

Business Terms and Conditions – Sales – of
Lutronic TCA Electronics Dongguan Co., Ltd.

hereinafter jointly referred to as Lutronic TCA

I. Sale and purchase terms

- 1.1 These Standard Terms and Conditions govern the sale by Lutronic TCA Electronics Dongguan Co., Ltd. (referred herein as "Seller") and you (referred herein as "Buyer") for the purchase of the products, services machinery, parts, goods and other materials (herein referred to as the "Products") identified on the Sales Order.
- 1.2 Lutronic TCA sale of the Product is conditioned upon your acceptance of all terms and conditions contained herein. YOU ARE HEREBY NOTIFIED OF LUTRONIC TCA OBJECTION TO AND REJECTION OF ANY ADDITIONAL OR DIFFERENT TERMS IN YOUR PURCHASE ORDER, OTHER FORMS OR DOCUMENTS.
- 1.3 The effective date of the parties' (Buyer & Seller) agreement (the "Effective Date") shall be the date that the Seller issue and send written Order Confirmation to Buyer's Purchase Order. On the Effective Date, the Order Confirmation and Sales Order and these Standard Terms and Conditions together shall be legally binding and have full force and effect and constitute the agreement of the parties (the "Agreement").
- 1.4 Overs and Unders. Lutronic TCA will strive to ship exact quantities on all orders. Production methods necessitate that we reserve the right to ship 5-10% over and under the quantity ordered. If exact quantity is desired, please note on inquiry and on order.

II. Effect of these terms and conditions

- 2.1 Upon the Effective Date, all former understandings, former proposals and writings are hereby deemed to be superseded by the Agreement and are hereby terminated and cancelled and are merged into the Agreement. The parties acknowledge and agree that there have been and are no inducements to contract, no representations made for the purpose of inducing a contract, and no considerations other than those expressly set forth in the Agreement.
- 2.2 The Agreement expresses the complete and final understanding of the parties with respect to the subject matter thereof and shall not be altered, modified or changed in any way except by an instrument in writing signed by duly authorized representatives of the parties.
- 2.3 In case of conflict between the terms and conditions of the Agreement and the terms and conditions of any other document, including the Buyer's purchase order, the terms and conditions of the Agreement shall govern.

III. Payment terms; Taxes

- 3.1 All payments made to Lutronic TCA for the Products sold under the Agreement shall be made to the address as set forth in the Sales Invoice, with the agreed payments terms to the date of the invoice. All payments shall be made without setoff or retention. Late payments will be liable to an annual interest rate of 14 percent. Lutronic TCA grant 2/two percent Skonto if payment is received in Lutronic TCA Bank account within 12/ twelve days of invoice date, for all orders except COD, Advance-/or Pre-Payment.

IV. Warranty

- 4.1 **PRODUCT WARRANTY:** In the event that Lutronic TCA is the original equipment manufacturer (O.E.M.) of the Product, Lutronic TCA warrants that, for a period of one (1) year after delivery of the Product (hereinafter the "Warranty Period") the Product shall be in good working order and shall conform in all material respects with the drawings, specifications and accepted industry standards furnished by the Buyer at time of purchase. If no drawings or specifications are provided by the Buyer at time of

purchase, Lutronic TCA will use the industry standard to interpret tolerances, assembly details, and fabrication techniques to manufacture the Product. If the Product is not in good working order or fails to conform in all material respects, within reason, with such specifications during the Warranty Period, you are entitled to the remedies described in Paragraph 4.3 below. Lutronic TCA shall not be responsible for the intended use of the Product unless that use is fully disclosed by the Buyer in writing to Lutronic TCA at time of purchase.

- 4.2 **MANUFACTURER'S WARRANTY:** In the event that Lutronic TCA is not the manufacturer of the Product or sub-assembly of the Product, Lutronic TCA hereby assigns to you all of Lutronic TCA rights under the applicable manufacturer's warranties with respect to the Product and such rights shall inure to your benefit as though you had purchased the Product directly from the manufacturer.
- 4.3 **REMEDIES; PROCEDURES; LIMITATIONS:** If, during the Warranty Period, Buyer notify the Seller that the Product provided by the Seller is not in good working order or materially fails to conform to the drawing or specifications provided by the Buyer at time of purchase of the Product, the Seller shall, at its expense, rework, repair or replace the Product. Notice of any warranty claim by the Buyer shall be given to the Seller promptly and in writing at the address set forth in the Sales Invoice. The Seller shall not be obligated to provide, nor be liable for, any other or additional remedy and the Seller's sole obligation shall be limited to making such repairs and replacements as the Seller deems necessary or proper to place the Product in good working order and in conformity with the drawings and specifications only. The Seller's liability for any breach of its obligation to rework, repair or replace pursuant to this Paragraph 4.3 shall be limited to direct damages you actually incur and shall not exceed the Agreement price for the Product.
- 4.4 **THE WARRANTY OF LUTRONIC TCA SET FORTH IN PARAGRAPH 4.1 IS EXCLUSIVE AND IS GIVEN BY LUTRONIC TCA AND ACCEPTED BY YOU IN LIEU OF ANY AND ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE (WHETHER KNOWN TO LUTRONIC TCA OR NOT). ALL SUCH OTHER WARRANTIES ARE HEREBY EXPRESSLY DISCLAIMED BY LUTRONIC TCA AND WAIVED BY YOU.** Lutronic TCA makes no warranties as to your ability to re-sell, use, and obtain permits or licenses for any intended use of the Product.
- 4.5 **EXCLUSIVE REMEDIES:** The Seller's sole liability to the Buyer for breach of the limited warranty contained in Paragraph 4.1 and the Buyer's exclusive remedies for any such breach shall be the remedies set forth in Paragraph 4.3. The Seller shall have no other liability to the Buyer in connection with the Product, whether claimed in contract, equity, tort (including negligence, gross negligence or strict liability) or otherwise, for or resulting from any Products provided or any errors or omissions.

V. Disclaimer of consequential damages

Notwithstanding anything to the contrary herein, the Seller disclaims and shall not be liable for any special, incidental, indirect, or consequential damages (or equivalents thereof no matter how claimed, computed or characterized), arising out of or in connection with the Agreement, its subject or its performance or breach of performance by the Seller, regardless of whether any such liability shall be based upon breach of contract, tort (including negligence, gross negligence and strict liability), violation of law or otherwise and whether the claim is brought at law or in equity. By way of example of the foregoing disclaimer, but without limiting in any manner its scope or application, the Seller shall not be liable for all or any part of the following losses, costs or expenses, no matter how claimed, computed, or characterized: lost profit or revenue, lost return on investment, cost of capital, lost operating time or production, lost reduced use or value of any facilities (including existing facilities) or any portion of any facilities, expense of replacement products or power, or increased costs of operations or maintenance. The foregoing

disclaimer shall be effective without regard to the Seller's performance or failure or delay of performance under any other term or condition of the Agreement, including, without limitation, those contained in Paragraph 4. This disclaimer shall be enforceable whether or not any limitation of remedies described herein is deemed to have failed in its essential purpose.

VI. Force majeure

Any loss, damage, or delay in, or failure of, performance by the Seller shall not constitute a default under the Agreement or give rise to any claim for damage if such loss, damage, delay, or failure is attributable in whole or in part to any cause or causes beyond the reasonable control of the Seller. These causes may include, without limitation, any act of God or the public enemy; compliance with any order, decree, or request of any governmental authority; act of declared or undeclared war; public disorder; rebellion; sabotage; fire; flood; explosion; accident; riot; strike; labour difficulty or other concerted act of workmen, whether direct or indirect; declaration of national emergency; mobilization of industry whereby material and labour required for manufacture of the Product are allocated or controlled; or any other cause not within the control of the Seller or which the Seller is unable to avoid by exercise of reasonable care. Upon any such occurrence, the estimated time for delivery of the Equipment shall be extended for a time which is reasonable in relation to the cause of such event.

VII. Delivery

The Seller agrees the Product to be shipped per the Buyer's direction, and as stated in Buyer's Purchase Order. Product to be shipped to Buyer in accordance with general industry practice when so stated.

VIII. Risk of loss

The Seller shall bear risk of loss until the Product shall come to rest aboard the carrier at the shipping point defined in each Sales Quote and/or Order. Thereafter the Buyer shall bear risk of loss.

IX. Waiver

Waiver by either party of any breach by the other party of any of the terms or provisions of the Agreement shall not be deemed to be a waiver of breach on any other occasion of the same terms or provisions, or a waiver of breach of any other term or provision hereof.

X. Confidential and proprietary information; Ownership

The Buyer agrees, as does the Seller, to adhere to normal confidentiality and secrecy standards and practices with respect to all information received from each other except information which (a) at the time of its disclosure is in the public domain, (b) after disclosure becomes part of the public domain by publication or otherwise through no fault of the party bound to keep such information confidential, (c) which either the Buyer or Seller can show was in its possession at the time of disclosure or received by such party after disclosure from the third party who did not require the Buyer or Seller to hold it in confidence and did not acquire it from the other party under an obligation of secrecy. Upon termination, each party will return all written information and software received under the Agreement from the other. The parties agree to maintain the confidentiality of all such information and take all appropriate measures to do so such as, but not limited to, informing all persons having access to such information of its confidential nature.

XI. Independent contractor Status

Nothing in the Agreement is intended to create any association, partnership, joint venture or other relationship between the parties. The Seller

shall not be responsible for any intended use of the Product unless disclosed in writing at time of purchase.

XII. Assignment

Neither the Agreement nor any interest herein shall be assigned or transferred by either party thereto without prior consent of the other party. Subject to the foregoing, the Agreement shall inure to the benefit of and be binding upon the successors, legal representatives, and permitted assigns of the parties thereto.

XIII. Governing Law

The Agreement, its administration and performance, and all the rights, obligations, liabilities and responsibilities of the parties thereto, shall be governed by and interpreted in accordance with the laws of The People's Republic of China.

XIV. Headings, Severability, no third party benefits

- 14.1 Any headings preceding the text of any articles, paragraphs or parts of the Agreement are inserted solely for convenience of reference and are not to be considered a part of the Agreement nor shall they affect in any manner the meaning, interpretation or effect of the Agreement.
- 14.2 The Agreement shall be severable such that the invalidity or unenforceability of any portion or provision of the Agreement shall in no way affect the validity or enforceability of any other portion or provision. The balance of the Agreement shall be construed and enforced as if it did not contain such invalid or unenforceable portion or provision.
- 14.3 The Seller does not intend to give anyone other than the Buyer the benefit of, and no person or entity shall be a third-party beneficiary of these Standard Terms and Conditions.