

GENERAL CONDITIONS MMID PRODUCT DEVELOPMENT, INC.

Article 1 Definitions

In these General Conditions, capitalized terms have the following meaning, unless explicitly otherwise indicated.

MMID: MMID Product Development, Inc., a Delaware corporation with a registered office located at 65 Eddy Street, Providence, Rhode Island, 02903.

Customer: The purchaser of the services set forth in the Contract.

Services: the services set forth in the Contract.

Contract: the contract for Services.

Product: the fully or partially designed product (and all material and information related thereto) that is the result of the completion of the Services.

Article 2 General

1. These General Conditions apply to every quote, offer and contract between MMID and a Customer in respect of which MMID has stated that these Conditions apply, insofar as the parties have not explicitly deviated from these Conditions in writing.
2. These Conditions also apply to all contracts with MMID, for the performance of which third parties need to be engaged.
3. Any deviations from these General Conditions are only valid if they have been explicitly agreed in writing.

Article 3 Quotes and offers

1. The offers made by MMID are without commitment; they are valid for a period of 30 days, unless otherwise indicated in writing. MMID is only bound by the offers if the Customer confirms acceptance thereof in writing within 30 days.
2. The prices in said quotes and offers are exclusive of any present or future federal, state or local property, sales, use, excise, license, duties, transportation, VAT, or other taxes, and other government levies, as well as costs made in the framework of the Contract, including travel, post, administration and special project costs, unless otherwise indicated.
3. A composite price (i.e. a price for several phases of Services) is an estimation only and is subject to change in MMID's sole discretion based on the findings of the prior phases.
4. Quotes or offers do not automatically apply in respect of future work or other contracts.

Article 4 Performance of the contract

1. If and insofar as proper performance of the Contract requires such, MMID has the right to instruct third parties to carry out certain activities and to assign the Contract in whole or in part to such third parties in its sole discretion without the prior written consent of the Customer.
2. The Customer shall see to it that all material or information with regard to which MMID indicates that it is necessary or in respect of which the Customer should reasonably understand that it is necessary for the performance of the Contract is furnished to MMID in due time and if possible in writing. If the information necessary for the performance of the Contract is not furnished to MMID in time, MMID has the right to suspend the performance of the Contract and/or charge the Customer for the delay ensuing from extra costs in accordance with the usual rates.
3. If it has been agreed that the Contract shall be performed in stages, MMID can suspend the performance of parts that belong to a following stage until the Customer has approved the results of the preceding stage in writing.
4. Prior to production, reproduction or publication, parties must give each other the opportunity to check and approve the latest models, prototypes or tests of the Product design. If MMID, whether or not in the name of the Customer, will give orders or directions to production companies or other third parties, then the Customer must, at the request of MMID, confirm its approval of the latest models, prototypes or tests of the Product design for MMID in writing.
5. The Customer indemnifies MMID against any claims of third parties who suffer damage in connection with the performance of the contract and which are attributable to the Customer.
6. A time period specified by MMID for the execution of the Services is indicative, and shall not be construed as falling within the meaning of "time is of the essence".

Article 5 Modification of the contract

1. If it appears during the performance of the Contract that proper performance requires that the work to be carried out be changed or supplemented, the parties shall modify the Contract accordingly in time and in consultation and in writing.
2. If the parties agree that the Contract will be modified, such modification can affect the time of completion of the Services or other material consequences. In such an event, MMID shall inform the Customer thereof as soon as possible.
3. If the modification to the Contract will have financial consequences, Article 6.4 will be applicable.

Article 6 Fee

1. If no fixed fee is agreed, the fee shall be determined on the basis of hours actually worked to complete the Services. The fee shall be calculated in accordance with MMID's usual hourly rates applicable for the period in which the work is carried out, unless a deviating hourly rate has been agreed.
2. For contracts with a term longer than three (3) months, the costs owing shall be periodically invoiced by MMID as determined in MMID's sole discretion.
3. MMID may increase the fee if during the execution of the work it turns out that the originally agreed or expected quantity of work was insufficiently estimated to such extent when making the Contract, and such is not attributable to MMID, that it cannot carry out the agreed work for the originally agreed fee. In such case MMID shall inform the Customer of the intention to increase the fee of 10% or more. MMID shall state the scope and the date of the increase. If the increase in the fee will amount to less than 10%, MMID will invoice this amount without prior notification.

Article 7 Payment

1. Payment must be made within 30 days after the invoice date. Objections to the amount of the invoices shall not suspend the payment obligation, and are without any form of discount and/or compensation.
2. If the Customer defaults on payment within the term of 30 days the Customer shall be legally in default. In such case the Customer shall owe interest of 1% per month, unless the statutory interest is higher, in which case the statutory interest applies. The interest over the due amount shall be calculated as of the time that the Customer defaults until the time of payment of the full amount; the Customer is not entitled to any claim of a right of suspension or setoff of the amounts owed.
3. In the event of liquidation, bankruptcy, attachment or moratorium on payment of the Customer, Customer's full fee shall be accelerated and immediately due and owing.
4. Unless otherwise stated by MMID in writing, in the event that the Customer does not (fully) perform its payment obligations or otherwise breaches the Contract, any license granted to the Customer under the Contract shall be terminated as of the date of the breach.

Article 8 Ownership

1. Any designs, sketches, drawings, films, software, (electronic) files, etc. that are part of the Services, remain MMID's property until the Customer has paid all fees in full under all Contracts made with MMID.

Article 9 Collection costs

1. In the event of past due payment, the Customer shall pay all of MMID's costs of collection of any amounts past due, including, but not limited to, attorneys' fees, court costs, witness fees, travel and lodging. MMID will be entitled to apply payments made by the Customer first to pay those claims it deems appropriate, including interest, late charges, costs of collection.

Article 10 Inspection, complaints

1. The Customer must lodge complaints regarding the Services performed in writing and within 8 days after they are discovered, but at latest within 30 days after completion of the relevant work. The complaint must contain the most detailed description of the alleged defect as possible, so that MMID is able to adequately respond.
2. If MMID verifies that the Services were defective, MMID shall carry out the work as agreed, unless the Customer demonstrates that such has in the meantime become pointless. The customer must give written notice thereof if the work becomes pointless.
3. If the completion of the Services is no longer possible or meaningful, MMID shall only be liable to the Customer within the limits of Article 14.

Article 11 Termination

1. MMID and Customer can terminate the Contract by written notice at any time and for any reason or no reason at all.
2. Customer may terminate the Contract in the event of a material breach of the Contract by MMID; provided, however, that Customer shall provide notice to MMID of such breach and a thirty (30) day right to cure such breach. Only if MMID fails to cure the breach within the thirty (30) days, shall the Customer have a right to terminate the Contract.
3. Except in the event of a material breach of the Contract under Article 11.2, or force majeure under Article 16, if the Customer terminates the Contract before completion of the Services, the Customer shall pay the full fees for the phase of the Contract on which MMID is working at the time of such termination, and all prior phases.
4. Notwithstanding anything to the contrary in these General Conditions, if the Contract requires MMID to repeatedly carry out similar Services, the Contract, unless otherwise agreed in writing, shall be effective for an indefinite period of time until terminated by either party.
5. In the event that the Contract is terminated, and the Customer requests, MMID will undertake reasonable best efforts to transition the Services to a third party.

Article 12 Suspension

1. MMID has the right to suspend performance of the obligations under the Contract (and, if it elects, terminate the Contract under Article 11) if:

- a. The Customer breaches the Contract, does not perform its obligations under the Contract, or does not perform such obligations in full.
- b. The Customer has filed a petition for bankruptcy; a petition for involuntary bankruptcy has been filed against the Customer; Customer's property has been attached in execution; a resolution for the dissolution or winding up of the Customer has been adopted; more than 50% of the Customer's ownership equity or substantially all of its assets have been transferred to a third party without the consent of MMID; or the existence of force majeure (see Article 16).
- c. When making the Contract the customer was asked to give security for the performance of its obligations under the Contract and such security is not given or is insufficient.

Article 13 Return of goods made available

1. If MMID has made goods available to the customer in connection with the performance of the contract, the customer is bound to return the goods delivered within 14 days in original condition, free of defects and in full. If the customer does not perform this obligation, all ensuing costs are at the customer's expense.
2. If the customer, for whatever reason, after a demand to this effect, continues to default on the obligation referred to under 1., MMID has the right to recover the damage and costs ensuing therefrom, including the costs of replacement, from the customer.

Article 14 Warranty; Liability

1. MMID shall perform the Contract to the best of its insight and ability and in accordance with the requirements of good skill. The foregoing is subject to the state of technology at that time. The foregoing is MMID's full warranty. MMID DISCLAIMS ANY EXPRESS WARRANTY NOT PROVIDED HEREIN AND ANY IMPLIED WARRANTY, GUARANTY OR REPRESENTATION AS TO PERFORMANCE, QUALITY AND ABSENCE OF DEFECTS, WHICH BUT FOR THIS PROVISION, MIGHT ARISE BY IMPLICATION, OPERATION OF LAW, CUSTOM OF TRADE OR COURSE OF DEALING, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
2. MMID'S ENTIRE LIABILITY TO CUSTOMER RELATING TO THE SERVICES SHALL BE LIMITED TO THE COST OF THE SERVICES DURING THE SIX (6) MONTHS IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO ANY CLAIM BY THE CUSTOMER. MMID DISCLAIMS ANY LIABILITY FOR CONSEQUENTIAL, INCIDENTAL, AND CONTINGENT DAMAGES; PROPERTY OR PERSONAL INJURY DAMAGES; SPECIAL OR PUNITIVE DAMAGES; DAMAGES FOR LOST PROFITS; OR FOR ANY OTHER TYPES OF ECONOMIC LOSS.
3. MMID disclaims and shall not be liable for:
 - a. Errors in the information or material made available by the Customer.
 - b. Misunderstandings or errors with regard to the performance of the Contract if the reason or cause therefore is due to the Customer's acts or omissions.
 - c. Errors of third parties engaged by or on behalf of the Customer.
 - d. Offers of suppliers or supplier price estimates.
 - e. Errors in the Product design, if the Customer, in accordance with the provisions of Art. 4.4 has given its approval of the Product design, or has been given the opportunity to carry out an inspection and has indicated not to require such inspection.
 - f. Errors in the Product design, if the Customer has failed to execute a specific model, prototype or trial, and such errors would have shown up in such model, prototype or trial.
4. The Customer shall, if reasonably possible, keep copies of materials and information it has provided to MMID until the Services have been completed. If the Customer fails to do so, MMID cannot be held liable for damage which would not have arisen had there been such copies.
5. After completion of the Services, neither the Customer nor MMID shall have a duty to keep materials and information used vis-à-vis each other.

Article 15 Indemnity

1. The Customer shall indemnify, defend, and hold MMID and its parent, subsidiary, affiliated and related companies, and their respective predecessors, past and present officers, directors, shareholders, agents, employees, legal representatives, successors and assigns (the "Indemnified Parties") harmless against all claims of third parties for infringement of their intellectual property related to or arising out of materials or information made available by the Customer which are used in the performance of the Contract.

2. The Customer shall further indemnify, defend, and hold the Indemnified Parties and persons which MMID engages for the provision of the Services against all third-party Claims (as defined below) related to or arising from the designed Product.
3. "Claims" means any and all liabilities, losses, damages, actions, suits, demands, claims of any kind and nature and all costs and expenses whatsoever to the extent they may be incurred or suffered by the Indemnified Parties in connection with the Products (including, without limitation, reasonable attorneys' fees and expenses), fines, penalties (and other charges of applicable governmental authorities), damage to or loss of use of property (including, without limitation, consequential or special damages to third parties or damages to Buyer's property), or bodily injury to or death of any person(s) (including, without limitation, any agent or employee of Customer, user of the Products, or any other person).

Article 16 Force majeure

1. MMID is not bound to perform any obligation due to force majeure.
2. In these General Conditions, force majeure means, in addition to what such is understood to mean in the law and jurisprudence, all external causes, foreseen or unforeseen, which are beyond MMID's control, but which mean that MMID is not able to perform its obligations.
3. MMID also has the right to claim force majeure if the circumstance which impedes (further) performance arises after MMID should have performed its obligations.
4. During the period that the force majeure continues the parties can suspend the obligations under the Contract. If this period lasts longer than two (2) months, each of the parties is entitled to terminate the Contract, without any obligation to compensate the other party for damage; provided, however, the Customer shall pay the fees for the Service rendered up through the date of termination.
5. Insofar as MMID at the time of the arising of the force majeure has in the meantime performed its obligations under the Contract in part, and the part performed has an independent value, MMID is entitled to separately invoice for such part. The Customer is bound to pay such invoice as if it were a separate contract.
6. In the event that the Contract is terminated for force majeure, and the Customer requests, MMID will undertake reasonable best efforts to transition the Services to a third party.

Article 17 Confidentiality

1. Both parties are subject to a duty of confidentiality in respect of all confidential information which they have acquired in the framework of the Contract from each other or from some other source. Information is deemed confidential if the other party has stated in writing that such information is confidential or if it should be reasonably understood from the nature of the information that such information is confidential.
2. Confidential information does not apply to information:
 - a. Which is now or hereafter becomes generally available or known to the public by publication or otherwise through no act or failure to act of the recipient of the information ("Recipient");
 - b. Which at the time of disclosure was known to the Recipient without any obligation to keep such information confidential at the time of receiving such information, and such knowledge is promptly communicated to the discloser of the information ("Discloser") with clear evidence of same;
 - c. Which is hereafter furnished to the Recipient by a third party, as a matter of right and without restriction on disclosure;
 - d. Which is the subject of written permission to disclose provided by the Discloser;
 - e. Which is disclosed in response to a valid order of a court or other governmental body or any political subdivision thereof having jurisdiction over the Recipient, or is otherwise required to be disclosed by law, provided however, the Recipient shall first have given notice to the Discloser and shall have made a reasonable effort to obtain a protective order requiring that the confidential information so disclosed be used only for the purposes for which the order was issued;
 - f. Which is independently developed by an employee or employees of the Recipient who have not been exposed, either directly or indirectly, to the confidential information, and such development is promptly communicated with all details to the Discloser; or
 - g. Which is disclosed as is necessary to establish or enforce obligations under the Contract or these General Conditions.

Article 18 Intellectual property rights and copyrights

1. Without prejudice to the other provisions of these General Conditions, MMID reserves the rights and power to which MMID is entitled pursuant to the Copyright Act.
2. All items furnished by MMID that are proprietary to MMID, such as reports, recommendations, contracts, designs, sketches, drawings, software, etc. are exclusively intended for use by the Customer and, without MMID's prior consent, it may not reproduce, publish or disclose such to third parties, unless it should be reasonably understood from the nature of the items furnished that these restrictions should not apply.
3. MMID reserves the right to use the knowledge which it has gained through the execution of the Services for other purposes, insofar as no confidential information of the Customer is disclosed to third parties in the use of that knowledge.
 - 3.1 Unless otherwise agreed, all intellectual property rights in the Product – including the patent right, design right and the copyright – are owned exclusively by MMID until payment is made in full by the Customer. Once the Customer pays in full, unless otherwise stated by the Customer in writing, all intellectual property rights in the Product are automatically transferred to the Customer; provided, however, that MMID shall retain the right to be listed as the inventor of any patent associated with the Product.
 - 3.2 Unless otherwise agreed in writing, the Services do not include researching the existence of patent rights, design rights, drawing or model rights, copyrights and portrait rights of third parties. The same applies for any research into the possibility of such forms of protection for the Customer.
 - 3.3 MMID retains the right, without the Customer's prior consent, to publicize for its own marketing purposes (i.e. website, brochure, etc.) that it provided the Services; provided, however, MMID will not publicize the foregoing until such time as the Customer discloses information about the Product or the Service to the public.

Article 19 Samples and models

1. If the Customer has been shown or given a sample or model, it shall be presumed to have only been given as an indication, unless it is explicitly agreed that the Product shall correspond therewith.

Article 20 Non-solicitation

1. During the term of the Contract and for one (1) year after termination thereof, the Customer shall not, in any way, without prior written consent of MMID, employ staff of MMID or of businesses which MMID engaged in the performance of the Contract and who are or were involved in the performance of the Contract or otherwise have such persons work for Customer, directly or indirectly.

Article 21 Sample

1. After market introduction, the Customer will provide MMID with a sample of the Product.

Article 22 Forum Selection

1. In the event of a dispute arising from or relating to these the Contract or these General Conditions or any transaction between MMID and the Customer, the parties hereby agree to personal exclusive jurisdiction in the state and federal courts located in Chicago, Illinois. The parties hereby waive any right they might have otherwise had, but for this section, to file a motion to dismiss for lack of personal jurisdiction or forum non-conveniens relating to such courts.
2. The parties shall only bring a matter before such courts after having endeavoured to resolve a dispute amicably for a period of no less than thirty (30) days.

Article 23 Applicable law

1. The Contract and these General Conditions and all transactions between MMID and Customer are governed by the laws of the State of Delaware in the United States, without reference to conflict of laws principles.

Article 24 Entire agreement

1. These General Conditions constitute the sole terms and conditions of the Contract between the MMID and the Customer. No other terms, conditions, or understanding, whether oral or written, shall be binding upon MMID, unless hereafter made in writing and signed by MMID's authorized representative.

Article 25 Severability

1. Should any provision of these General Conditions be judicially declared unenforceable, that provision shall be deemed stricken and the remainder shall continue in full force and effect insofar as it remains a workable instrument for effectuating the intents and purposes of the parties. The parties further agree to renegotiate any so severed provision to bring the same within applicable legal requirements to the greatest extent possible.