



**AA SA**

*Acousto-Optique - Acousto-Optics  
RF - Radio Frequency Technology  
Hyper Fréquences - Microwaves  
Applications Laser - Laser Applications*

## **DISTRIBUTOR AGREEMENT**

This agreement is intended to formulate the relationship between :

the company named **AA SA** – 18 rue Nicolas Appert 91898 ORSAY CEDEX  
**Manufacturer of:** Acousto-optical components and systems, RF/Microwave components and systems,

Hereinafter called principal and

Photop Suwtech Inc.,

having a place of business at 2F, Building 65, 421 Hongcao Rd, Shanghai, 200233, China

hereinafter called distributor.

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## Distributor Agreement

### Recitals

- a) A.A Sa (Opto-Electronic) is a manufacturer of Electro-optical (Acousto-optical) and Electronic products for professional utilization in the industrial, commercial and scientific markets (included medical).
- b) Distributor is a sales organisation which is capable of selling and servicing products specified and covered by this contract. The sales, promoting the sale of products, aiding customers and potential customers in the proper use of the products are understood to be realized in the territory defined in this contract.
- c) Distributor is expected to provide business, financial and other information relating to the products covered by this agreement in the territory.
- d) **Principal** is desirous of having **distributor** act as its sales representative in the territory defined and the distributor is desirous of acting as the **principal's** sales representative.

### The parties agree as follows:

#### 1.0 Appointment and Acceptance

The principal hereby appoints the distributor as its **exclusive** sales representative for the products set forth in schedule A attached hereto. Other present or future products could be added at any time during the validity of this contract, and the distributor shall be regarded as the prime party for the sales rights on those products in the distributor's territory

The distributor hereby accepts the appointment to act as the principal's sales representative and agrees to otherwise represent the terms of this agreement.

Principal agrees that during the validity of this agreement, no other distributor residing in the territory covered by this agreement and set forth in schedule B will be appointed.

#### 1.1 Products of others

The distributor shall have the right to act as a distributor and/or sales representative for products of other principals. Upon execution of this agreement, distributor shall promptly furnish the principal with information regarding the products and companies which are or are intended to be represented.

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Should principal, in its opinion, believe that there is a conflict of interest (such as selling competition products), the distributor shall be notified and should the distributor nevertheless represent the new product or company, the principal may, at option, terminate this agreement in accordance with the provisions of paragraph 6 of this contract upon no less than ninety (90) days advance notice.

## 1.2 Legal relationship

The distributor is in no way the legal representative or agent of the principal for any purpose whatsoever, and has no right or authority to assume or create any obligation of any kind, express or implied, on behalf of the principal, or to bind principal in any respect whatsoever.

Orders shall not be final and binding until Principal's written acceptance.

## 2.0 Duties of distributor

The distributor shall act as principal's sales representative and otherwise represent the interest of the principal in accordance with the terms of this agreement and in the performance of such duties the distributor shall :

1. Diligently promote the sale of, solicit orders for and stimulate interest in principal's products in the territory and, in particular, the distributor will maintain an adequate staff which is sufficiently knowledgeable of principal's products to enable them to effectively promote the sale of principal's products and solicit orders therefore.
2. Provide adequate and competent technical assistance to customers and potential customers including counselling customers on the selection of proper principal's products, and solving customer's technical applications problems.
3. Handle promptly on distributor's own letterhead all inquiries, quotations, correspondence and orders from customers and potential customers and all principal's correspondence.
4. Advise principal on potential market, trends and competition within the territory, and changes in practice governing importation of principal's products into the territory.
5. Assist and cooperate with principal's employees during visits to the territory. Principal agrees that no such visit will be made without distributor's prior knowledge and approval.
6. Have service responsibility in the territory for principal's products. To fulfil this obligation, the distributor shall maintain permanently on its staff qualified personnel having technical competence and knowledge of principal's products sufficient to carry out the service responsibility. It is the intent of this agreement that as the market in said territory expands, distributor will take whatever steps appear necessary to expand its technical knowledge and service capability to meet such expansion. When repairing products with the exception of Acousto-Optic components (modulator for example), which are no longer covered by the warranty described in paragraph 3.0, distributor is expected to provide service consistent with principal's quality and be reimbursed by the customer at a reasonable (normal) rate for both labour and materials. For Acousto-Optics products, the distributor shall return them to the principal (see paragraph 3.1).

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7. Maintain and utilize an up-to-date mailing list of potential customers in the territory.
8. Maintain during the terms of this agreement a complete record of products sold under this agreement, at least showing customer's name and address and type of product sold.
9. Include the exhibition and demonstration of principal's products in all appropriate shows in which distributor exhibits equipment.
10. Refrain from selling products to or for the use by any ultimate purchaser which principal cannot deal with the laws and regulations of the principal's home country and the distributor shall comply with all other relevant laws and regulations relating to the sale of principal's products.
11. Refrain from registering any of principal's trademarks or proprietary names for the products covered herein without principal's prior written approval.
12. Refrain from using or permitting the use of any confidential or proprietary information or data of the principal. Upon termination of this agreement, distributor shall forthwith return to principal all such data which he possesses and make no further use of such information or data.
13. Provide the principal with reasonable projection reports at least every 6 (six) months and at other time, when reasonably requested by principal.

### 3.0 Duties of the principal.

In connection with the appointment of the distributor the principal shall :

1. Subject to restrictions imposed by law, provide the distributor with application engineering support , product training, product information, technical data and promotional materials for the products, reliable information on delivery and availability of the products, and other data or information pertinent to promoting the products, obtaining, processing and completing an order.
2. Warrant all products of principal's manufacture to be free from defect in material and workmanship for a period of one year from the date of original shipment from the factory, with the exceptions of limitations expressly stated for specific products and/or components. In the case of integrated supplemental or complementary items obtained from outside suppliers, the principal assumes prime responsibility for the quality and workmanship of these items.

### 3.1 Replacement parts and warranty.

In order to provide replacement parts for the performance of warranty repairs, the distributor should submit to the principal along with his order, detailed information as to the product, its model and serial number, the customer's name, a detailed account of the nature of the problem, the action taken to solve the problem and an itemized list of parts used or needed. The distributor shall be solely responsible for labour, travel and related costs necessary to provide warranty service. It is mandatory that all goods returned are to

be sent, transport paid, to laboratories of principal : After expert examination repairs will be carried out free of charge under warranty. If the repair is to be done outside of the guarantee, it will only be carried out, after estimate of principal has been accepted. Principal's obligation is limited to replacing parts and / or components which prove to be defective during the warranty period. Principal is not liable for consequential damages.

#### 4.0 Distributor prices.

Prices to be paid by distributor to principal for the products distributor purchases for its own account and under the terms of this agreement are set forth in schedule C attached hereto and incorporated herein. Principal may only increase those prices on the basis of a 8 (eight) weeks notice to the distributor. If necessary or practicable, principal will undertake the manufacture of the products for special application, when requested by distributor; such special applications shall be the subject of separate price quotations and commissions.

#### 4.1 Commissions.

In case where inquiries are made from customers or potential customers directly to the principal, the policy will be to refer them to the distributor. However, as and when the principal receives orders and payments from customers in the distributor's territory and where it has been necessary to accept those direct orders, the distributor shall be entitled to a commission computed in accordance with the schedule of commissions set forth in schedule C.

Commissions earned under this agreement will be paid, less the amount of any adjustments on commissions previously paid. Amounts due will be paid on / or before the last day of the month following the month in which principal receives payment from the customer. The schedule of commissions can only be changed on the date of the annual expiration of this agreement unless the intention is to increase the commission percentage.

#### 5.0 Terms of sale.

The terms of sale on all sales of the products to distributor and all direct customer sales are set forth in schedule D, attached hereto and incorporated herein for reference. The terms of sale may be changed from time to time by principal, acting in its sole discretion, but upon not less than sixty (60) days notice to distributor.

#### 6.0 Term of agreement.

This agreement shall remain in full force and effect from the date thereof and for the period of two (2) year. Unless either party elects to terminate the agreement in accordance with the terms of this agreement, the agreement shall be deemed to be renewed for successive periods of one year on the date of its annual anniversary.

## 6.1 Termination for breach.

In the event that either party hereto shall be in default of, or in breach of any condition or covenants of this agreement, the aggrieved party may at its election serve notice in writing upon the party considered to be in default of its intention to terminate this agreement on the expiration of ninety (90) days from the date of such notice and if such default shall continue for ninety (90) days period after such notice, the party who has so given notice of default may thereafter terminate this agreement forthwith by giving to the other party hereto written notice of termination.

## 6.2 Ownership or Control.

Principal may terminate this agreement at its option if the ownership or control of distributor is transferred to a third party.

## 6.3 Bankruptcy.

Principal may terminate this agreement if any proceeding in bankruptcy, the appointment of a receiver or trustee or any other proceeding under any law for the relief of debtors shall be instituted by or against the distributor.

6.4 Termination upon mutual consent is possible at any time.

## 6.5 Effect of termination.

Termination or cancellation of this agreement by either party shall not affect commissions earned by the distributor on orders or contracts received and accepted by principal prior to the date of termination regardless of when shipments were actually made or will be made and invoices rendered. Principal shall not unreasonably withhold or delay acceptance of orders or contracts prior to the date of termination or cancellation, but principal shall not be required to handle orders or contracts in other than its customary way. No commission shall be due or paid on any order or contract which has not been received and accepted by principal prior or on the termination date, nor shall the distributor thereafter be entitled to any other compensation or remuneration for damages, loss of anticipated profits or commissions, or otherwise. Upon termination all rights of distributor to act as sales representative hereunder shall cease except as to claims, rights and obligations which have been developed prior to the date of termination, and thereafter neither party shall have any obligation to the order.

## 6.6 Waiver.

Any waiver on the part of any party hereto of any rights or interests hereunder, shall not apply to the waiver of any subsequent breach or the waiver of any other right or interest.

## Force majeure.

Neither party shall be liable for its failure to perform hereunder due to contingencies beyond its reasonable control, including but not limited to strikes, riots, wars, fire, acts of

God, acts in compliance with any law, regulation of order, whether valid or invalid, of the home countries of the principal and the distributor or any other cognizant governmental body or any instrumentality thereof.

## **7.0 Ownership.**

This agreement has been entered into by parties relying upon each other's organisation and personnel. Parties shall immediately advise each other of any changes which significantly affect ability to conduct the intended business.

## **7.1 Limitations of agreement.**

No rights to manufacture the principal's products are granted by this agreement. Moreover, no rights on licences are granted or implied by this agreement.

## **7.2 Assignment of agreement.**

This agreement or any part thereof may not be assigned, transferred or hypothecated by distributor, in whole or in part, directly or indirectly by utilization of law or otherwise, without the prior written consent of principal.

## **7.3 Entire understanding.**

This agreement is the entire and sole agreement and understanding of the parties hereto with respect to the subject matter hereof and supersedes all other prior agreements, understandings and communications, whether oral or written.

## **7.4 Notices.**

All notices may be served personally or by registered (air) mail to either party at its address herein set forth or at such address as such party may provide in writing from time to time. Any such notice mailed to such address shall be effective when properly addressed and registered and with the postage prepaid.

## **7.5 Applicable law and Arbitration.**

This agreement shall be read in the sense of the law of the principal's home country. If necessary the international chamber of commerce shall be required to arbitrate between the parts.

## **7.6 Applicable language.**

The official language of this agreement and all attached schedules shall be in English.

## **7.7 Headings.**

The section and other headings contained in this agreement are for reference purpose only and shall not affect in any way the meaning and interpretation of this agreement. In witness

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whereof the parties hereto have executed this agreement as of the date first herein above written.

Distributor

By: *Shaofeng Zhang*

Title :

Under the witness of :

Name :

Title :

Principal

By: *stephen HADIDA*

Title : *CEO*

Under the witness of :

Name :

Title :



**APPENDIX A  
PRODUCTS COVERED BY AGREEMENT**

Principal : **AA SA**  
Distributor :

Agree that following products (product line) are covered by the distributor agreement  
signed on :

**ACOUSTO-OPTIC COMPONENTS AS :**

Modulators, Frequency Shifters  
Deflectors, Signal Processors  
Mode-Lockers, Q-Switches  
Tunable Filters  
Custom Acousto-Optic devices

**RF ELECTRONICS AS :**

RF drivers for AO devices  
Frequency Synthesizers  
Amplifiers  
Noise Generators  
Custom Components

**ACOUSTO-OPTIC AND RF SYSTEMS/SUB-SYSTEMS**

Date : 6/9/08

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**APPENDIX B  
TERRITORY COVERED BY AGREEMENT**

**Principal : AA SA**  
**Distributor : Photop Suwtech Inc.,**

Agree that following territories are covered by the distributor agreement signed on :

**Republic of China (including Hongkong and Macao)**

Date : 6/4/08

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APPENDIX C  
PRICES COMMISSIONS COVERED BY AGREEMENT

Principal : AA SA  
Distributor : Photop Suwtech Inc

Agree that following product prices and commissions are covered by the distributor agreement signed on :

C1 : PRICES ARE RECOMMENDED CUSTOMER'S PRICES  
(+25% ON DISTRIBUTOR'S PRICE LIST)

C2 : COMMISSION ON DISTRIBUTOR REALISED PRODUCT IN SALES DISTRIBUTOR  
TERRITORY : 20%

Date : 6/9/08

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**APPENDIX D**  
**TERMS OF SALE COVERED BY AGREEMENT**

Principal : **AA SA**  
Distributor : Photop Suwtech Inc

Agree that following terms of sale are covered by the distributor agreement signed on :

**D1 : ALL SHIPMENT AUTHORIZATIONS PLACED ON PRINCIPAL SHALL BE PAYABLE  
IN THE CURRENCY OF PRINCIPAL'S INVOICE WITHIN 60 DAYS OF INVOICE DATE.**

**D2 : PAYMENT MODE SWIFT TRANSFER  
ADDRESS :**

Bank reference :

- Address :
- Bank code :
- Account number :

**D3 : PENALTY FOR LATE FULFILLMENT OF AN OBLIGATION : 0.07% PER MONTH**

Date : 6/9/08

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**APPENDIX E  
WARRANTY COVERED BY AGREEMENT**

Principal : **AA SA**  
Distributor : Photop Suwtech Inc

Agree that following warranty is covered by the distributor agreement signed on :

E1 : PRINCIPAL MANUFACTURES QUALITY EQUIPMENTS AND WARRANTS THE PRODUCTS TO BE FREE FROM DEFECT AND WORKMANSHIP. SERVICE UNDER THIS WARRANTY WILL BE PERFORMED BY PERSONNEL TRAINED AND SKILLED IN THE REPAIR AND CALIBRATION OF THESE GOODS.

E2 : STANDARD EQUIPMENT IS WARRANTED FOR A PERIOD OF 12 MONTHS AFTER DATE OF Receive by Distributor

E3 : DEFECTING EQUIPMENT IS NORMALLY RETURNED BACK TO PRINCIPAL OR AUTHORIZED REPAIR FACILITY WITH TRANSPORTATION CHARGES PAID BY PURCHASER, OR BY DISTRIBUTOR.

E4 : WARRANTY DOES NOT EXTEND TO ANY PRODUCT WHICH HAS BEEN SUBJECT TO MISUSE, NEGLIGENCE, MODIFICATION OR ABNORMAL CONDITIONS OF OPERATION.

E5 : PRINCIPAL EXPRESSLY DISCLAIMS ANY LIABILITY TO USERS OR ITS PRODUCTS FOR CONSEQUENTIAL DAMAGES OF ANY KIND ARISING FROM OR CONNECTED TO THE USE OF ITS PRODUCTS.

Date : 6/1/08