

KANDINSKY FRANCE PURCHASE TERMS AND CONDITIONS

As used herein, "Seller" includes Supplier, its subsidiaries and affiliates; "Kandinsky" includes Kandinsky France SARL, 90 rue de Garches, 92000 Nanterre, France, registered under the ID Number 454 093 725 by the Trade Register of Nanterre in France.

Seller and Kandinsky hereby agree as follows:

1. Services & Deliverables

Seller agrees to perform or provide the goods or Service deliverables (collectively referred to as "Goods"), described in any purchase order, in accordance with the applicable purchase order, scope of work and with these Terms and Conditions ("Agreement"). Upon acceptance of a purchase order, shipment of Goods or commencement of a Service, Seller shall be bound by the provisions of this Agreement. Any terms or conditions contained in any acknowledgment, invoice or other communication of Seller, which are inconsistent with the terms and conditions herein, are hereby rejected.

2. Delivery

Delivery of Goods shall be made pursuant to the schedule, via the carrier, shipping charges collect, all Goods received in advance of the delivery schedule. Seller shall package all items in suitable containers to permit safe transportation and handling.

Each delivered container and packages must be labelled and marked to identify contents without packages must contain packing sheets listing contents. Kandinsky's purchase order number must appear on all shipping containers, packing sheets, delivery tickets and bills of lading.

3. Delivery Delay

In the event Seller fails to deliver the Goods within the specified time at the specified destination and with the specified quality conditions:

- i. Kandinsky may decline to accept the Goods and the Seller has to refund all paid advances. In this case the seller shall be charged of all costs and damages caused by the order cancellation.
- ii. Or Kandinsky may demand its allocable fair share of Seller's available Goods and terminate the balance of the Agreement.
- iii. Or the Seller may propose a new delivery date that Kandinsky may accept: in that case, Kandinsky will receive 0,50% discount of the purchase amount for each day of Delay resulting of this new delivery date compared with the agreed delivery date of the schedule in the applicable purchase order.

4. Identification, Risk of Loss & Destruction of Goods

Seller assumes all risk of loss until receipt by Kandinsky at the designated destination. If the ordered Goods are destroyed prior to title passing to Kandinsky, Kandinsky may at its option cancel the Agreement or require delivery of substitute Goods of equal quantity and quality. Such delivery will be made as soon as commercially practicable. If loss of Goods is partial, Kandinsky shall have the right to require delivery of the Goods not destroyed.

5. Payment

As full consideration for the performance of the Services, delivery of the Goods and the assignment of rights to Kandinsky as provided herein, Kandinsky shall pay Seller the amount agreed upon and specified in the applicable purchase order:

The specified amount shall be paid by Kandinsky in the agreed form and at the agreed date.

- i. In case of Transfer, the date of the payment is the date of the order of transfer mailed to the Kandinsky bank institute.
- ii. In case of Credit Letter, the date of the payment is the defined issue date in the document as agreed in the purchase order

Payment shall not constitute acceptance. Each invoice submitted by Seller must be provided to Kandinsky within ninety (90) days of completion of the Services or delivery of Goods and must reference the applicable purchase order, and Kandinsky reserves the right to return all incorrect invoices. Kandinsky. Unless otherwise specified on the face of a purchase order, Kandinsky shall pay the invoiced amount within sixty (60) days after receipt of a correct invoice. Seller will receive no royalty or other remuneration on the production or distribution of any products developed by Kandinsky or Seller in connection with or based on the Goods or Services provided.

6. Warranties

- i. Seller warrants that all Goods provided will be new and will not be used or refurbished.
- ii. Seller warrants that all Goods delivered shall be free from defects in materials and workmanship and shall conform to all applicable specifications for the agreed period in the applicable purchase order from the date of delivery to Kandinsky or for the period provided in Seller's standard warranty covering the Goods, whichever is longer.
- iii. Seller shall furnish to Kandinsky Seller's standard warranty and service guaranty applicable to the Goods. All warranties and Service guaranties shall run both to Kandinsky and to its customers.

If Kandinsky identifies a warranty problem with the Goods during the warranty period, Kandinsky will promptly notify Seller of such problems and will return the Goods to Seller, at Seller's expense. Within five (5) business days of receipt of the returned Goods, Seller shall, at Kandinsky's option, either repair or replace such Goods, or credit Kandinsky's account for the same. Replacement and repaired Goods shall be warranted for the agreed warranty period in the applicable purchase order. All costs of collecting defect goods, shipment and damage (if applicable) will be paid by the Seller.

7. Quality Control by inspection

Kandinsky shall have a reasonable time after receipt of Goods and before payment to inspect them for conformity. Kandinsky may ask for an inspection institute which may contact the seller in order to organise the inspections during and/or after the mass production.

- i. The inspection criteria according to the Standard ANSI/ASQC Z 1.4 may be included in the applicable purchase order. In case of it is not mentioned, the level by default is two (2), the Acceptable Quality Level for critical / majors /minors defects are respectively 0 / 1,5 / 2,5.
- ii. The schedule of inspections (during and after mass production, before and after delivery) are agreed and indicated in the purchase order.
- iii. If the inspections detects some more defects as the according Acceptable Quality Level :
 - i. Kandinsky may refuse the Goods and the Seller may have to repair or reproduce new Goods. A new inspection may be planned at Seller's expenses. The defect goods may be destroyed by the Seller on its own costs and if not, they may not be sold without authorization of Kandinsky. In this case, the Seller shall ask Kandinsky for written authorization.
 - ii. Under Seller's discount offer, Kandinsky may accept the Goods.

8. Laboratory Tests for Standards controls

The Goods shall meet European Community (C.E.) Standards, even if it is not mentioned in the applicable purchase order.

Moreover, the goods shall meet quality specification which may be agreed and defined in the applicable purchase order.

Laboratory tests may be required to control the conformity of Goods according to CE standards and other agreed product specification. If the laboratory tests detect some defect according to the C.E. standards or according to agreed specifications:

- i. Kandinsky may refuse the Goods and the Seller may have to repair or reproduce new Goods. All laboratory tests – including the successful tests by the first production - may be planned at Seller's expenses. The defect goods may be destroyed by the Seller on its own costs and if not, they may not be sold without authorization of Kandinsky. In this case, the Seller shall ask Kandinsky for written authorization.
- ii. Under Seller's discount offer, Kandinsky may accept the Goods.

9. Independent Contractor

Kandinsky is interested only in the results obtained under this Agreement; the manner and means of achieving the results are subject to Seller's sole control. Seller is an independent contractor for all purposes, without express or implied authority to bind Kandinsky by contract or otherwise. Neither Seller nor its employees, agents or subcontractors ("Seller's Assistants") are agents or employees of Kandinsky, and therefore are not entitled to any employee benefits of Kandinsky, including but not limited to, any type of insurance. Seller shall be responsible for all costs and expenses incident to performing its obligations under this Agreement and shall provide Seller's own supplies and equipment.

10. Seller Responsible for Taxes and Records.

Seller shall be solely responsible for filing the appropriate tax forms and paying all such taxes or fees, including estimated taxes and employment taxes, due with respect to Seller's receipt of payment under this Agreement. Seller further agrees to provide Kandinsky with reasonable assistance in the event of a government audit. Kandinsky shall have no responsibility to pay or withhold from any payment to Seller under this Agreement any taxes or fees.

11. Insurance and coverage of Seller's assistants and workers

Seller shall be solely responsible for maintaining and requiring Seller's Assistants to maintain such adequate health, auto, workers' compensation, unemployment compensation, disability, liability, and other insurance, as is required by law or as is the common practice in Seller's and Seller's Assistants' trades or businesses, whichever affords greater coverage. Upon request, Seller shall provide Kandinsky with certificates of insurance or evidence of coverage before commencing performance under this Agreement. Seller shall provide adequate coverage for any Kandinsky property under the care, custody or control of Seller or Seller's Assistants.

12. Indemnity

Seller shall indemnify, hold harmless, and at Kandinsky's request, defend Kandinsky, its officers, directors, customers, agents and employees, against all claims, liabilities, damages, losses and expenses, including attorneys' fees and cost of suit arising out of or in any way connected with the Goods or Services provided under this Agreement, including, without limitation :

- i. any claim based on the death or bodily injury to any person, destruction or damage to property, or contamination of the environment and any associated clean up costs,
- ii. Seller failing to satisfy the Internal Revenue Service's guidelines for an independent contractor,
- iii. any claim based on the negligence, omissions or willful misconduct of Seller or any Seller's Assistants,
- iv. any claim by a third party against Kandinsky alleging that the Goods or Services, the results of such Services, or any other products or processes provided under this Agreement, infringe a patent, copyright, trademark, trade secret or other proprietary right of a third party, whether such are provided alone or in combination with other products, software or processes.

Should Kandinsky's use, or use by its distributors, subcontractors or customers, of any Goods or Services purchased from Seller be enjoined, be threatened by injunction, or be the subject of any legal proceeding, Seller shall, at its sole cost and expense, either

- i. substitute fully equivalent non-infringing Goods or Services
- ii. or modify the Goods or Services so that they no longer infringe but remain fully equivalent in functionality;
- iii. or obtain for Kandinsky, its distributors, subcontractors or customers the right to continue using the Goods or Services;
- iv. or if none of the foregoing is possible, refund all amounts paid for the infringing Goods or Services.

13. Confidentiality

Seller will acquire knowledge of Kandinsky confidential information ("confidential information") which includes without limitation : information relating to the research, development, products, methods of manufacture, designs, trade secrets, business plans, customers and other material or information considered proprietary by Kandinsky relating to the current or anticipated business or

affairs of Kandinsky which is disclosed directly or indirectly to Seller. Seller agrees to keep such information in confidence during and following termination or expiration of this Agreement, whether written or oral, in any form. In case of Seller need to communicate any confidential information to its assistants, suppliers or any third party, he shall ask Kandinsky for written authorization.

14. Copyrights

Seller agrees and guaranty Kandinsky not to use, copy, alter, directly or indirectly disclose any confidential information of Kandinsky or of any other patent holder without written authorization of Kandinsky or of the confidential information holder.

Seller agree to immediately report Kandinsky if he receives any inquiry from any other third party (including customers, distributors or other suppliers) which incorporate such information or which may be considered as entire or partial copy, or if he is aware of any such project by any other third party in which he is involved or not involved.

If Seller breaches this agreement article, (i) Seller shall pay to Kandinsky the full lost amount, based on the usual retail sales price of the goods in the concerned market added of penalties of 0,15% each day after the copied goods introduction in the market, (ii) or by case, Seller shall be fully reliable beyond the confidential information holder and pay the full amount including royalties and penalties requested by him to Kandinsky.

15. Termination

Kandinsky may terminate this Agreement upon written notice to Seller if Seller fails to perform or otherwise breaches this Agreement, files a petition in bankruptcy, becomes insolvent, or dissolves. In the event of such termination, Kandinsky shall pay Seller for the portion of the Services satisfactorily performed and those conforming Goods delivered to Kandinsky through the date of termination, less appropriate offsets, including any additional costs to be incurred by Kandinsky in completing the Services.

16. Force Majeure

Kandinsky shall not be liable for any failure to perform including failure to (i) accept performance of Services or, (ii) take delivery of the Goods as provided caused by circumstances beyond its control which make such performance commercially impractical including, but not limited to, acts of God, fire, flood, acts of war, government action, accident, labor difficulties or shortage, inability to obtain materials, equipment or transportation. In the event Kandinsky is so excused, either party may terminate the Agreement and Kandinsky shall at its expense and risk, return any Goods received to the place of shipment.

17. Lawyers' Fees

In any action to enforce this Agreement, the prevailing party shall be entitled to recover all court costs and expenses and reasonable attorneys' fees, in addition to any other relief to which it may be entitled.

18. Severability

If any provision of this Agreement shall be deemed to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

19. Limitation of Liability

In no event shall Kandinsky be liable to Seller or Seller's assistants, or any third party for any incidental, indirect, special or consequential damages arising out of, or in connection with, this agreement, whether or not Kandinsky was advised of the possibility of such damage.

20. Assignment; Waiver

Seller may not assign this Agreement or any of its rights or obligations under this Agreement, without the prior written consent of Kandinsky. Any assignment or transfer without such written consent shall be null and void. A waiver of any defaults hereunder or of any term or condition of this Agreement shall not be deemed to be a continuing waiver or a waiver of any other default or any other term or condition.

21. Governing Law

This Agreement shall be construed in accordance with, and disputes shall be governed by, the laws of France. The Court of Nanterre, France, shall have jurisdiction and venue over all controversies arising out of, or relating to, this Agreement. The applicability of the UN Convention on Contracts for the International Sale of Goods is hereby expressly waived by the parties and it shall not apply to the terms and conditions of this Agreement.

22. Entire Agreement; Modification

This Agreement is the complete, final and exclusive statement of the terms of the agreement between the parties and supersedes any and all other prior and contemporaneous negotiations and agreements, whether oral or written, between them relating to the subject matter hereof. This Agreement may not be varied, modified, altered, or amended except in writing, including a purchase order or a change order issued by Kandinsky, signed by the parties. The terms and conditions of this Agreement shall prevail notwithstanding any variance with the terms and conditions of any acknowledgment or other document submitted by Seller. Notwithstanding the foregoing, this Agreement will not supersede or take the place of any written agreement which is signed by both parties and covers the same subject matter as this Agreement or its related purchase orders.