
TOUCH SENSITY General Terms and Conditions of Sale **Study, adaptation and/or supply of Prototype**

This document defines, subject to any modifications and/or derogations that TOUCH SENSITY and the customer (hereinafter referred to as the "Customer") may agree upon in writing, the general conditions governing the performance by TOUCH SENSITY of study, adaptation and production for a Prototype that implements and/or integrates the technology owned by TOUCH SENSITY.

TOUCH SENSITY and the Customer are hereinafter referred to individually as the "Party" and collectively as the "Parties".

ARTICLE 1 - DEFINITIONS

The following terms shall have the following meaning:

"Equipment" means the equipment supplied by the Client to TOUCH SENSITY in order to carry out the Services under the conditions of the Order;

"Order" means the order placed by the Customer with TOUCH SENSITY which shall identify and specify the Services to be carried out by TOUCH SENSITY and shall contain all other relevant instructions and information, including but not only the desired date of completion of Services and the financial consideration. The Order is composed of the following documents :

- the Order and its annexes;
- the present TOUCH SENSITY general terms and conditions of sale;
- the commercial proposal issued by TOUCH SENSITY ("the Commercial Proposal");
- the Functional Specifications issued by the Customer.

In the event of a discrepancy or contradiction between the stipulations of one or more contractual documents, the order of priority shall be as set out in the list above;

"Prototype" means the prototype that TOUCH SENSITY shall produce according to the Order, whether or not following a feasibility study, by adapting and/or applying or positioning the Technology on the Equipment. Its purpose is to prove feasibility and provide proof of concept.

"Reports" means the reports resulting from the completion of the feasibility study Services, which TOUCH SENSITY undertakes to carry out under the Order;

"Services" means the services of carrying out a feasibility study and/or adapting the Technology and producing a Prototype that implements and/or integrates the Technology under the conditions of the Order;

"Functionnal Specifications" means the document issued by the Customer which defines the expected purposes of the Services to be provided by TOUCH SENSITY under the Order;

"Technology" refers to the technology and know-how held by TOUCH SENSITY that enables materials (solid, textile or liquid) to be made sensitive to physical interactions and that TOUCH SENSITY shall adapt and/or apply to the Equipment in order to carry out the Services under the Order.

ARTICLE 2 - ORDER

2.1. All Orders from TOUCH SENSITY are made in writing. TOUCH SENSITY shall not be bound by a verbal offer.

2.2. Unless otherwise expressly agreed by TOUCH SENSITY, the period of validity of an Order shall be limited to ninety (90) days from the date of issue. Beyond this period, TOUCH SENSITY shall be entitled to refuse the Order or to modify its conditions.

2.3 TOUCH SENSITY shall only be considered bound to the Customer once TOUCH SENSITY has accepted in writing the Order issued by the Customer or once the Customer has expressly accepted the Commercial Proposal.

ARTICLE 3 CHANGES TO THE ORDER

Any amendment to the Order shall only be binding on the other Party once the Parties have signed a written agreement expressly referring to the Order.

ARTICLE 4 - IMPLEMENTATION TIMEFRAME

4.1. Estimated deadlines of completion of Services are specified in the Order.

4.2. The deadlines for performance of the Services are subject to the Client fulfilling its own obligations, such as the supply of the Equipment, payment of the amount defined in the Order, supply of documents, information, products or materials necessary for the performance of the Order.

4.3. The deadlines shall be automatically extended in the event of a delay not exclusively attributable to TOUCH SENSITY, such as but not limited to the delay of the supplier(s) or subcontractor(s) of TOUCH SENSITY concerned by the delay or in the event of force majeure (as defined in article 15 "Force majeure").

4.4. A delay attributable to TOUCH SENSITY shall not be a cause for termination of the Order.

ARTICLE 5 - PRICE PAYMENT

5.1. Price:

Unless otherwise expressly stipulated in the Order, the price for the performance of the Services is expressed in euros, excluding taxes. It is firm and non-revisable and is fixed for Reports and/or Prototypes that are packed, loaded and delivered Free Carrier Merignac (France), TOUCH SENSITY establishment (FCA establishment TOUCH SENSITY, ICC Incoterms, ed.2020).

The price mentioned in the Order does not include (i) taxes such as VAT, import duties, (ii) transport and insurance costs.

5.2. Payment

5.2.1. Unless otherwise stipulated in the Order, the payment schedule of the Order shall be as follows :

- thirty percent (30%) upon placing the Order;
- thirty per cent (30%) on delivery of the interim Reports;
- forty percent (40%) on delivery of the Prototype.

Alternatively, in the absence of Reports and/or Prototype :

- thirty percent (30%) upon placing the Order;
- seventy per cent (70%) on submission of Reports or delivery of Prototype.

5.2.2. Requests for advance payments and payments sent by TOUCH SENSITY to the Customer shall be paid within thirty (30) days at the end of the month of the date of the invoice or of the request for advance payments, by bank transfer.

5.2.3. Payments shall be made without any deduction of any kind and no compensation of any nature shall be allowed. Complaint or claim from the Customer shall under no circumstances postpone or suspend payments.

5.2.4. Late payment interests. If payment has not been made in due date, TOUCH SENSITY shall be entitled to give the Customer a written notice that the amount due and payable shall be increased by four times the legal interest rate, accruing daily after expiry of the payment term according to 5.2.1 above and until complete payment is effective, without prejudice to damages to which TOUCH SENSITY shall be entitled.

These damages for delay shall be payable upon receipt of the notice of payment for delay issued by TOUCH SENSITY.

ARTICLE 6 - CUSTOMER'S OBLIGATIONS

The Customer shall provide TOUCH SENSITY with the Equipment(s) defined in the Order and necessary for the execution of the Services, as well as any other necessary information that the Order may require. TOUCH SENSITY shall not be held responsible for any failure or error, particularly in design, integration or manufacturing, resulting from the absence of information that the Customer should have provided to TOUCH SENSITY or from the use of all or part of the knowledge or Equipment provided by the Customer.

ARTICLE 7 - ACCESS TO TOUCH SENSITY'S PREMISES

Subject to compliance with the internal rules of TOUCH SENSITY and/or its subcontractors and subject to compliance with an agreed notice period of four (4) working days notified in writing in order to ensure the availability and confidentiality of TOUCH SENSITY, the Customer's representatives responsible for monitoring the Services are entitled to have access during working hours to TOUCH SENSITY premises in which the Services are carried out.

ARTICLE 8 - EQUIPMENT ENTRUSTED

The Equipment entrusted by the Customer to TOUCH SENSITY in the frame of the Order shall be considered as lent, without any transfer of ownership. The Equipment therefore remains the property of the Client and shall be stored in such a way as to avoid any confusion with the ownership of TOUCH SENSITY or of third parties. TOUCH SENSITY shall take all appropriate measures to protect the Equipment against any theft or damage of any kind whatsoever, except for any damage to the Equipment required to perform the Services.

The Equipment is exclusively reserved for the performance of the Services and must be returned in the context of the provision of the Services.

ARTICLE 9 - DELIVERY AND ACCEPTANCE

The estimated delivery date of the Reports and/or Prototype is mentioned in the Order. TOUCH SENSITY shall inform the Customer of the final delivery date as soon as possible before delivery. The Customer shall be invited to take part in the acceptance operations for the Services on the

agreed date. If the Services comply with the Order, acceptance of the Services shall be evidenced by a written document signed by both Parties. If the Customer notifies TOUCH SENSITY within five (5) working days of delivery that the Services do not comply with the Order, TOUCH SENSITY shall modify the Services concerned as soon as possible in order to have the Services conform with the Order.

ARTICLE 10 TRANSFER OF RISK AND OWNERSHIP

10.1. The risk of loss and/or damage to the Prototype shall be borne by the Customer from the delivery date of the Prototype FCA establishment TOUCH SENSITY (ICC Incoterms, ed.2020).

10.2. Should the Prototype be delivered as a deliverable under the Order, title to the Prototype shall be transferred to the Customer at the full and complete payment of the Order according to article 5 (Price payment) of the GTCs.

ARTICLE 11 WARRANTY

11.1 Services performed by TOUCH SENSITY under the Order shall be performed in a professional manner consistent with the standards of quality and care typical within the industry, at the time of performance for similar work. TOUCH SENSITY warrants to provide the means for the proper execution of the Services under the conditions of the Order, for a period of six (6) months from the date of receipt of the Reports and/or Prototype respectively, pursuant to article 9 (Delivery - Acceptance). In the event any part of the Service is agreed to not comply with this warranty for a cause attributable to TOUCH SENSITY, TOUCH SENSITY shall, at its choice and costs, reperform or correct such part of the Service concerned by the failure of TOUCH SENSITY to implement the appropriate means. The remedy provided in this section shall be the exclusive remedy for failure or breach of warranty. It is a condition of warranty that the Customer gives written notice of the failure of warranty promptly after discovery thereof.

11.2. If such a defect is revealed, the Customer shall immediately inform TOUCH SENSITY in writing, providing all information likely to characterise the nature of the defect found. The Customer shall give TOUCH SENSITY every opportunity to establish the defect and to remedy it.

11.3 During the warranty period, TOUCH SENSITY shall modify the elements of the Services, if the Customer provides proof that the non-compliance defect is directly attributable to TOUCH SENSITY.

11.4. The warranty only applies if the Prototype delivered has been correctly handled, transported, stored, maintained and used by the Customer, in accordance with the rules of the trade and under normal conditions in the type of industry in question, by authorised personnel, without being subjected to any disturbances, experimental activities, research and development activities, accidents, alterations, abuse or any misuse.

11.5 In the frame of the warranty, TOUCH SENSITY shall bear the costs of any new intervention on the Services, Reports and/or the defective Prototype, in order to make it conform to the warranty obligation.

11.6 Shall be excluded from warranty granted by TOUCH SENSITY :

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- defects arising in whole or in part from an Equipment or a part of supplied by the Customer, information supplied by the Customer or a design of the Prototype imposed by the Customer, products or materials supplied by the Customer or any abnormal use of the Prototype ;
 - deterioration of the Prototype due either to negligence, a lack of supervision or maintenance, or a false operation attributable in whole or in part to parties other than TOUCH SENSITY ;
 - defects in the Prototype resulting from the Client's decision to carry out interventions, modifications or repairs on the Prototype himself or to have them carried out by a third party.

11.7 NEITHER TOUCH SENSITY NOR ANYONE ACTING ON ITS BEHALF MAKES ANY OTHER WARRANTY, WHETHER STATUTORY, WRITTEN, ORAL, EXPRESSED OR IMPLIED, (INCLUDING ANY WARRANTY OF MERCHANTABILITY, SUITABILITY, PERFORMANCE OR FITNESS FOR A PARTICULAR PURPOSE, OR ANY WARRANTY ARISING FROM COURSE OF DEALING OR USAGE OF TRADE) WITH RESPECT TO PRODUCT OR SERVICES PROVIDED HEREUNDER.

ARTICLE 12 - LIABILITY

12.1. TOUCH SENSITY, its contractors, subcontractors of any tier, suppliers and their respective insurers shall not be held liable to the Customer whether arising under contract, tort (regardless of degree of fault or negligence), strict liability or otherwise, for loss of anticipated profit, loss by reason of plant or other facility shutdown, non operation or increased expense of operation, service interruption, cost of purchased or replacement power, claims of customers, subcontractors, governmental fines or penalties, loss of use of capital or revenue, cost of money or for any special, indirect, incidental or consequential loss or damage of any nature arising at any time from any cause whatsoever.

12.2. The total liability of TOUCH SENSITY (and its contractors, subcontractors of any tier, suppliers and their respective insurers) to the Customer, whether in contract, tort (including but not limited to negligence), strict liability or otherwise, shall not exceed the compensation paid or payable by the Customer for the Order.

12.3. The Customer shall waive and shall cause its insurers to waive all right of recourse against TOUCH SENSITY and its insurers, hold harmless and indemnify TOUCH SENSITY, its contractors, subcontractors of any tier, suppliers and their respective insurers for all claim made by a third party above the aforesaid liability limitation under articles 12.1 and 12.2.

ARTICLE 13 - CONFIDENTIALITY

13.1. The Customer agrees that the Technology and the Prototype, as well as the content of the Order and any other information of any kind provided by TOUCH SENSITY to the Customer are confidential (hereafter the "Confidential Information") and undertakes not to disclose any such Confidential Information to any third party, whether in whole or in part, in any form whatsoever, as well as not to copy, reproduce or duplicate in any other form or under any other manner, without TOUCH SENSITY's prior written consent.

13.2. TOUCH SENSITY undertakes not to use the Equipment for any purpose other than for implementation of the Order.

13.3. The Customer undertakes to strictly limit the communication and any disclosure of Confidential Information only to members of its personnels on a need-to-know basis to implement

the Order and/or use the Prototype according to the Order and to have these members of personnels be committed by the terms of this article 13 (Confidentiality).

13.4. The Customer undertakes to return to TOUCH SENSITY all Confidential Information communicated by TOUCH SENSITY at TOUCH SENSITY' first request or at any date defined in the Order.

13.5. The Order shall not be considered or construed as express or implied as giving to the Parties any right of ownership or of use on the Confidential Information owned by the other Party, except as necessary to implement the Order. Accordingly, the Parties shall refrain from filing any title or claiming any intellectual property right based on Confidential Information of the other Party.

ARTICLE 14 – INTELLECTUAL PROPERTY

14.1 Prior IP Rights

The Parties shall each retain ownership of the intellectual property rights generated or acquired prior to or independently of the Order, subject to the rights of third parties (the "Prior IP Rights"):

- the Customer shall retain all intellectual property rights to the Equipment;
- TOUCH SENSITY shall retain all intellectual property rights on the Technology and on any software that may be integrated to implement the Technology.

TOUCH SENSITY grants the Customer user rights on the Technology Prior IP Rights strictly limited to the need for the implementation of the Prototype. The price of this grant is included in the price of the Services defined in the Order.

14.2 Reports

The Customer acquires full and complete ownership of the Reports. Consequently, TOUCH SENSITY transfers, on an exclusive basis, upon full payment of the Services, all the author's rights associated with the Reports, for the legal duration of intellectual property rights and on a worldwide basis. The price of this transfer is included in the price of the Services defined in the Order.

As such, the Customer acquires, without limitation, the rights to use, reproduce, represent, adapt, modify, translate, distribute and commercially exploit all or part of the Reports on any medium for the legal term of protection of intellectual property rights and on a worldwide basis, with rights to assign or grant user rights to any third party of his choice.

14.3 Prototype

TOUCH SENSITY shall retain all intellectual property rights associated with the Prototype and any software that may be integrated for the implementation of the Technology. The Order shall not entail any transfer of intellectual property rights to the Prototype or to the software integrated by TOUCH SENSITY for the purposes of the Services.

TOUCH SENSITY grants the Customer the right to use the Prototype, including the said software, within the limits strictly necessary for the implementation of the Prototype for demonstration purposes only or to prove its feasibility, without any other rights such as the right to reproduce, represent, adapt, modify, reverse engineer or translate. The price of this grant of limited user rights is included in the amount of the Order.

ARTICLE 15 - FORCE MAJEURE

15.1. Neither Party shall be held liable to the other for any expense, loss or damage resulting from the delay or prevention of performance caused by any event beyond its control and which it cannot reasonably avoid or overcome in whole or in part, as well as in the event of natural disasters, bad

weather, fire, strikes (including work stoppages occurring in the premises of TOUCH SENSITY or its subcontractors or suppliers) sabotage, embargo or worsening of an embargo, interruptions or delays in transport or means of communication, acts or regulations issued by public, civil or military authorities (including delays in obtaining authorisations or permits of any kind), war, epidemics, pandemics, actions or failures by a subcontractor or supplier involving the postponement of delivery.

15.2. The Party experiencing such delay or impeachment shall give prompt notice thereof to the other Party and the time for performance shall be equitably adjusted by the duration of the event and its consequences. The Party whose delay is excused hereunder shall, in good faith, exercise reasonable efforts to make up time lost by the force majeure event and shall continue performance of its obligations as soon as reasonably possible after cessation of the force majeure event.

15.3. If the duration of the force majeure event and/or its consequences exceeds six (6) weeks, either Party may terminate the part of the Order affected by the delay due to force majeure, in accordance with the terms of Article 16.2 (Termination). In this case, the costs irretrievably incurred by TOUCH SENSITY, any Report or Prototype completed or in a position to be completed and/or any Service carried out on the date of termination, shall be paid by the Customer.

ARTICLE 16- SUSPENSION - TERMINATION

16.1 TOUCH SENSITY shall be entitled to suspend the execution or to terminate the Order in accordance with the terms and conditions set out in article 16.2, in the event of non-payment by the Customer on any due date, by registered letter with acknowledgement of receipt sent by TOUCH SENSITY to the Customer. Suspension of the Order shall be effective until the unpaid invoice has been settled and the performance deadlines are automatically extended by the duration of the Customer's delay in making payment, without prejudice to any late payment indemnities, the payment amount being increased by the costs incurred during the suspension and late payment interest in accordance with article 5.2.4.

In case of decision by TOUCH SENSITY to terminate the Order under this article, it shall not be considered as a termination caused by TOUCH SENSITY and shall not give rise to compensation for the Customer.

16.2. In case of material breach of the Order by either Party, the other Party shall be entitled to notify the other Party by registered letter with acknowledgement of receipt to remedy such breach. If within thirty (30) days after date of this notification to remedy, the defaulting Party has not sufficiently remedied the breach, the other Party shall be entitled to terminate the Order for breach of the defaulting Party, by registered letter with acknowledgement of receipt. Termination of the Order shall be deemed acquired without any other procedure fifteen (15) days after sending the said letter, without prejudice to damages TOUCH SENSITY shall be entitled to claim due to the defaulting Party.

ARTICLE 17 – ASSIGNMENT – SUB-CONTRACTING

Neither Party may transfer all or part of its rights and obligations under the Order without the prior written consent of the other Party.

TOUCH SENSITY shall be entitled to subcontract all or part of the Services to third parties, provided that it maintains its commitment to the proper performance of the Services defined in the Order.

ARTICLE 18 – APPLICABLE LAW - SETTLEMENT OF DISPUTES

The applicable law is French law.

The Parties expressly agree that any dispute arising from the interpretation, performance or non-performance of the Order, including in the case of summary proceedings or emergency proceedings, shall, in the absence of an amicable settlement or legal attribution of jurisdiction, fall under the exclusive jurisdiction of the Commercial Court of Bordeaux (France).
