

DAANSEN U.S.A., INC. TERMS AND CONDITIONS OF SALE

1. GENERAL. DAANSEN U.S.A., INC. ("DAANSEN USA") is the worldwide exclusive sales representative of DAANSEN TAIWAN, INC. ("DAANSEN TAIWAN"). All goods sold through DAANSEN USA are manufactured to order by DAANSEN TAIWAN. For simplicity DAANSEN USA and DAANSEN TAIWAN are referred to collectively herein as "DAANSEN". All sales of DAANSEN products or services shall be subject to these terms and conditions. By placing an order for goods or services (hereinafter "Goods" or "Products") with DAANSEN TAIWAN, the Purchaser accepts these terms and conditions in their entirety. No additional terms, different terms, exclusions, or modifications shall be effective against DAANSEN unless set forth in a written agreement duly signed by the Purchaser and DAANSEN. DAANSEN is not bound by any provisions, whether printed or otherwise, at variance with these terms and conditions (including without limitation, any terms that may appear in or accompany any purchase order or acknowledgement form or other communication form used by Purchaser), such terms shall be and are hereby objected to and expressly rejected, and will be of no effect.

2. PRICING: All prices are quoted in US dollars and shall be payable in US dollars. All prices are exclusive of bank fees, insurance, shipping and handling charges, sales, use and excise taxes, and any other taxes, duties or charges of any kind imposed by any governmental authority on any amounts payable by Purchaser all of which shall be paid by Purchaser. All prices are confidential, and Purchaser shall not disclose or permit the disclosure of such prices to another person or entity. Price quotations are effective for 30 days from the date thereof unless otherwise stated in writing by DAANSEN. Handling fees and/or surcharges may be added to invoices requiring special handling or processing, including orders with a total purchase price of \$5,000 or less.

Prices are subject to change without prior notice. In the event of a price increase, Purchaser may cancel any portion of an order that has not yet shipped on written notice to DAANSEN USA, provided that such notice is received by DAANSEN USA not more than ten (10) days after Purchaser's receipt of notice of the price increase. On cancellation Purchaser shall make payment to DAANSEN for all related costs incurred or committed to up to and including the time of cancellation. This includes all costs expended and committed for raw materials, components, work in process, finished Goods, labor, supplies, administrative costs, outside services or consultants, tools or fixtures, and any other costs associated with performance of any canceled Purchase Order.

NRE Charges (Non-Recurring Engineering Charges) are due 50% on receipt of the purchase order with the 50% balance due at FAI (first article approval) unless otherwise agreed to in writing by DAANSEN.

3. PURCHASE ORDERS: All purchase orders and purchase order acceptances must be in writing, and submitted by mail, fax, or e-mail. All purchase orders must be submitted to DAANSEN USA and are firm commitments by Purchaser to purchase from DAANSEN TAIWAN the specified quantity of Goods at the definitive price as confirmed by DAANSEN USA. No purchase order, whether or not submitted in response to a quotation by DAANSEN, shall be binding on DAANSEN until written acceptance by DAANSEN TAIWAN, as communicated by DAANSEN USA, and no such acceptance shall be deemed an agreement to be bound by any terms other than the terms hereof unless specifically stated by DAANSEN in writing.

All purchase orders are subject to review and credit approval by DAANSEN. DAANSEN has the absolute right to refuse any purchase orders, and/or to cancel any purchase orders. Without limiting the foregoing, DAANSEN may reject or request modification by Purchaser of any purchase order due to inaccurate pricing, requested delivery date, availability of components, tools or materials, failure to meet minimum order quantities, uneven case quantities or other incomplete, errant or missing purchase order details or for any other reason.

Lead times and ship dates are estimates and are not guaranteed. DAANSEN may deliver the Products in advance of the requested or anticipated delivery date. It is agreed that DAANSEN will not be liable for any damages resulting from non-delivery or late delivery of products. DAANSEN will make commercially reasonable efforts to promptly provide Purchaser with a scheduled ship date following receipt of a Purchase order from Purchaser.

Other than in instances of a price increase, orders may be cancelled or delayed only with the prior written consent of DAANSEN, at DAANSEN'S sole discretion, and upon the condition that Purchaser makes payment to DAANSEN for all costs incurred or committed to up to and including the time of cancellation. This includes all costs expended and committed for raw materials, components, work in process, finished Goods, labor, supplies, administrative costs, outside services or consultants, and any other costs associated with performance of any Purchase Order.

Purchaser agrees that each purchase order constitutes a representation that it is both solvent and not a debtor in any insolvency, bankruptcy, or restructuring proceeding. In the event of insolvency, DAANSEN's invoice shall constitute a demand for reclamation of the Goods identified on the invoice under Section 2-702 of the Uniform Commercial Code (the "UCC" and Section 546(c) of the United States Bankruptcy Code. Purchaser agrees to promptly notify DAANSEN in case of insolvency, waives any defenses to DAANSEN's right of reclamation to the Goods identified in DAANSEN's invoice and shall promptly return possession of such Goods to DAANSEN.

4. RETURNS: Except as specifically set forth herein, no products are returnable under any circumstances. Purchaser understands all products are made-to-order and are not returnable unless authorized by DAANSEN through DAANSEN TAIWAN'S Limited Warranty process.

5. PAYMENT TERMS: Purchaser agrees to pay all invoices within sixty (60) days of invoice date, unless other terms are stipulated in writing by DAANSEN. All payments will be remitted to DAANSEN at the address or into the account provided by DAANSEN USA. Payment shall be made in the name of "DAANSEN TAIWAN, INC. c/o DAANSEN U.S.A., INC." Acceptable payment methods include ACH, check, wire or other bank transfer approved in advance by DAANSEN USA. Credit cards are not an acceptable form of payment. All bank related charges incurred when transferring payments are for the account of the Purchaser. DAANSEN may add bank fees, including wire fees and other transaction fees, to any invoice.

DAANSEN shall have the right to require prepayment of any orders or to require other payment arrangements as the case may be. Any such modification of Payment terms shall be communicated in writing to Purchaser by DAANSEN. The Purchaser shall be deemed to have accepted the modified terms if it does not object to the modified terms in a written notification delivered to DAANSEN USA within five (5) days of receipt.

If Purchaser renders payment to DAANSEN in a manner purported to serve as payment in full of an invoice, DAANSEN's acceptance of such payment shall not act as an accord and satisfaction and shall be without prejudice to DAANSEN's right to pursue additional payment of such invoice and other remedies at law or in equity. If Purchaser disputes any invoice or a portion thereof, it will notify DAANSEN USA within thirty (30) days of receipt, detail the reason for the dispute, and promptly pay all undisputed amounts. All charges not timely disputed in writing shall be deemed to be undisputed and shall be due and payable.

Purchaser shall not have a right of set off or offset of any kind. All indebtedness outstanding after fourteen (14) days past the invoice due date shall be subject to a late fee of 1.5% per month (18% annually), unless such rate exceeds the highest rate permitted by law, in which event the rate shall be highest permissible by law.

Purchaser agrees to pay DAANSEN's legal fees, expenses, and other costs in the event DAANSEN pursues collection or other enforcement efforts. DAANSEN shall have the right to terminate this Agreement, any purchase order, to stop Goods in transit, and to suspend further performance under every agreement with Purchaser in the event Purchaser fails to make full payment in good funds when due.

As security for the full payment of the purchase price for the Products, Purchaser hereby grants to DAANSEN a lien on and security interest in and to all of the right, title and interest of Purchaser in and to the Products, wherever located, and whether now existing or hereafter arising or acquired from time to time, and in all accessions thereto and replacements and modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing. The security interest granted under this provision constitutes a purchase money security interest. DAANSEN has the right to file any and all documents and take such actions as it deems necessary to protect its security interest in the Products

6. SHIPPING TERMS: Purchaser shall be responsible for all freight charges, insurance, documentation, customs, and similar expenses unless otherwise agreed to in writing by DAANSEN.

All Products transported by sea are shipped FOB (Incoterms 2010) Taiwan. All Products transported by air are shipped EXW Daansen Taiwan. Purchaser is responsible for export clearance regardless of the shipping method. Title and risk passes to the Purchaser at the time and place of delivery to the Purchaser's carrier or designated agent in Taiwan.

Ship dates are approximate and dependent on prompt receipt by DAANSEN of all required information. Purchaser is responsible for transmitting to Daansen all necessary shipping instructions, including the identity, contact information and specific location of the freight forwarder and local (Taiwan-based) shipping agent engaged by the Purchaser, and all authorizations to the appropriate parties at least fourteen (14) days prior to the scheduled ship date. Failure to timely provide shipping instructions and authorizations or Purchaser's failure to communicate with its shipper may result in delays, storage fees and rescheduling costs.

If any Products cannot be shipped to or received by Purchaser when ready due to any cause not attributable to DAANSEN, DAANSEN TAIWAN may ship the Products to a storage facility,

including storage at the place of manufacture or repair, or to an agreed freight forwarder. If DAANSEN TAIWAN places the Products in storage (a) title and risk of loss immediately pass to the Purchaser, (b) any amounts otherwise payable to DAANSEN on delivery or shipment shall be due and payable, and (c) when conditions permit and upon payment of all amounts due, DAANSEN TAIWAN shall make the Products available to the Purchaser.

Full delivery by DAANSEN shall be completed when the products subject to a specific order are delivered to the Purchaser's specified carrier or agent in Taiwan. Goods in transit are at Purchaser's risk.

Purchaser shall be fully responsible to pay directly or to reimburse DAANSEN for carrier detention charges incurred as a result of delays not caused by DAANSEN.

If the purchase price include a freight component, prices will be adjusted in the event of a change in freight rates or the imposition of surcharges or other fees.

The Purchaser shall pay all duties and sales, excise, use, or other taxes or fees arising in connection with this transaction (other than taxes based solely on DAANSEN's taxable income).

Purchaser shall be responsible for compliance with all applicable legal requirements for exportation and importation of Goods.

Purchaser represents that it is not subject to any trade sanctions and that it is in compliance and shall comply with all applicable laws and regulations related to trade restriction and/or export controls with respect to the Products and shall provide evidence of compliance as reasonably requested by DAANSEN.

Purchaser represents and warrants that it is in compliance and shall comply with all applicable anti-bribery and anti-corruption laws, including the U.S. Foreign Corrupt Practices Act, not is the Purchaser associated with any organization that is on any list of entities maintained by the United States government that identifies parties to which the sale of goods or services is restricted or prohibited.

DAANSEN reserves the right to over ship or under ship by 10% on all orders. No shortage claim will be honored unless made to DAANSEN USA in writing within seven (7) business days after receipt of Goods at final destination listed on the purchase order.

7. TOOLING: Due to the proprietary nature of DAANSEN's processes, designs, and products, all tooling, molds, fixturing and software developed by DAANSEN, even if developed specifically for and paid for by the Purchaser (collectively "Tooling"), is proprietary to DAANSEN and is generally not compatible with or transferable to equipment not owned by DAANSEN. Notwithstanding any tooling or engineering charges imposed by DAANSEN, all such Tooling shall be and remain the sole and exclusive property of DAANSEN. DAANSEN shall have the right to repair, maintain, alter, discard, or otherwise dispose of any Tooling at its sole discretion at any time.

In the event that DAANSEN TAIWAN has possession of a mold or other equipment owned by Purchaser, DAANSEN TAIWAN's maintenance and repair obligations shall be limited to those to which it has expressly agreed in writing.

8. COPYRIGHT IN FILES. All intellectual property rights to text, illustrations, software files and other materials ("Materials") provided by DAANSEN to Purchaser are retained by DAANSEN. Purchaser will not, without prior written approval of DAANSEN (which may be withheld for any reason), remove any of DAANSEN's markings or change in any way the Materials.

9. CONFIDENTIAL INFORMATION: All nonpublic information, whether or not specifically identified as confidential or proprietary, conveyed or communicated by DAANSEN or viewed by Purchaser at a DAANSEN facility or revealed in communication with DAANSEN, including DAANSEN's prices, costs, discounts, inventions, specifications, drawings, planned and existing products (which may also be subject to DAANSEN's intellectual property rights), packaging, customers and distributors as well as information regarding DAANSEN's business or finances and production methods or processes, know-how and concepts used by DAANSEN, is proprietary and confidential ("Confidential Information"). Purchaser agrees that it will not use any such Confidential Information for any purpose other than the evaluation of products, performance of the Agreement or for satisfying regulatory compliance requirements related to the sale or use of DAANSEN Products. Purchaser shall distribute Confidential Information strictly on a need-to-know basis. Purchaser shall not disclose any such Confidential Information to others for any other purpose and will advise its employees and agents of the secrecy of such Confidential Information and take all other steps necessary to protect the Confidential Information. Purchaser shall not copy, decompile, reverse engineer or otherwise duplicate the Goods or any part of any Goods or copy, misuse or misappropriate any Confidential Information belonging to DAANSEN USA or DAANSEN Taiwan. The DAANSEN logo and brand names belongs to DAANSEN USA and are protected by trademark and other laws; Purchaser agrees that it will not use or permit any other person to use such logo or brand names without DAANSEN USA's prior written consent which may be withheld for any reason. DAANSEN shall be entitled to all legal and equitable rights and remedies available under state and federal law and otherwise to protect its Confidential Information, trademarks, trade secrets and intellectual property of all kinds. Confidential Information shall not include information that: (i) was known to Purchaser before receipt from DAANSEN; (ii) is or becomes publicly available through no fault of Purchaser; (iii) is rightfully received by Purchaser from a third person not bound by a duty of confidentiality; or (iv) is disclosed by Purchaser with DAANSEN's prior written approval.

10. INTELLECTUAL PROPERTY: The Products and all components thereof and/or use of the Products may be subject to registered or unregistered patent, trademark and/or copyright protections or rights in the United States or otherwise. Nothing herein shall be deemed to transfer or convey any right, interest, or ownership in DAANSEN's intellectual property rights to the Purchaser or any third party.

11. FORCE MAJEURE: If DAANSEN is prevented from or delayed in performing by a force majeure event, it shall not be liable or responsible for its failure to timely perform, but shall perform as soon as possible after the force majeure event ceases. Force majeure includes, but is not limited to, events beyond DAANSEN's control that affect production or transportation, such

as acts of God, acts of war (whether an actual declaration thereof is made or not), acts of government, terrorism, riots, labor strikes, labor lockouts, interruption in telecommunication transmissions or product transportation, pandemics, materials shortages, delays or sudden increases in materials prices or other costs, accident, fire, water damage, flood, earthquake, windstorm, other natural disasters or catastrophes, and compliance by DAANSEN with any order, action, direction or request of any governmental officer, department, agency, authority, or committee thereof. A force majeure event shall also include Supplier's suspension of operation or closure of a facility that produces Goods because the operation of, or Goods from, that facility fails to comply with, or becomes uneconomical because of compliance with, any applicable law or governmental regulation, order, decree or request. This provision is intended to be interpreted to expand rather than limit the application of the Section 2-615 of the UCC, as adopted by the law of the applicable jurisdiction set forth in the governing law provision in the Agreement, or if there is no such agreement or provision, as adopted in the State of New Hampshire.

12. INDEMNIFICATION: Purchaser shall indemnify, defend and hold harmless DAANSEN and its subsidiaries and affiliates and their respective officers, directors, managers, employees, agents, attorneys and representatives (the "DAANSEN Indemnitees") harmless from and against any and all liabilities, claims, demands, actions, suits, losses, damages, costs and expenses (including without limitation reasonable attorneys' fees and costs) which any of the DAANSEN Indemnitees may incur, suffer or be required to pay arising out of (a) Purchaser's use, inability to use, or sale of the Products; (b) breach of this Agreement; (c) violation of the intellectual property rights of any third party including copyright, trademark and patent rights related to any design element provided by the Purchaser; or (d) violation of any applicable law, rule or regulation. Purchaser is solely responsible for evaluating and ensuring the suitability, fitness and merchantability of the products for the intended use, purpose and environment in which the Products will be used. DAANSEN makes no claim as to the fitness of the products for the PURCHASER'S intended use.

13. GOVERNING LAWS, JURISDICTION:

- A. In the event of a dispute under this Agreement not related to the manufacture of the Products, including but not limited intellectual property and payment claims, the laws of the State of New Hampshire shall govern, and the Purchaser consents to the jurisdiction of state and federal courts in New Hampshire as the exclusive jurisdiction and venue for payment or intellectual property disputes.
- B. In the event of a dispute under this Agreement related to the manufacture of the Products, the laws of the Republic of China shall govern, and the Purchaser consents to the jurisdiction of the Taiwan Taipei District Court as the exclusive jurisdiction and venue to resolve any disputes related to the manufacture of the Products.
- C. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement or any part thereof and its application is hereby disclaimed by the parties.

14. AMENDMENT: The Agreement may be amended or altered only in a written document executed by PURCHASER, DAANSEN USA and DAANSEN TAIWAN. DAANSEN shall not be contractually bound to any revised or alternate provision or agreement except as agreed in a writing executed by an authorized officer of DAANSEN.

15. SEVERABILITY: If any term or provision in this agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision or invalidate or render unenforceable such term or provision in any other jurisdiction.

16. MISCELLANEOUS: All provisions of this document shall be read so as to be consistent to the fullest extent possible. DAANSEN may terminate the Agreement immediately on Purchaser's bankruptcy or other insolvency. The Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns but is non-assignable by Purchaser without DAANSEN's express written consent. Nothing contained in the Agreement shall be construed to make the parties partners or joint venturers. Any waiver(s) of Purchaser's noncompliance with these terms shall not be binding on DAANSEN with respect to any continuing or subsequent noncompliance. DAANSEN reserves the right to display samples of any Goods it produces, decorated or undecorated. To the extent necessary to preserve DAANSEN's rights, all terms of the Agreement shall survive acceptance of and payment for Goods sold as well as cancellation, termination or expiration of the Agreement. There shall be no third party beneficiaries of the Agreement unless the parties specifically identify such beneficiaries in writing. Section headings are inserted for convenience and do not add to or detract from the Agreement. DAANSEN shall be entitled to recover its reasonable attorney's fees and expenses in the event it is the prevailing party in any litigation to enforce the Agreement.

17. NOTICES: All notices, requests, consents, claims, demands, waivers or other communications hereunder (each a "Notice") shall be in writing and addressed to the receiving party at the address set forth on the face of this Agreement or to such other address that may be subsequently designated by the receiving party in writing. All Notices shall be delivered by personal delivery, nationally recognized overnight courier (with all fees paid) or certified or registered mail (in each case, return receipt requested and postage prepaid). A Notice is effective only if the party giving the Notice has complied with the requirements of this paragraph.

18. SURVIVAL: Provisions of these Terms and Conditions which by their nature should survive the completion of any transaction between or among the parties shall remain in force including compliance with laws, confidential information, governing law, indemnification, and submission to jurisdiction, arbitration, and survival.

19. STANDARD LIMITED WARRANTY AND LIABILITY LIMITATION

DAANSEN TAIWAN WARRANTS THAT THE PRODUCTS SHALL BE FREE FROM MANUFACTURING DEFECTS AS DETERMINED BY DAANSEN TAIWAN AND SHALL MEET THE SPECIFICATIONS PROVIDED BY OR EXPRESSLY AGREED TO BY DAANSEN TAIWAN IN WRITING. WARRANTY OF PRODUCTS DETERMINED TO BE DEFECTIVE BY DAANSEN TAIWAN SHALL BE LIMITED TO REPLACEMENT OF DEFECTIVE PRODUCTS ONLY. DAANSEN MAKES NO OTHER WARRANTY EXPRESS,

IMPLIED, OR STATUTORY, INCLUDING, BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR INTENDED PURPOSES. IT IS THE PURCHASER'S RESPONSIBILITY TO DETERMINE FITNESS AND SUITABILITY OF THE PRODUCTS FOR THEIR INTENDED USE. DAANSEN ASSUMES NO RESPONSIBILITY FOR PRODUCT COMPATIBILITY. CUSTOMERS ARE ADVISED TO PERFORM STABILITY TESTING AND TO FULLY REVIEW AND QUALIFY THE PRODUCTS FOR THE INTENDED USE BEFORE AN ORDER IS PLACED.

PURCHASER ACKNOWLEDGES THAT THE PRODUCTS MAY BE DISTRIBUTED, STORED, OR USED IN VARIOUS JURISDICTIONS WITH DISPARATE REGULATIONS AND, THEREFORE, DAANSEN CANNOT MAKE ANY REPRESENTATION OR WARRANTY REGARDING COMPLIANCE WITH APPLICABLE LAWS, RULES, REGULATIONS AND ORDINANCES. DAANSEN DISCLAIMS ANY REPRESENTATION OR WARRANTY THAT THE PRODUCTS CONFORM TO FEDERAL, STATE OR LOCAL LAWS, RULES, REGULATIONS, ORDINANCES, CODES OR STANDARDS, EXCEPT AS EXPRESSLY AGREED BY DAANSEN IN WRITING. PURCHASER SHALL COMPLY WITH ALL APPLICABLE LAWS, RULES, REGULATIONS AND ORDINANCES.

If Purchaser does not submit a warranty claim within thirty (30) days after receipt of the Products at the delivery address on the purchase order or in the event that Goods are subjected to misuse, negligence, alteration, improper use or installation or are operated in an environment or application degrading to product integrity, this warranty shall automatically terminate and be of no further force or effect. In the event Purchaser timely submits a claim for breach of warranty and DAANSEN TAIWAN determines that the Goods have not been subject to misuse, are defective or otherwise do not meet published or agreed specifications, Purchaser's sole and exclusive remedy shall be limited to the repair or replacement of articles DAANSEN TAIWAN deems to be defective. In the event Purchaser desires to submit a warranty claim, it shall timely submit the claim in writing and cooperate with DAANSEN in evaluating the claim including mailing of samples and providing Daansen lot numbers and failure information to DAANSEN. If DAANSEN TAIWAN determines that further investigation is necessary, it will arrange for some or all of the Products to be returned for a final analysis and determination. If DAANSEN TAIWAN determines that the Goods are defective it will either replace the defective Products or provide a Credit toward future purchases for the purchase price of the defective goods to the Purchaser, as it so elects. In no event shall DAANSEN be liable for incidental, special or consequential damages.

20. In no event will DAANSEN's aggregate liability arising out of or related to this Agreement, whether arising out of or related to breach of contract, tort (including negligence) or otherwise, exceed the total of the amounts paid to DAANSEN TAIWAN by Purchaser hereunder during the six (6) month period preceding the date DAANSEN was notified of the claim in writing. This limitation of liability is a material basis for the parties' bargain and reflects the bargained for allocation of risk between DAANSEN and Purchaser, without which DAANSEN would not have agreed to provide the Products or services at the price charged.

21. All Products are sold for commercial use only and are not intended for use by consumers. DAANSEN disclaims all warranties to consumers, as defined by the Magnuson-Moss Act and/or applicable law, including the Canadian Consumer Protection Act. Any inspection services provided by DAANSEN at Purchaser's request not act as a warranty or approval of Purchaser's

use, installation, or maintenance of the Products. In no event will DAANSEN be liable for failure to detect improper use, installation or maintenance of the Products by Purchaser or any injury, loss or damage, direct or consequential, arising out of the use of, or the inability to use the Products. The Purchaser shall determine the suitability of the Products for the intended use prior to use and assumes all risk and liability in connection therewith.