

GENERAL TERMS & CONDITIONS OF PURCHASE

1 – General Statements

These General Terms and Conditions of Purchase ("GTCP") govern the purchase by Parrot Faurecia Automotive SAS, a French company with head offices at 174 quai de Jemmapes 75010 Paris France and/or Parrot Automotive Shenzhen Ltd., a Chinese Company, located at Room 2401, Xinhua Insurance Building, No. 171, MinTian Road, Futian District, Shenzhen (People's Republic of China) (the "Buyer") of all goods and/or services ("Goods") to be manufactured/supplied/provided by Seller, unless otherwise expressly agreed in writing with the Buyer. Buyer objects to any terms and condition of sales of the Seller appearing, incorporated by reference, attached to Seller's quotation or any other document. Lack of acknowledgement of receipt of any purchase order ("PO") within 2 working days or execution of any PO placed by Buyer is deemed acceptance of the PO. In the event of a conflict between the present GTCP and any specific terms agreed upon between Buyer and Seller, such specific terms will prevail.

2 – Delivery, Shipping, Acceptance

2.1 Time is of essence. Delivery of Goods must be compliant to the terms of the PO in term of Goods, quantity, technical specifications, quality.

2.2 Goods shall be packed properly and in a manner consistent with the nature of the Goods. Each Parcel shall bear a readable delivery slip containing i) the PO number, ii) the Good description, iii) the Buyer part number, iv) the quantity, v) the total number of parcels. Seller shall ensure that all documents necessary, if any and if applicable, to custom clearance, import/export authorization are enclosed with the delivery slip.

2.3 Delivery shall occur at Buyer premises or any other location indicated on the PO. Unless otherwise agreed, all deliveries shall be made DDP Incoterms 2010®.

2.4 Buyer may reject any Goods delivered in excess of the ordered quantity and return it at Seller's expenses and risk.

2.5 Deliveries of blanket PO, if any, shall be delivered according to time and quantities defined in the relevant PO.

2.6 Seller acknowledges that Buyer may but has no obligation to inspect the Goods at delivery. Buyer may reject any Goods not compliant with the PO within a reasonable period after delivery. At Buyer's option, Seller shall within 10 working days from notice of rejection at its own expenses: i) collect the Goods, ii) send replacement Goods with fast carriage, if necessary, iii) repair the Goods at Buyer/ place of delivery.

2.7 In case Buyer requires Seller to collect the Goods and Seller does not collect the Goods on time, Buyer reserves the right to dispose of the Goods or to send them back at Seller's risks and to charge Seller with the related costs.

2.8 Buyer may also cancel the portion of the Goods of the PO which is rejected, without any indemnity due to the Seller, and when possible procure alternative goods towards others suppliers

2.9 Without prejudice to other remedies, in case of late delivery, Buyer reserves the right to apply a penalty of 0,5% of the amount of the related PO per day of delay up to 20%. Such penalties may be deducted from amounts due by Buyer and cannot be construed as liquidated damages. Penalties may be deducted from the total amount due to the Seller for the related PO.

3 – Change to PO

Buyer reserves the right to modify any provision of the Order, at any time upon written notice to Seller. Within 3 working days of such written notice Seller shall indicate to Buyer the impact on prices/delivery times, if any, with all justifying documentation in order for Buyer to confirm his change request. Lack of answer from Seller shall be deemed as no objection from Seller and acceptance of the change request. Any modifications to a PO will be reflected through a updated PO.

4– Transfer of title and risk

Transfer of title on the Goods shall pass to Buyer at delivery. However Buyer may reject Goods not complying with the PO. Retention of title provision shall be deemed null and void.

Transfer of risks are governed in accordance with the agreed Incoterms (Incoterms® 2010) figuring on the PO.

5 –Prices and invoicing

5.1 Prices shall include packaging, handling, labelling and storage costs.

5.2 Prices shall be exclusive of VAT. Transport costs may be included depending on the applicable Incoterms® 2010.

5.3 Goods shall be invoiced in the currency agreed upon between Buyer and Seller.

5.3 In order to be timely paid, invoices shall be sent by the Seller to the invoicing address indicated on the PO and include all statutory mentions, PO number, references and number of delivery note.

5.4 Invoices will be paid by Buyer 45 days end of month from date invoice is issued on the bank account provided by Seller, provided that Goods are delivered in compliance with the present GTCP.

5.5 In case Seller does not deliver Goods in a timely manner or delivers any Goods in breach of any provision of the present GTCP, Buyer reserves the right to suspend payment until PO is performed in compliance with the GTCP.

6 – Tooling

Tools, dies, molds, jigs, fixtures, patterns, machinery, special test equipment, gauges and other means of production which have been provided or paid for by Buyer (the "Tools") shall be or remain the exclusive property of Buyer and shall be clearly identified as such. Seller will indemnify and defend Buyer against any claim or lien adverse to Buyer's ownership of the Tools. Seller shall use the Tools only for the PO's purpose.

Such Tools may be removed by Buyer at any time without extra cost. Nothing herein shall be construed as imposing on Buyer to provide any Tools. Seller's manufacture, preparation or alteration of Tools shall not give title to Seller. Seller shall not relocate the Tools without Buyer's prior written consent.

Seller shall be responsible for the security and maintenance of any Tools in its premises at its expense, risk and peril, and shall be responsible for any loss or damage to the Tools while in its possession or control. In the event of loss or damage to the Tools, Seller shall pay to Buyer the replacement value (fair market value) of the Tools as defined by a professional insurance. Tools in the Seller's possession must be clearly labelled as "Buyer's property" and shall not be pledged.

7 –Warranty and liability

7.1 Without prejudice to any other remedies available to Buyer, Seller expressly warrants that the Goods shall be: (i) merchantable, safe and fit for Buyer's intended purposes; (ii) free from defects in design, material and workmanship; (iii) new and of the highest quality; (iv) designed and manufactured as per the latest industry level of knowledge; (v) in strict compliance with any specifications, samples, drawings, designs or other requirements approved and/or submitted by Buyer and relevant standards; (vi) RoHS and REACH compliant together with the packaging thereof. Seller further warrants that the Goods and the packaging thereof shall not contain substances that endanger environment and human health as per any applicable regulation.

7.2 Without prejudice to any remedies available at law, the warranty period shall be of 36 months from date of delivery of the Goods.

7.3 In case of breach of any warranty stated in 7.1, Buyer may i) return the defective Goods at Seller's expense and risk and ask for replacement or refund, ii) ask the repair of the defective Goods either at Buyer place or any other location indicated by Buyer. Warranty services shall be provided by Seller free of charge to Buyer, including transportation costs. Seller shall bear all risk on the Goods in transit while under warranty process.

7.4 Seller shall indemnify and hold Buyer and its customers harmless from any costs and expenses, losses and for any direct, consequential damages, arising out of or in connection with a breach of any provision contained herein.

8 - Intellectual Property Rights

8.1 Any plans, drawings, software, specifications and other data ("Items") supplied/disclosed by Buyer remain its property and shall only and exclusively be used by Seller for the purpose of performing a PO under the present GTCP. No Item shall be recopied, reproduced or disclosed to third parties, except otherwise agreed in writing between Buyer and Seller.

8.2 Any invention, design, discovery, innovation or improvement related to any PO shall be the exclusive property of Buyer as soon as generated by Seller. All design and/or engineering work related to any PO shall be deemed to be work for hire. Seller hereby assigns to Buyer exclusively all associated rights, title and interests, including ownership of copyrights in such work throughout the world and for the duration of the same, including renewals and extensions. Seller hereby grants to Buyer a perpetual, non-exclusive, free of charge, right to use and sub-license any of Seller's intellectual property right and know-how necessary to practice, sell, reproduce, manufacture, use, distribute any invention, design, discovery, innovation or improvement and any associated rights, title and interests, assigned to Buyer under any PO.

9 – IP Indemnification

9.1 Seller warrants to the best of its knowledge that the Goods do not infringe any intellectual property right of any third party nor may give right to a claim for unfair competition.

9.2 Seller shall defend, hold harmless and indemnify Buyer, against any third parties claims, demands, costs, damages, settlements and liabilities (including expert and attorney fees), settled or awarded in any settlement, suit or proceeding. Seller shall investigate and defend or otherwise handle every such claim. Buyer shall make no admissions in relation to any claim and shall give Seller all reasonable assistance at Seller's expense. If by reason of a claim, the use of the Goods is impeded, Seller shall, at its own expenses and no costs to Buyer, either (i) procure for Buyer and/or its customers the right to continue using and selling the Goods; (ii) replace the Goods with substantially equivalent non-infringing Goods; or (iii) modify them so they become non-infringing.

9.3 Notwithstanding the foregoing, Seller shall have no obligation to indemnify Buyer regarding any third party rights infringement claim to the extent arising out of: (a) Seller's manufacture of Goods in compliance with technical designs or specifications provided by Buyer; (b) modifications or servicing made to Goods by Buyer or any third party without the approval of Seller.

10 – Confidentiality

10.1 Unless Buyer and Seller have signed a mutual non-disclosure agreement, the following shall apply to the disclosure of confidential information.

10.2 Seller shall (i) keep confidential any and all information whatever the subject (whether technical, industrial, financial, commercial or otherwise), the nature (e.g. know-how, methods, processes, technical or installation detail), the form (whether written, oral, electronic or otherwise), communicated or disclosed by Buyer in connection with the Order (including the Order existence and contents), (ii) not disclose any of them to any third party without Buyer's prior written consent and (iii) promptly return them at Buyer's request. This duty of confidentiality shall subsist throughout the execution of the Order and for 5 (five) years from its expiration or termination.

10.3 Non-disclosure obligation shall not apply to information for which Seller can prove that it: a) was already in the knowledge of Seller at the time of disclosure; b) has been obtained from a third party having the right to disclose it; c) was in the public domain at the time of disclosure by Buyer; d) has been independently developed by Seller without use or knowledge of the confidential information of Buyer.

10.4 Seller shall indemnify and hold Buyer harmless from any direct, indirect, consequential damages, arising out of a breach of the provision contained herein.

11 – Termination

Buyer may terminate the PO at any time for convenience by giving 15 calendar days written notice. The PO shall terminate upon expiry of the aforesaid notice period. Upon receipt of such notice, Seller shall immediately cease all production under the PO except in respect of such limited quantities of Goods that can be completed up to the date of termination under its normal production schedule. Buyer's sole liability is to pay for finished Goods that have been produced specifically and exclusively for Buyer, as are completed up to such date, and as delivered to and accepted by Buyer. Seller undertakes to (i) take all necessary actions to mitigate any costs and expenses; and (ii) to submit any payment request to Buyer within 30 calendar days of receipt of the termination notice, thoroughly documented by invoices or other applicable documents. Buyer reserves the right to audit all items of such payment request.

12 – Compliance with Labour Law and Environment

12.1 Seller remains at all times the actual employer of its personnel, and will therefore be responsible for the payment of all salaries, remuneration, expenses, bonuses, insurance costs and other costs associated with this personnel. Seller holds Buyer, its Customers or users harmless and shall indemnify them against any liability, action or claims associated therewith.

12.2 Seller declares that all work related to the delivery of the Goods will be performed by personnel regularly employed in accordance with applicable laws. Particularly and as may be required by any applicable law, such personnel shall be (i) registered with the relevant authorities and (ii) delivered a pay slip containing any compulsory information

12.3 Seller declares and guarantees to be in conformity with the European regulations regarding the protection of the environment (RoHS, REACH, WEEE...) and acknowledge that those commitments are essential to Buyer.

13- Compliance with Export control regulations

Seller shall provide the Products export control classification under Export Control Regulations, including without limitation EU and US Export Control regulations, and reasonable assistance in understanding the Export Control Regulations applicable to the Products.

Each time Seller becomes aware of a change in the Export Control Regulations applicable to the Products, Seller shall inform Buyer immediately.

Notwithstanding any other provision of these GTCP, Seller shall indemnify and hold the Buyer harmless from and against all cost, expense, fines, damages, losses and liabilities (including attorney's fees) incurred by Buyer as the result of Seller's non-compliance with its obligations under this provision.

14- Anti-bribery

Anti-Corruption Laws means any applicable international, national, state and local laws, statutes, rules and regulations regarding corruption, bribery, ethical business conduct, money laundering, political contributions, gifts and gratuities, or lawful expenses to public officials and private persons, agency relationships, commissions, lobbying, books and records, and financial controls, including but not limited to the Foreign Corrupt Practices Act, the UK Bribery Act, the French Sapin 2 Act, and laws implementing the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD); each as may be amended or supplemented from time to time.

Seller undertakes that it will comply with Anti-Corruption Laws for the performance of the PO.

In case of violation of the clause above, Buyer may be entitled to suspend or terminate the PO by giving notice with immediate effect and claim damages

15- Subcontracting

Seller cannot subcontract all or part of the performance of any PO without obtaining Buyer's prior written authorization. Seller will remain liable towards Buyer for all subcontracted performance of its obligation hereunder.

16- Audit

Buyer and its Customers shall be entitled to inspect Seller's premises at any time during normal business hours to audit Seller's processes, quality systems and certifications and carry out sampling or any other investigation as may be necessary. In the event such inspection reveals that Seller's does not comply with Buyer's requirements, Seller shall, without delay or cost to Buyer, take the appropriate remedial measures in order to achieve the necessary quality level or otherwise satisfactory situation. Inspection, audit, testing, absence of inspection, acceptance or payment made by Buyer shall not affect or reduce Seller's liability or release Seller, in any manner, from its obligations and liabilities under any PO or applicable law.

17 - Force Majeure

17.1 In case of Force Majeure affecting the fulfillment of these GTCP, the party so affected, shall give prompt notice to the other party, and be temporarily excused from the performance of its obligations to the extent that and for so long as non-performance results from the event of Force Majeure. "Force Majeure" shall mean all unforeseeable and unavoidable events beyond the reasonable control of the party affected, which prevent or delay in total or in part the carrying out of its obligations (such as but not limited to earthquakes, Acts of God and other natural disaster, fire, flood, accidents, war, riots, insurrection, civil disturbance, acts of government, governmental regulations, change of law and regulation, general transportation difficulties, strike, lock out, failure of public infrastructure).

17.2 In case the Force Majeure event would last more than 3 (three) months, each party may be entitled to cancel any order without any indemnification of any nature being due to either party.

18- Insurance

Seller shall, at its own expense, procure or cause to be maintained from a first-class insurance company the necessary insurance coverage to cover its obligations and liabilities under the Orders. Seller shall, produce insurance certificates evidencing compliance therewith on the Order date and every subsequent year. The total amount of damage covered by this insurance policy shall not be less than one million Euros (€ 1,000,000.00) or the equivalent in US Dollars.

19 – Governing Law and Jurisdiction

These GTCP are governed by the laws of France when the Buyer is Parrot Faurecia Automotive SAS and by the Laws of People's Republic of China when the Buyer is Parrot Automotive Shenzhen Ltd, excluding their conflict-of-law provisions. The application of the International Convention on the Sales of Goods of Vienna of April 1st 1980 is expressly excluded.

In case of any dispute arising out of the validity, interpretation or performance of these GTCP, and unless otherwise agreed in writing by the parties at the time of acceptance of the PO, exclusive jurisdiction shall be given to the relevant Court located in the city of the Buyer Head offices.