

PURCHASE ORDER TERMS AND CONDITIONS. This Purchase Agreement ('Agreement') contains Apple's standard Purchase Order Terms and Conditions and shall apply to any Purchase Order (a 'PO') issued by Apple to Seller. As used in this Agreement, "Seller" means seller and its subsidiaries and affiliates and "Apple" means iTunes S.Ã r.l. Seller shall procure the agreement of its subsidiaries and affiliates to the provisions of this Agreement and shall be responsible for the compliance by its subsidiaries and affiliates with the provisions of this Agreement. Seller and Apple hereby agree as follows:

1. SERVICES & DELIVERABLES. Seller agrees to perform the services ("Services") and/or provide the goods ("Goods", which term shall include goods provided as part of any Services), described in any PO, in accordance with the applicable PO and with this Agreement. Acceptance of a PO and this Agreement shall occur (i) within five (5) days of receipt by the Seller; or, (ii) upon shipment of Goods; or, (iii) upon commencement of a Service, (whichever is the earlier). Seller shall be bound by the provisions of this Agreement, including all provisions set forth on the face of any applicable PO, whether Seller acknowledges or otherwise signs this Agreement or the PO, unless Seller objects to such terms in writing within five (5) days of receiving the Agreement and/or the PO, prior to shipping Goods or prior to commencing Services. This writing does not constitute a firm offer and may be revoked at any time prior to acceptance. This Agreement may not be added to, modified, superseded, or otherwise altered, except by a writing signed by an authorized Apple representative and specifically stated to be an amendment of this Agreement.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 of this Agreement, are hereby rejected. To the extent that this Agreement might be treated as an acceptance of Seller's prior offer, such acceptance is expressly made on condition of assent by Seller to the terms hereof and shipment of the Goods or beginning performance of any Services by Seller shall constitute such acceptance. Apple hereby reserves the right to reschedule any delivery or cancel any PO issued at any time prior to shipment of the Goods or prior to commencement of any Services. Apple shall not be subject to any charges or other fees as a result of such cancellation.

2. DELIVERY. Time is of the essence. Delivery of Goods shall be made pursuant to the schedule, via the carrier, and to the place specified on the face of the applicable PO. Apple reserves the right to return, shipping charges collect, all Goods received in advance of the delivery schedule. If no delivery schedule is specified, the order shall be filled promptly and delivery will be made by the most expeditious form of transportation by land or sea. If no method of shipment is specified in the PO, Seller shall use the least expensive carrier. In the event Seller fails to deliver the Goods within the time specified, Apple may, at its option, decline to accept the Goods and terminate this Agreement or may, without prejudice to any other rights or remedies Apple may have under this Agreement, decide to accept such of Seller's Goods as are available to be delivered and terminate the balance of the Agreement. Seller shall package all items in suitable containers to permit safe transportation and handling. Each delivered container must be labelled and marked to identify contents without opening and all boxes and packages must contain packing sheets listing contents. Where applicable, Apple part numbers shall appear on Seller's packing sheets. Apple's PO number must appear on all shipping containers, packing sheets, delivery tickets, and bills of lading. Seller will clearly identify the country of origin of all Goods delivered and will indemnify Apple with respect to any expenses, duties, penalties, damages, settlements, or legal costs incurred by Apple in connection with Seller's failure to identify or misidentification of the country of origin.

3. SALE BY DESCRIPTION, RISK OF LOSS, & DESTRUCTION OF GOODS. Where the sale of Goods is by description it is a condition of this Agreement that the Goods will exactly correspond with the description. Seller assumes all risk of loss until title transfers to Apple. Title to the Goods shall pass to Apple upon receipt by it of the Goods at the designated destination; provided, however, that if the designated destination is a warehouse operated by Seller or a third-party on Seller's behalf (a 'Hub'), even if located on Apple's premises, receipt by Apple shall occur, and risk of loss and title shall transfer to Apple, when they are physically delivered to Apple and withdrawn from the Hub. If the Goods ordered are

destroyed prior to title passing to Apple, Apple may at its option cancel this Agreement or require delivery of substitute Goods of equal quantity and quality. Such delivery will be made as soon as commercially practicable and without prejudice to any other rights or remedies Apple may have under this Agreement. If loss of Goods is partial, Apple shall have the right to require delivery of the Goods not destroyed.

4. PAYMENT AND INVOICING. As full consideration for the performance of the Services, delivery of the Goods and the assignment of rights to Apple as provided in this Agreement, Apple shall pay Seller (i) the amount agreed upon and specified in the applicable PO, or (ii) Seller's quoted price on date of shipment (for Goods), or the date Services were started (for Services), whichever is lower; provided that if the designated destination for Goods is a Hub (as defined above) Apple shall pay Seller (a) the amount agreed upon and specified in the applicable PO, or (b) Seller's quoted price on the date such goods are physically delivered to Apple and withdrawn from the Hub, whichever is lower. Applicable taxes and other charges such as shipping costs, duties, customs, tariffs, imposts, and government imposed surcharges shall be stated separately on Seller's invoice. Payment by cheque is made when Apple's payment is mailed and payment by bank transfer is made when the funds leave Apple's bank account. Payment shall not constitute acceptance of the Goods or Services. All duties, taxes, copyright levies, environmental levies, or any other levies assessable upon the Goods prior to receipt by Apple of Goods conforming to the PO shall be borne by Seller. Seller shall invoice Apple for all Goods delivered and all Services actually performed. Each invoice submitted by Seller must be provided to Apple within ninety (90) days of completion of the Services or delivery of Goods or as otherwise agreed or specified in the PO and must reference the applicable PO, and Apple reserves the right to return all incorrect invoices. Apple will receive a 2% discount of the invoiced amount for all invoices that are submitted more than ninety (90) days after completion of the Services or delivery of the Goods. Unless otherwise specified on the face of a PO, Apple shall pay the invoiced amount within forty-five (45) days after receipt of an undisputed invoice. Seller shall send only one original invoice to Apple Computer Accounts Payable Department. Seller will receive no royalty or other remuneration on the production or distribution of any products developed by Apple or Seller in connection with or based on the Goods or Services provided. To the extent that any intellectual property subsists in the Goods or Services that does not constitute Work Product as defined below, Seller hereby grants to Apple and warrants that it is entitled to grant to Apple a royalty free, perpetual, irrevocable licence (with the right to sub-licence) any such intellectual property.

5. WARRANTIES. **5.1 Services.** Seller represents and warrants that all Services shall be completed in a professional, workmanlike manner, with the degree of skill and care that is required by current, good, and sound professional procedures. Further, Seller represents and warrants that the Services shall be completed in accordance with applicable specifications and statements of work and shall be correct and appropriate for the purposes stated therein. Seller represents and warrants that the performance of Services under this Agreement will not conflict with, or be prohibited in any way by, any other agreement or statutory restriction to which Seller is bound. **5.2 Goods.** Seller warrants that all Goods provided will be new and will not be used or refurbished. Seller warrants that all Goods delivered shall be free from defects in materials and workmanship and shall conform to all applicable specifications for a period of fifteen (15) months from the date of delivery to Apple or for the period provided in Seller's standard warranty covering the Goods, whichever is longer. Seller hereby agrees that it will make spare parts available to Apple for a period of five (5) years from the date of shipment at Seller's then current price, less applicable discounts. Additionally, Goods purchased shall be subject to all written and oral express warranties made by Seller's agents, and to all warranties and conditions implied by law. All warranties shall be construed as conditions as well as warranties and shall not be exclusive. Seller shall furnish to Apple Seller's standard warranty and service guarantee applicable to the Goods. All warranties shall run both to Apple and to its customers. If Apple identifies a warranty problem with the Goods during the warranty period, Apple 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 Apple's option, either repair or replace such Goods, or credit Apple's account for the same. Replacement and repaired Goods shall be warranted for the remainder of the

warranty period or six (6) months, whichever is longer.

6. **INSPECTION.** Apple shall have a reasonable time after receipt of Goods and before payment to inspect them for conformity to the PO and applicable specifications, and Goods received prior to inspection shall not be deemed accepted until Apple has run adequate tests to determine whether the Goods conform thereto. Use of a portion of the Goods for the purpose of testing shall not constitute an acceptance of the Goods. If Goods tendered do not wholly conform with the provisions hereof, Apple shall have the right to reject such Goods. Nonconforming Goods will be returned to Seller freight collect and risk of loss will pass to Seller upon Apple's delivery to the common carrier.

7. **INDEPENDENT CONTRACTOR.** Apple 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 Apple by contract or otherwise. Neither Seller nor its employees, agents or subcontractors ("Seller's Agents") are agents or employees of Apple, and therefore are not entitled to any employee benefits of Apple, 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.

8. **SELLER RESPONSIBLE FOR TAXES AND RECORDS.** Seller shall be solely responsible for filing the appropriate tax forms and paying all 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 Apple with reasonable assistance in the event of a revenue audit. Apple shall have no responsibility to pay or withhold from any payment to Seller under this Agreement, any taxes or fees.

9. **INSURANCE.** Seller shall be solely responsible for maintaining and requiring Seller's Agents to maintain such adequate health, auto, employer's liability, public liability, product liability and all risks and other insurance, as is required by law or as is the common practice in Seller's and Seller's Agents' trades or businesses, whichever affords greater coverage. Upon request, Seller shall provide Apple with certificates of insurance or evidence of coverage before commencing performance under this Agreement. Seller shall provide adequate coverage for any Apple property under the care, custody or control of Seller or Seller's Agents.

10. **INDEMNITY.** Seller shall indemnify, hold harmless, and at Apple's request, defend Apple, its officers, directors, customers, agents and employees, against all claims, liabilities, damages, losses, and expenses, including legal costs 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 including any claims arising under Directive 2002/96 EC on Waste Electrical and Electronic Equipment or any local legislation implementing that Directive, (ii) Seller failing to satisfy any tax authority guidelines for an independent contractor, (iii) any claim based on the negligence, omissions, or wilful misconduct of Seller or any of Seller's Agents, and (iv) any claim by a third party against Apple 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. Seller shall not settle any such claim without Apple's prior written approval. Seller agrees to pay or reimburse all costs that may be incurred by Apple in enforcing this indemnity, including legal costs. Should the use of any Goods or Services by Apple, its distributors, subcontractors, or customers be enjoined, be threatened by injunction, or be the subject of any legal proceeding, Seller shall, at its sole cost and expense, either (a) substitute fully equivalent non-infringing Goods or Services; (b) modify the Goods or Services so that they no longer infringe but remain fully equivalent in functionality; (c) obtain for Apple, its distributors, subcontractors, or customers the right to continue using the Goods or Services; or (d) if none of the foregoing is possible,

refund all amounts paid for the infringing Goods or Services.

11. CONFIDENTIALITY. Seller may acquire knowledge of Apple Confidential Information (as defined below) in connection with its performance hereunder and agrees to keep such Apple Confidential Information in confidence during and following termination or expiration of this Agreement. "Apple Confidential Information" includes but is not limited to all information, whether written or oral, in any form, including without limitation, information relating to the research, development, products, methods of manufacture, trade secrets, business plans, customers, vendors, finances, personnel data, Work Product (as defined in provision 12, below), and other material or information considered confidential or proprietary by Apple relating to the current or anticipated business or affairs of Apple which is disclosed directly or indirectly to Seller. In addition, Apple Confidential Information means any third party's proprietary or confidential information disclosed to Seller in the course of providing Services or Goods to Apple. Apple Confidential Information does not include any information (i) which Seller lawfully knew without restriction on disclosure before Apple disclosed it to Seller, (ii) which is now or becomes publicly known through no wrongful act or failure to act of Seller, (iii) which Seller developed independently without use of the Apple Confidential Information, as evidenced by appropriate documentation, or (iv) which is hereafter lawfully furnished to Seller by a third party as a matter of right and without restriction on disclosure. In addition, Seller may disclose Confidential Information which is required to be disclosed pursuant to a requirement of a regulatory authority or law so long as Seller provides prompt notice to Apple of such requirement prior to disclosure. Seller agrees not to copy, alter, or directly or indirectly disclose any Apple Confidential Information. Additionally, Seller agrees to limit its internal distribution of Apple Confidential Information to Seller's Agents who have a need to know, and to take steps to ensure that the dissemination is so limited, including the execution by Seller's Agents of nondisclosure agreements with provisions substantially similar to those set forth in this Agreement. In no event will Seller use less than the degree of care and means that it uses to protect its own information of like kind, but in any event not less than reasonable care to prevent the unauthorized use of Apple Confidential Information. Seller further agrees not to use the Apple Confidential Information except in the course of performing hereunder and will not use such Apple Confidential Information for its own benefit or for the benefit of any third party. The mingling of the Apple Confidential Information with information of Seller shall not affect the confidential nature or ownership of the same as stated hereunder. Seller agrees not to design or manufacture any products incorporating Apple Confidential Information without Apple's express written consent in each instance. All Apple Confidential Information is and shall remain Apple property and/or confidential to Apple. Upon Apple's written request or the termination of this Agreement, Seller shall return, transfer, or assign to Apple (at Apple's option) and keep confidential all Apple Confidential Information, including all Work Product (defined below).

12. OWNERSHIP OF WORK PRODUCT. For purposes of this Agreement, "Work Product" includes, without limitation, all designs, design rights, discoveries, creations, works, devices, masks, models, work in progress, Service deliverables, inventions, products, computer programs, procedures, improvements, developments, drawings, notes, documents, information and materials made, conceived, or developed by Seller, alone or with others, which result from or relate to the Services performed hereunder, and all copies thereof. Standard Goods manufactured by Seller and sold to Apple without having been designed, customized, or modified for Apple do not constitute Work Product. All Work Product shall at all times be and remain the sole and exclusive property of Apple and Seller shall not be entitled to use or reverse engineer any Work Product without the prior written consent of Apple. Seller hereby agrees to irrevocably assign and transfer to Apple and does hereby assign and transfer to Apple all of its worldwide right, title, and interest in and to the Work Product including all associated intellectual property rights. Apple will have the sole right to determine the treatment of any Work Product, including the right to keep it as trade secret, execute and file patent applications on it, to use and disclose it without prior patent application, to file registrations for copyright or trademark in its own name, or to follow any other procedure that Apple deems appropriate. Seller agrees: (a) to disclose promptly in writing to Apple all Work Product in its possession;

(b) to assist Apple in every reasonable way, at Apple's expense, to secure, perfect, register, apply for, maintain, and defend for Apple's benefit all copyrights, patent rights, mask work rights, trade secret rights, trade marks and all other proprietary rights or statutory protections in and to the Work Product in Apple's name as it deems appropriate; and (c) to otherwise treat all Work Product as Apple Confidential Information as described above. These obligations to disclose, assist, execute, and keep confidential survive the expiration or termination of this Agreement. All tools and equipment supplied by Apple to Seller shall remain the sole property of Apple. Seller hereby waives and will ensure that Seller's Agents appropriately waive any and all rights (including where waiver is permissible by law moral rights, and rights in any country that are equivalent or similar to moral rights) and any and all claims and assign to Apple any and all rights or any interests in any Work Product or original works created in connection with this Agreement. Seller agrees not to assert against Apple or its direct or indirect customers, assignees, or licensees any claim of any intellectual property rights of Seller affecting the Work Product, and in the event that it does assert such rights, or challenges the ownership or validity of the intellectual property, Apple shall be entitled to terminate this Agreement forthwith. Apple will not have rights to any works conceived or reduced to practice by Seller which were developed entirely on Seller's own time without using equipment, supplies, facilities, or trade secret or Apple Confidential Information, unless (i) such works relate to Apple's business, or Apple's actual or demonstrably anticipated research or development, or (ii) such works result from any Services performed by Seller for Apple.

13. NONINTERFERENCE WITH BUSINESS. Seller agrees not to unlawfully interfere with the business of Apple in any manner, and further agrees not to (i) solicit or induce any employee or independent contractor to terminate or breach an employment, contractual, or other relationship with Apple during the period ending two years (or shorter period if restricted by law) after the termination or expiration of this Agreement, or (ii) offer or give any employee or independent contractor any gratuity, payment or other inducement with a view toward securing business from Apple or influencing the terms, conditions or performance of this Agreement or any PO.

14. TERMINATION. Apple may terminate this Agreement forthwith upon written notice to Seller if Seller fails to perform or otherwise breaches this Agreement, files a petition in bankruptcy, commences administration or receivership procedures becomes insolvent, or dissolves or any similar events occur under any equivalent or similar legislation. In the event of such termination, Apple shall pay Seller for the portion of the Services satisfactorily performed and those conforming Goods delivered to Apple through the date of termination, less appropriate offsets, including any additional costs to be incurred by Apple in completing the Services. Apple may terminate this Agreement for any other reason upon thirty (30) days' written notice to Seller. Seller shall cease to perform Services and/or provide Goods under this Agreement on the date of termination specified in such notice. In the event of such termination, Apple shall be liable to Seller only for those Services satisfactorily performed and those conforming Goods delivered to Apple through the date of termination, less appropriate offsets. Seller may terminate this Agreement upon written notice to Apple if Apple fails to pay Seller within sixty (60) days after Seller notifies Apple in writing that payment in relation to an undisputed invoice is past due. Upon the expiration or termination of this Agreement for any reason: (a) each party will be released from all obligations to the other arising after the date of expiration or termination, except for those which by their terms survive such termination or expiration; and (b) Seller will promptly notify Apple of all Apple Confidential Information or any Work Product in Seller's possession and, at the expense of Seller and in accordance with Apple's instructions, will promptly return, transfer, or assign to Apple (at Apple's option) and keep confidential all such Apple Confidential Information and/or Work Product.

15. SURVIVAL OF OBLIGATIONS. Any obligations and duties which by their nature extend beyond the expiration or termination of this Agreement shall survive the expiration or termination of this Agreement.

16. FORCE MAJEURE. Neither party will be liable for any failure to perform, including failure to accept

performance of Services or take delivery of the Goods as provided, caused by circumstances beyond its reasonable control including, but not limited to, acts of God, acts of war, government action or accident, provided it promptly notifies the other party and uses reasonable efforts to correct its failure to perform. If an event contemplated in this provision persists for a period of 30 days either party shall have the right to terminate this Agreement, and in the event such right is exercised by Apple it shall include the right to terminate any unfulfilled PO's.

17. GOVERNING LAW. This Agreement shall be construed in accordance with, and disputes shall be governed by English law and the parties hereby submit to the exclusive jurisdiction of the English courts. 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.

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. Apple and Seller will use all reasonable endeavours to agree a provision to replace the invalid, illegal or unenforceable provision with a valid, legal and enforceable one that has an effect that is as near as possible to the intended effect of the term or provision to be replaced.

19. REMEDIES. If Seller breaches this Agreement, Apple shall have all remedies available by law and at equity. For the purchase of Goods, Seller's sole remedy in the event of breach of this Agreement by Apple shall be the right to recover damages in the amount equal to the difference between market price at the time of breach and the purchase price specified in the Agreement. No alternate method of measuring damages shall apply to this transaction. Seller shall have no right to resell Goods for Apple's account in the event of wrongful rejection, revocation of acceptance, failure to make payment or repudiation by Apple and any resale so made shall be for the account of Seller. Seller acknowledges and agrees that the obligations and promises of Seller under this Agreement are of a unique, intellectual nature giving them particular value. Seller's breach of any of the promises contained in this Agreement will result in irreparable and continuing damage to Apple for which there will be no adequate remedy in damages and, in the event of such breach, Apple will be entitled to seek injunctive relief, or a decree of specific performance.

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

21. LIMITATION OF LIABILITY. IN NO EVENT SHALL APPLE BE LIABLE TO SELLER OR SELLER'S AGENTS, OR ANY THIRD PARTY FOR ANY INCIDENTAL, INDIRECT, SPECIAL, OR CONSEQUENTIAL DAMAGES ARISING OUT OF, OR IN CONNECTION WITH, THIS AGREEMENT, WHETHER OR NOT APPLE WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGE. THIS PROVISION 21 IN NO WAY EXCLUDES OR LIMITS APPLE'S LIABILITY FOR DEATH OR PERSONAL INJURY CAUSED BY APPLE'S NEGLIGENCE OR FRAUD.

22. ASSIGNMENT/WAIVER. Seller may not assign this Agreement or any of its rights or obligations under this Agreement, without the prior written consent of Apple. Any assignment or transfer without such written consent shall be null and void. A waiver of any default 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.

23. NONEXCLUSIVE AGREEMENT. This is not an exclusive agreement. Apple is free to engage others to perform Services or provide Goods the same as or similar to Seller's. Seller is free to, and is encouraged to, advertise, offer, and provide Seller's Services and/or Goods to others; provided however, that Seller does not breach this Agreement.

24. NOTICES. Except for POs which may be sent by local mail, facsimile transmission, or electronically transmitted, all notices, and other communications pursuant to this Agreement shall be in writing, addressed to Seller or to an authorized Apple representative, and considered given when (a) delivered personally, (b) sent by confirmed telex or facsimile, (c) sent by commercial overnight courier with written verification receipt, or (d) three (3) days after having been sent, postage prepaid, by first class or certified mail.

25. COMPLIANCE WITH LAWS.

25.1 General. Seller shall comply fully with all applicable local, European and international laws in the performance of this Agreement including, but not limited to, all applicable employment, tax, export control, and environmental laws.

25.2 Hazardous Materials. If Goods include hazardous materials, Seller represents and warrants that Seller understands the nature of any hazards associated with the manufacture, handling, and transportation of such hazardous materials, and shall provide Apple with full details of such hazardous materials before delivery of the Goods to Apple.

25.3 Customs. Upon Apple's request, Seller will promptly provide Apple with a statement of origin for all Goods and any relevant Customs documentation for such Goods.

25.4 Child and Criminal Labour. To the best of Seller's knowledge, after due inquiry, neither the Goods nor any materials incorporated therein were produced or manufactured, in whole or in part, by criminal or forced labour or by any child under the age of fourteen (14) or the minimum age permitted by applicable law, whichever is higher.

26. 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 between them relating to the subject matter hereof. This Agreement may not be varied, modified, altered, or amended except in writing, including a PO or a change order issued by Apple, 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 POs.

27. NO THIRD PARTY RIGHTS: A person who is not a party to this Agreement shall have no rights under this Agreement, and to the extent that any third party rights arise by operation of any legislation, the Seller and Apple agree to exclude the application of such legislation to this Agreement, to the extent permitted by law.