional report unless there are special circumstances to deny.

**Article 6. Inspection and Acceptance**

6.1 The Company shall inspect Intermediate Deliverable at each stage of performance and shall notice the result to the Designer within five (5) business days.

6.2 The Company shall expressly notify its objection or request for amendment in writing so that the Designer understand and reflect the Company’s opinion to the Intermediate Deliverables. It is deemed that the Intermediate Deliverable has been accepted by the Company if the Company did not notify any objections to the Designer.

6.3 The Designer shall request the final inspection within the term of this Agreement by providing Final Deliverables and relevant reports and documents set forth in this Agreement and ancillary documents.

6.4 Upon receipt of submissions from the Designer pursuant to the preceding Article, the Company shall finalize the inspection for the Final Deliverable within ten (10) business days and promptly accept the Final Deliverable if the Final Deliverable is accepted for the inspection.

6.5 If the Company shall not pass the deliverable for the inspection, the Company shall notify the reason for the rejection to the Designer in writing. The Designer shall revise and amend the deliverable according to such notice and request the inspection again.

6.6 If the Company did not notify the Designer according to the preceding Article, the Final Deliverable shall be deemed to have been accepted.

**Article 7. Ownership of Intellectual property rights, etc.**

**1안: 디자인 용역을 발주하는 회사가 디자인권을 갖기 원하는 경우에 사용**

7.1 [ The intellectual property rights acquired by the Company pursuant to this Agreement or the intellectual property rights in regards of the Intermediate Deliverables shall be transferred to the Company after the termination of this Agreement or the payment by the Company. In such event, any expense incurred in registration for the intellectual property rights shall be borne by the Company. ]

**2안: 디자인 용역 발주사가 디자인권을 갖는 다른 예**

7.1 All patents, trade secrets or formulas created by or for the Company for the New Products and technical know-how and licenses (including technical assistance agreements) shall remain the property of the Company. The Company shall issue such patent and other licenses as may be necessary to enable the entity to which Designer renders design services for New Products.

**3안: 디자인 회사가 디자인권을 갖기 원하는 경우에 사용**

7.1 When an employee of Designer happens to invent or originate a new idea in the design of goods in connection with this Agreement and the Separate Note, Designer shall report the Company on this without delay, and the industrial property right shall belong to the Designer and all the expenses incurred in the course of application of industrial property right such as patent attorney fee, stamps, registration fee, etc. shall be borne by the Company.

**4안: 디자인 회사가 디자인권을 갖는 다른 예**

7.1 If the Company requests to acquire the intellectual property rights in regards of the designs of the New Products, the Designer shall apply for the related patent or copyright at the Company’s cost. However, the Company may designate the Designer as the patent or copyright owner.

**5안: 휴대전화 개발의 경우 예 : 지정된 1개의 디자인은 발주사가 그 외 디자인은 디자인사가 갖도록 한 예**

7.1 As to final Design Results of New Products developed and completed by the Designer under terms and conditions specified herein this Agreement, and to mock-up samples derived from such designs, the Company possesses their intellectual property rights for the finally selected 1 design and the corresponding one (1) mock-up sample made by the Designer to the Company. The Company is hence entitled to acquire such rights in applicable countries and areas. Furthermore, The Company is entitled to further independent developments based on such designs or mock-up samples and independently possess its own intellectual property rights thereof. In addition, the Designer reserves intellectual property rights of the rest of the designs and/or renderings unselected by the Company. The Designer shall guarantee that proprietary and intellectual property rights of all designs used in the development and provision to the Company by the Designer of the designs hereof is exclusively owned by the Designer, and the Designer shall assume all the responsibilities if there are relevant legal issues arisen regarding to such subject.

7.2 Designer shall do their best to respond to the requirements of the Company relevant to design development for goods with integrity and sincerity. When Designer fails in product development despite their utmost effort, the Company shall not hold Designer responsible therefor.

***(디자인 용역을 제공하는 경우에 포함. 발주하는 경우는 삭제할 수 있음)***

**Article 8 . Confidential Information**

**1안: 비밀조항 일반적 규정**

8.1 “Confidential Information” means any of the followings:

8.1.1 “Confidential Information” means any and all business, technical, financial know-how, trade secrets, concepts, drawings, data, forecast, intellectual property, personal information and other information that is disclosed by the disclosing party to the receiving party, either directly or indirectly, in writing, orally, electronically or other methods, or by inspection of tangible objects (including without limitation documents or electronic devices) provided by either party under performance of this Agreement.

8.1.2 If the Confidential Information is provided in writing, a statement should be displayed that presents that the information is confidential, including but not limited to, 'secret', 'confidential information', 'confidential' or 'internal'.

8.1.3 If any Confidential Information is provided by oral or visual methods other than tangible form, or by observing or surveying facilities or equipment, the receiving party shall be notified or shall be identified as Confidential Information at the time of provision, except for the case that the receiving party had been notified before such provision. If the receiving party requests confirmation of whether it is Confidential Information, the disclosing party shall once again provide the document marked Confidential Information within thirty (30) days.

8.2. Either party shall not the disclose any Confidential Information in regards of the disclosing party’s business and technical information to the third party without prior written notice of the disclosing party. Provided that, Confidential Information shall not include any information which:

8.2.1 the information which is already in the possession of the receiving party or known by the receiving party at the time of disclosure (except for the information known by being provided from the disclosing party other than the third party);

8.2.2 the information publicly known and made generally available before or after disclosure by the disclosing party to the receiving party without breaching a duty of confidentiality of the receiving party;

8.2.3 the information acquired without restriction on use or disclosure prior to being provided as Confidential Information;

8.2.4 the information legally obtained from a third party which has the right to disclose the information without any restriction on use or disclosure; or

8.2.5 the information that is independently developed by the receiving party without use of or reference to the Confidential Information of the disclosing party.

8.3. The receiving party shall use the Confidential Information of the disclosing party the confidential information provider only for the purpose set out in Article 8.1 and the receiving party shall not provide or disclose it to a third party except for the person who has the right to access without the written consent of the disclosing party.

8.4 Any of the employees or consultants of each party may be provided Confidential Information, if necessary for the purposes of this Agreement. However, in this case, such employees or consultants of each party shall promise to protect Confidential Information of the disclosing party.

8.5 The obligations under this Article 8 hereunder shall survive for two (2) years after the termination of this Agreement.

8.6. The receiving party shall return or destroy or delete all documents, media, electronic data and the copies which include the Confidential Information in unrecoverable methods, upon the request of the disclosing party.

8.7. The receiving party shall reimburse the damages of the disclosing party if the receiving party violated under this Agreement, including but not limited to, disclosure, reveal, provision, misuse, or abuse of the Confidential Information to an unauthorized third party or not notifying the disclosing party such violation, intentionally or negligently, without the disclosing party’s written consent.

**2안: 비밀조항중 비밀정보 누설시 책임에 대해 보다 상세하게 규정한 예**

Under terms and conditions specified herein this Agreement, as to all design concepts, confidential technologies, trade secrets and/or any other information that is confidential and maybe profitable to its beneficiary (hereinafter, the “Confidential Information”), the receiving party of such Confidential Information shall implement the obligation to keep it confidential during the term of this Agreement. Unless otherwise agreed by both parties, the receiving party shall not disclose or provide the Confidential Information to any third party without written permissions from the other party. Otherwise, the receiving party shall be responsible for all losses thereof. The receiving party of the Confidential Information shall require its employees, agents, distribution agents, and etc. to take the same or similar responsibilities of confidentialities and be responsible for losses and damages due to breaches of this Article by above-mentioned persons and/or businesses.

**Article 9. Prices**

**1안: 일반적인 디자인 용역료 규정. 상호 협의하여 결정토록 한 예**

9.1 The compensation for all the designs service of the Designer under this Agreement shall be determined in principle based on the previously proposed quotation with mutual consultation of the parties and shall not far exceed the direct and indirect expenses for the design, etc.

9.2 When the Company issues a change order in the design of New Products, the Company and the Designer can adjust the compensation amount with mutual consultation of both parties.

**2안: 선수금 포함, 지급시기, 방법을 이 계약서에서 정할 경우 예**

9.1 After the Separate Note becomes effective, the Company will remit the advanced payment of 30% at the beginning of phase X in the amount of US$ ----------, and the remaining balance of US$ --------- will be remitted after phase Y as specified in Article -- of this Agreement to the banking account designated by the Designer. The invoice copy shall be faxed or sent to the Company via courier (i.e. FedEx). All invoices are due within fifteen (15) days from the date of issuance. (The amount above shall not include value added tax.)

9.2 In addition to the payment pursuant to the Article 9.3, the Designer may request the actual expenses incurred by the performance of the design and development.

9.2.1 cost for model production

9.2.2 travel expenses

9.2.3 printing cost

9.2.4 any other costs similar to above items

9.3 If the Company fails to make payment for the amounts set forth in this Article 9 before the due date, the Designer may request the Company to pay the overdue interest that is product of the rate which is twice of average loan interest rate of banking institution (which is stated in monthly financial statistics of Bank of Korea) at the time of such delay and days in arrears.

9.4 In the event of delayed payment due to force majeure, such delay shall not be included in the days in arrears under the Article 9.5.

**3안: 휴대 전화 디자인 개발의 경우의 예**

9.1 Prior to commencement of any ordered new project, a scheduling conference will be held, during which the parties will resolve any open questions concerning the specific project, including the amount of the prices and project time schedule, and project specification etc. After such conference, both parties will sign a Purchase Order (“Separate Note”) (as set forth in Appendix A to this Agreement) to enter into a new project.Only such Purchase Order with signatures by parties shall cause the project to be duly executed.

9.2 For satisfactory Design Services and other relevant consultancy and design suggestions that the Designer agrees to provide to the Company in accordance with this Agreement and the Separate Note and its terms and conditions hereof, the Company agrees to pay the Designer for each model. The pricing structure is displayed as follows as agreed by both parties according to this Agreement practically:

a)

|  |  |  |  |
| --- | --- | --- | --- |
| **Design Service Grade** | **Design Definition and Term** | | **Unit Price**  **(Per model)** |
| Design Grade S | **Advanced Mobile Phone Design Project**  e.g.) Advanced Smart Phone | | 00,000US$ |
| Design Grade A | **Identity Core Mobile Phone Design Project** | |  |
| **A-1** | **Slide / Folder Type** | 00,000US$ |
| **A-2** | **PDA / Bar Type**  e.g.) --------- series Smart Phone | 00,000US$ |
| Design Grade B | **General Type Mobile Phone Design Project** | |  |
| **B-1** | **Slide / Folder Type** | 00,000US$ |
| **B-2** | **PDA / Bar Type**  e.g.) Dual band Bar type Phone | 00,000US$ |

b) Additional design fee:

①Additional mock-up: In case of an extra one or two renderings are selected by the Company to make mock up, the Company will pay extra working fee of phase IV and V according to Article 1 *(Mobile phone 해당 부분)*.

②Additional legal design rights: In case of the Company requires to one (1) extra intellectual property rights of Design result for the purpose of mass production and/or any others, an additional amount of the 50% of design development fee will be charged by the Designer.

c) Taxes：

The Company shall pay and be in charge of the taxes incurred in ---------, and the Designer shall be in charge of the taxes incurred in --------- *(the Designer’s country)*.

9.3 The payment terms are displayed as follows as agreed by both parties according to this Agreement practically:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Payments | Payment Terms | Payment Due Date | | Qty | Price  (USD) |
| 1stPayment | 30% | Within 15 days from invoice date | |  |  |
| 2ndPayment | 70% | Within 15 days from invoice date | |  |  |
| Total Contractual Amount | | |  | |  |

9.4 All payments specified hereof this Agreement shall be made via wire transfer to the following banking account designated by the Designer:

|  |  |
| --- | --- |
| **Name of the Bank** |  |
| **Account Name** |  |
| **Account No.** |  |
| **Address of the Bank** |  |
| **Swift Code** |  |

**Article 10. Transfer of Outcome**

**(적절하게 변용하여 사용)**

10.1 When Designer completes the design of goods, etc. based on this Agreement and the Separate Note and/or terminates without accomplishment, Designer shall transfer to the Company all the outcomes obtained in the process of the design of goods such as data, specification, listings of standards and components, drawing s, etc. at the request of the Company.

10.2 The Company may freely utilize, take benefit and/or dispose of all the outcomes on the designs of goods transferred from Designer without any restriction from Designer.

10.3 The Designer shall not use the outcomes prescribed in Paragraph 7.1 for its own use or third party’s.

10.4 Either party that breaches any terms and conditions specified hereof in this Agreement shall indemnify the other party for 50% of contractual amount specified in Section 6 of this Agreement.

**Article 11. No Assignment**

Either party may not assign or transfer, all or any rights or obligations arising from this Agreement to any third party without the other party’s written consent.

**Article 12. Return of Materials**

The Designer shall promptly return all materials provided by the Company upon any termination, cancellation or completion of this Agreement.

**Article 13. Termination of Agreement**

This Agreement may be terminated with one month’s prior written notice for termination from either party, in which case the Company will pay the Designer for the design works completed/done up to the termination of this Agreement.

**Article 14. Termination and Indemnification**

14.1. The parties may terminate this Agreement in the following cases:

14.1.1 if the parties have agreed in writing;

14.1.2 if either party is deemed to be in default due to material reasons including bankruptcy, insolvency or revitalization;

14.1.3 if the parties agree that it is difficult to perform this Agreement due to force majeure, including but not limited to disaster; or

14.1.4 if it is considered to impossible to perform this Agreement due to the Designer’s action or such nonperformance is attributable to the Designer.

14.2 In the event of any of the following cases, either party may terminate all or part of the Agreement if the party notifies the other party to cure its violation of the Agreement and the other party fails to cure such violation within fourteen (14) days.

14.2.1 if the other party breaches material terms of this Agreement;

14.2.2 if the Company delays performing its obligation which is necessary for the performance of the Designer and resulted the Designer’s nonperformance of this Agreement; or

14.2.3 if the Designer denies to perform its obligation without any reasonable reason or if it is considered difficult to complete its obligation within the term of this Agreement.

14.3 In the event of the cancellation or termination of this Agreement according to this Article 14, the parties shall promptly notify the other party in writing.

14.4 If one party causes the cancellation or termination of all or any part of this Agreement, such party shall indemnify the other party for damages caused by the cancellation or termination.

14.5 If this Agreement is terminated pursuant to this Article, each party’s liability to the other party shall be accelerated and shall be promptly reimbursed.

**Article 15. Termination or amendment by the Company**

15.1 The Company may terminate or amend all or part of this Agreement, if necessary.

15.2 If the Company terminates all or part of this Agreement pursuant to the preceding Article, the Company shall indemnify all damages incurred to the Designer.

15.3 If the development work of the Designer is suspended according to the Article 15.1, the Company shall pay the full remuneration to the Designer except for the decreased expenses by the suspension. Provided, the Company shall pay the remuneration in proportion to the amount of work performed until the suspension if such suspension was unavoidable.

**Article 16. Compensation of Arrears**

16.1 If the Designer fails to complete its obligation within the term of this Agreement, the Company shall deduct the number of days delayed multiplied by the product of 2 / 1000 and the total amount of this Agreement (hereinafter, “Compensation of Arrears”) from the total amount to pay.

16.2 If the Company agrees that the performance of the Designer is delayed due to any of the followings, the applicable number of days delayed shall be added to the number of days delayed under the Article 16.1.

16.2.1 In case of force majeure, including natural disasters

16.2.2 In case of delay or suspension of the Designer’s performance is caused by the Company; or

16.2.3 In case of delay or suspension of the Designer’s performance is not caused by the Designer.

16.3 The number of days delayed shall be counted as follows:

16.3.1 If the Designer performs its obligation within the term of this Agreement, the period required for the inspection shall not be included to the number of days delayed. Provided that, if the performance of the Designer is considered to be inconsistent with the terms and conditions of this Agreement through the inspection and the Company requested to modify the deliverable of the Designer, the period between the day of such request and the approval by final inspection shall be included to the number of days delayed.

16.3.2 If the Designer completed its obligation after the term of the Agreement, the period between the following day of last day of the term and the approval by final inspection shall be included to the number of days delayed.

**Article 17. Period**

17.1 This Agreement shall be valid for one year from the date of this Agreement unless earlier terminated as set forth in Article 8 above. This Agreement shall be automatically extended for successive one year terms unless either party gives the other its intention of objecting to the extension one month prior to the expiration of the initial or extension period of this Agreement.

17.2 Although this Agreement expires in accordance with this Article, the Company and the Designer shall still be bound by the obligation of relevant Separate Note as long as the Separate Note prescribed in Article 2 of this Agreement remains valid, and this Agreement shall be valid to the extent the relevant Separate Note is concerned.

***(제2조 발주서가 있는 경우 적용)***

**Article 18. Language**

This Agreement may be executed in English and in other languages (including Korean). In the event of any difference or inconsistency among different versions of this Agreement, the English version shall prevail over in all respect.

**Article 19. Dispute or Controversy Settlement**

19.1 When an unexpected matter not stipulated in this Agreement or in the Separate Note occurs or any dispute or controversy develops between STC and MVC in connection with this Agreement or the Separate Note, STC and MVC shall consult and solve it with sincerity.

**1안: 원칙적으로 대한상사중재원의 중재를 통해 분쟁해결**

Any dispute arising out of ot in connection with this contract shall be finally settled by arbitration in Seoul in accordance with the Arbitration Rules of the Korean Commercial Arbitraion Board.

**2안: 상대방이 자기 나라의 중재기관을 이용하도록 요구하는 경우에 절충적 방법에 의하되 한국 기업이 제소할 가능성이 많은 경우 이용 가능(한∙중 기업간의 예)**

All dispute in relation to this contract shall be finally settled by arbitrarion in the country of claimant. In case the claimant is (a Korean enterprise), the arbitration shall be held at the Korean Commercial Atbitration Board. In case the claimant is (a Chinese enterprise), the arbitration shall be held at the China International Economic and Trade Arbitration Commission.

**3안: 상대방이 자기 나라의 중재기관을 이용하도록 요구하는 경우에 절충적 방법에 의하되 상대방 기업이 제소할 가능성이 많은 경우 가능(한∙일 기업간의 예)**

All disputes related to this contract shall be finally settled by arbitration in the country of the respondent. In case the respondent is (Korean enterprise), the arbitration shall be held at the Korean Commercial Arbitration Board. In case the respondent is (Japanese enterprise), the arbitration shall be held at the Japan Commercial Arbitration Association.

**IN WITHNESS WHEREOF,** this Agreement is made in duplicate and each party shall retain a copy thereof.

The Company The Designer

Name : Name:

Title : Title :

Appendix A. Purchase Order(Form)

*(제 6.1항에 규정 - 필요시 개별 주문서 첨부)*