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## General Conditions

### 1. DUTIES OF THE CLIENT

1.1 The CLIENT undertakes to offer its full co-operation to the DESIGNER for the execution of the PROJECT, supplying at any time all technical specifications and information requested by the DESIGNER for the completion of the PROJECT, including but not limited to all previous project developments and programmes with regard to the PROJECT.

1.2. As the DESIGNER will execute the PROJECT in its capacity, the CLIENT empowers the following person within its own staff to define the programme of the works described in Exhibit A as well as to be in contact with the DESIGNER for the purposes set forth in point 1.1 hereto:

Name of person: NAME

Staff position: POSITION

The above-mentioned person will be entitled to represent the CLIENT in technical assistance, the engineering, production of samples, testing and prototypes before final production.

The responsible person for the project of the DESIGNER is:

Name of person: NAME

Staff position: POSITION

1.3. In case of any change of the person appointed in point 1.2. hereabove or variations of the staff position the DESIGNER will be entitled to thirty (30) days written notice before a change in the appointed representative occurs. Such change of representative will not be a reason for termination of this agreement for the DESIGNER.

1.4. The CLIENT shall prepare, at his own expenses and costs, all models, samples and prototypes on the basis of projects and drawings which will form the PROJECT and / or which are necessary for the execution of the PROJECT; should these models, samples and prototypes be prepared by the DESIGNER upon written request of the CLIENT, the CLIENT shall only reimburse all reasonable costs and expenses to the DESIGNER.

1.5. Any change of models, samples and prototypes made for any reason by the CLIENT in respect of designs prepared by the DESIGNER shall be agreed upon and approved by the latter; provided, however, that such agreement or approval shall not be unreasonably withheld.

1.6. Starting from the completion of the DESIGN the CLIENT shall develop the PROJECT in view of the industrial manufacturing and introduction of the PRODUCTS on the market. The CLIENT undertakes with design support from the DESIGNER, within the scope of this agreement to carry out the above development within twelve months from the completion of the DESIGN DEVELOPMENT by the DESIGNER.

1.7 It is the responsibility of the CLIENT to ensure that the design, manufacture, marketing and distribution of the product comply with the laws of the country for which it is intended.

## 2. DUTIES OF THE DESIGNER

2.1: The DESIGNER undertakes to execute the PROJECT with appropriate care within the limits and provisions of the professional duties and not to work simultaneously on similar projects in competition with the project described in "Exhibit A" unless prior written consent of the CLIENT is obtained.

2.2. The DESIGNER shall not disclose any information made available to the DESIGNER from time to time, including, without limitation, marketing information, technical information, financial information, know-how, methods of production and any and all other applicable methods, applications and procedures related to the foregoing and all such other information designated by COMPANY NAME as confidential.

All information, documents, etc. given to THE DESIGNER in connection with this Letter of Undertaking shall be promptly returned to COMPANY NAME upon termination.

## 3. INTELLECTUAL PROPERTIES LICENCE AND ROYALTIES.

3.1 All final drawings and projects (hereinafter referred to as the INTELLECTUAL PROPERTIES) which will form the PROJECT are property of the author/s. Whereas the author/s of the INTELLECTUAL PROPERTIES has/have granted to the DESIGNER all the exclusive rights for the exploitation in any manner (DESIGNER to deliver as of date hereof copy certified by a notary to CLIENT stating relinquishment of all exclusive rights from the author/s to the DESIGNER) whatsoever of the INTELLECTUAL PROPERTIES all over the world, the DESIGNER hereby grants to the CLIENT the world-wide exclusive licence for the manufacturing, sale and distribution of the PRODUCTS manufactured utilising the INTELLECTUAL PROPERTIES upon the terms and conditions set forth herein:

3.2 Licence granted hereunder includes the exclusive right to manufacture, sell and distribute the PRODUCTS all over the world; manufacturing, sale and distribution of the PRODUCTS shall be carried out by the CLIENT or its affiliated, associated or subsidiary companies; any sub-licence to third parties must be notified to the DESIGNER.

3.3 The use of the name of the author/s of the INTELLECTUAL PROPERTIES, the DESIGNER on catalogues, in advertisements and press releases, exhibitions or in sales promotion shall be subject to the approval of the DESIGNER. After such approval by the DESIGNER, the DESIGNER shall hold the CLIENT harmless for whatever claims the author/s of the INTELLECTUAL PROPERTIES may have against the CLIENT of the DESIGNER.

a) In consideration of this undertaking, the CLIENT shall pay to the DESIGNER, a royalty, in accordance with the terms and conditions mentioned at the point III of the Letter of Undertaking and defined in paragraph d) below.

b) Starting from the beginning of manufacturing of the PRODUCTS the CLIENT shall pay to the DESIGNER a royalty as defined in section III of Letter of Undertaking.

c) Royalties shall be calculated on all sales of the product, any and all of its derivatives, similar products and/or subsequent modifications, such sales being calculated on the "FTP" (Field Transfer Price) of the PRODUCTS. The PRODUCTS are defined as those designed by THE DESIGNER as set forth in Exhibit A. The DESIGNER shall be given opportunities with reasonable notice to comment on any amendments or changes or additions to Exhibit A. These amendments shall be included in the calculation of the royalties. The payment of royalties will be effected on a half-yearly basis.

d) The DESIGNER shall pay all taxes, levies and duties of any kind arising out of or in connection with this agreement for payment of royalties. If any such taxes, levies or duties are paid by the CLIENT; DESIGNER shall promptly reimburse the CLIENT in the respective amount upon receipt of appropriate certificates or other relevant documentation.

e) In the event that any payments due under this agreement is not made within 14 days after the due date specified the CLIENT shall pay to the DESIGNER (interest calculated on a daily basis) on the overdue payment from the date such payment was due to the date of actual payment at a rate at three per cent over the base lending rate of HSBC from time to time.

f) At the same time as payment of any royalties under this Agreement falls due the CLIENT shall submit or cause to be submitted to THE DESIGNER a statement in writing recording the calculation of royalties due and payable as defined in section III of Letter of Undertaking.

g) The CLIENT shall keep proper records and books of account showing the total value of sale income received by the CLIENT originating from the commercial manufacture of the Product and such books shall be kept separate from any records and books not relating to the product and to be open at reasonable times upon prior agreement with the CLIENT such agreement not to be unreasonably withheld or delayed to inspection by the DESIGNER or their duly authorised agent or representative on up to 2 occasions in any year who shall be entitled to take copies of or extracts from the same. In the event that such inspection or audit should reveal a discrepancy in the royalties paid from those payable under this Agreement, the CLIENT shall immediately make up any shortfall. Should the discrepancy be in favour of the CLIENT of more than 5%, COMPANY NAME shall reimburse the DESIGNER in respect of any reasonable professional charges incurred for such audit or inspection.

3.4 THE DESIGNER shall not have the responsibility for protecting THE DESIGNER's intellectual property rights in any part of the world whether by way of registration or otherwise, but the CLIENT shall be entitled at its own expense to protect the intellectual property rights of the DESIGNER and to protect and exploit the CLIENT's rights under the license granted here under as the CLIENT deems necessary. The CLIENT shall have the right but not the obligation to file, maintain, prosecute and litigate the intellectual property rights of the DESIGNER.

3.5 The licence shall be effected as of DATE and shall remain in force for a duration of five years; it shall be automatically renewed unless the CLIENT gives the DESIGNER written notice of termination at least six (6) months prior to the expiration of the original term or any such extension. Before any termination of the licence granted to the CLIENT sufficient notice of any material breach or default and the opportunity to cure any such breach or default. In the absence of such breach or default this licence cannot be terminated by the DESIGNER.

3.6 In the event of a third party infringement of any intellectual property rights concerning the PRODUCT, the CLIENT shall be free to take adequate measures including the filing of law suits to enforce those rights, at its sole discretion and at its own cost. On the request of the CLIENT, the DESIGNER shall give the support required for this purpose, including, but not limited to, the power of attorney.

3.7 Any damages and other payments made by the infringing party shall be distributed between the CLIENT and the DESIGNER in equal shares after the deduction of the costs incurred by both parties in asserting and defending their legal rights.

#### 4. REIMBURSEMENTS

All reasonable expenses incurred by the DESIGNER for the performance of the PROJECT, including but not limited to travel, board and lodging, reproduction of drawings and projects, photographs and telephone charges, shall be reimbursed by the CLIENT upon prompt communication by the DESIGNER of statement of accounts which shall be considered accepted 15 days after the receipt thereof. DESIGNER shall provide the CLIENT with a monthly statement of the above referred expenses.

#### 5. LIABILITY

The CLIENT shall hold harmless and indemnify the DESIGNER against all costs, claims, damages, expenses or other liabilities of whatsoever nature and howsoever and whensoever incurred by or made against the DESIGNER in respect of all or any claims of whatsoever nature and howsoever, wheresoever and whensoever arising against the DESIGNER arising out or in relation to the manufacture sale and distribution of the Products ( or any of them ) by any party, save only to the extent that such claims are attributable to the negligence of the DESIGNER and/or to the extent that any claim arised from the DESIGNER having knowingly infringed the intellectual property rights of a third party.

#### 6. DOCUMENTS

The DESIGNER shall be entitled to:

- One final model, sample of the prototype of the PROJECT;

- Photographs of models, samples or prototypes of the PROJECT
- Brochure of models, samples or prototypes of the PROJECT in a reasonable quality sufficient for an adequate documentation of the PROJECT.

## 7. DEFAULT AND TERMINATION

7.1 In the event that either party commits any breach or default in respect of the provisions, terms and conditions on its part to be performed or observed as provided in the Letter of Undertaking or its Exhibit A (SPECIFICATIONS OF THE WORKS), Exhibit B (GENERAL CONDITIONS), Exhibit C (FEES SCHEDULE) or Exhibit D (ROYALTY SCHEDULE), the other party shall have the right to request an immediate correction of such breach or default in writing, and may then terminate the letter of Undertaking and / or the licence granted in point 3.2 of the Exhibit B (GENERAL CONDITIONS) effective upon sixty (60) days written notice, unless the defaulting party shall have remedied such breach or default within the period of thirty (30) days after receipt of such notice of termination.

Such right of termination shall be subject to paragraph 3.1 and shall be without prejudice to any other remedy which may be available against the defaulting party. The obligations of the DESIGNER in paragraph 2.2 shall survive any termination of the Letter of Undertaking and / or the licence granted in paragraph 3.1 of Exhibit B.

7.2 In the event that any proceedings for insolvency or bankruptcy are instituted by or against either party, or a receiver for either party is appointed, or in the event of any substantial change in the management or in the beneficial ownership of either party, the other party shall have the right to terminate the Letter of Undertaking and / or the licence granted in point 3.1 of the Exhibit B (GENERAL CONDITIONS) effective immediately by notice in writing to the defaulting party.

## 8. GOVERNING LAW

The Letter of Undertaking and its Exhibit A (Specification of the works) and Exhibit B (General Conditions) shall be governed and construed in accordance with the Law of New York State.

## 9.0 INTERPRETATION

Any questions of interpretation arising out of these conditions of engagement will be addressed through the law of New York State, or, where it is mutually agreed by both Parties, may be referred to the Industrial Design Society of America for decision at any time, provided always that such decision is sought on a statement of undisputed facts and submitted jointly by both parties who undertake to accept the decision as final.

## 10. NOTICES

The general conditions of this Letter of Undertaking shall apply to all business relations between COMPANY and the DESIGNER and supersede any prior agreement or undertaking by and between the parties concerning the matters herein ruled.

Signed for acceptance

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NAME For and on behalf or Billings Jackson LLC

Date

Signed for acceptance

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NAME For and on behalf of COMPANY NAME

Date

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