

**ALL QUOTATIONS AND PROFORMA INVOICES ARE ISSUED AND ALL OUR PRODUCTS ARE SOLD SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:**

**TERMS OF OFFER.** Prices quoted are open for acceptance for ten (10) days after the date of quotation, unless stated otherwise. Prices quoted are subject to adjustment to Seller's price in effect at time of shipment.

**ACCEPTANCE, GOVERNING PROVISIONS AND CANCELLATION.** No Purchase Order for MINYU products or services of Buyer shall be binding upon Seller unless accepted in writing by an authorized official at Seller's home office. Any Purchase Order shall be subject to these terms and conditions of acceptance by Seller, and shall be explicitly conditioned on assent to such terms and conditions, in which the assent shall be deemed accepted by Buyer upon given unless Buyer shall explicitly notify Seller to the contrary within seven (7) days after Seller's receipt, acknowledgement or confirmation of a Purchase Order, and in all events prior to commencement of any ex-works, delivery or performance of such order. Seller will recognize no modified, added and/or deleted conditions unless each of which is specifically agreed to/upon in writing by an authorized official at Seller's home office. Failure of Seller to object to provisions contained in any purchase order or other communication from Buyer, shall not be construed as a waiver of any of these conditions, nor an acceptance of any of such provisions. Any contract or agreement for sale inclusive of these conditions and terms shall be construed according to the Laws of Taiwan. No Purchase Order accepted by Seller may be altered or modified by Buyer unless specifically agreed to in writing by an authorized official at Seller's home office; and no Purchase Order may be cancelled or terminated except upon payment of Seller's loss, damage and expenses arising from such cancellation or termination. Seller's loss is at least thirty percent (30%) of the total FOB Taiwan price as specified in Seller's quotation.

**PRICE.** All prices are ex works MINYU Yangmei, Taiwan, unless quoted otherwise. All charges for service field work, regardless of its nature and timing, which is charged on a per diem basis plus transportation and living expense, shall be separately billed to and paid for by Buyer in advance from the price quoted for merchandise. Prices are exclusive of any applicable domestic or international tax which may be imposed or levied on the sale of Seller's products or services, and Buyer agrees to pay for each of the said taxes. If Seller incurs or pays any of such said taxes, Buyer shall pay or reimburse Seller the exact amount within five (5) days upon notice. Prices are based on ex-works & delivery of the entire deliverable in a single shipment via a scheduled commercial freight and to one designated final destination unless otherwise specifically agreed to in writing by Seller.

DELIVERY. Delivery shall be ex works MINYU Yangmei, Taiwan. Delivery of products to a carrier at Seller's plant or other shipping point in Taiwan shall constitute a formal delivery to Buyer, regardless of the nature in freight payment, and all risks of loss or damage in transit shall be borne by Buyer. Delivery terms are based on Seller's best judgment, and Seller will make best attempt to fulfill the Purchase Order at the agreed time. However, Seller shall not be liable for any damage or loss as claimed to result from any delays in delivery due to any cause whatsoever.

TERMS OF PAYMENT. All invoices are due and payable in net before delivery, unless specifically agreed to in writing by an authorized official at Seller's home office.

T/T PAYMENT: A deposit of 30% of the total CIF price in advance into seller's designated bank account is necessary to fully establish and validate Buyer's order as well as to secure Seller's offer. The balance payment of 70% is due at least 15 days prior to scheduled ex works date for delivery.

L/C PAYMENT: The L/C must be an Irrevocable Letter of Credit (IRREVOCABLE L/C) at sight in Seller's favor, and is directly opened to and therefore with the Receiving/Informing Bank being a pre-approved major Taiwanese bank or a Taipei branch of a first-class USA or European bank. Otherwise, the said L/C must either be directly opened in the USA or Europe to the beneficiary (Seller's) bank by a seller-accepted first class international USA or European bank also based in USA or Europe. Otherwise, the said L/C then must be a pre-paid CONFIRMED irrevocable L/C at sight in Seller's favor, and is a confirmed L/C opened by Seller pre-approved international bank and being directly confirmed (guaranteed) by a Seller pre-approved first class USA bank also based in USA. No clauses of non-legally required merchandise origination, government agency or chamber of commerce certificates etc. are included in the clauses of the said L/C. For international delivery, Seller's documents are limited only to Commercial Invoice, Packing List, Bill of Lading, and Certificate of Origin. The said Irrevocable L/C must be fully opened and received by Seller with good confirmation. The said Irrevocable L/C must include such clause that All banking charges and fees must be fully paid for in advance by Buyer. All confirmation charges, if & when applicable, are to be pre-paid by Buyer. The said Irrevocable L/C must be fully opened upon purchase and be fully compliant with every clause in Seller's terms of payment, to validate Buyer's purchase order as well as Seller's offer.

Delays in transportation shall not extend in time the terms of payment. Should Buyer's financial responsibility become unsatisfactory to Seller, cash payment or satisfactory securities may be demanded by Seller, and in default of such cash payment or said security, deliveries herein may be discontinued at the option of Seller, and a surcharge be rendered to cover the value of any partially finished articles that are being manufactured on this Purchase Order or contract.

WARRANTY:

WARRANTY FOR PARTS. Seller provides limited warranty for parts against defective workmanship and materials only, therefore, parts don't have any warranty period.

WARRANTY FOR COMPLETE MACHINES. SELLER PROVIDES LIMITED WARRANTY FOR THEIR PRODUCTS UPON BUYER FILLING IN THE RELEVANT FORM, WHICH MUST BE FILLED IN AND STAMPED WITH SELLER'S SEAL, OTHERWISE WARRANTY CANNOT BE APPLIED. SELLER WARRANTS THEIR PRODUCTS AGAINST DEFECTIVE WORKMANSHIP AND MATERIALS FOR ONE YEAR ONLY, OR 2000 HOURS, WHICHEVER COMES FIRST. THE WARRANTY PERIOD BEGINS ON THE PURCHASE DATE. UNDER WARRANTY, SHOULD A PART OR PARTS (EXCLUDING THE natural or operational WEARS AND TEARS) NEED REPLACEMENT, THE PART(S) WILL BE FREE OF CHARGE. HOWEVER, THIS WARRANTY IS VALID ONLY UNDER THE FOLLOWING CONDITIONS:

1. THE PRODUCT(S) HAS TO BE INSTALLED, OPERATED AND MAINTAINED IN FULL ACCORDANCE WITH SELLER'S PARTS & SERVICE MANUAL/S. THE WARRANTY DOES NOT APPLY IF THE DAMAGE OCCURS BECAUSE OF ACCIDENT, IMPROPER HANDLING OR OPERATION, SHIPPING DAMAGE, ABUSE, MISUSE AND NATURAL HAZARDS, SUCH AS EARTHQUAKES, STORMS AND FLOODS. IF SERVICES ARE NEEDED UNDER THE ABOVE SAID CIRCUMSTANCES, ALL REPLACING PARTS WILL BE CHARGED ACCORDING TO THE CURRENT RATES SET FORTH BY SELLER AND THE PROPER SERVICE FEES WILL BE APPLIED.
2. THE ORIGINAL MANUFACTURE NUMBERED PLATE MUST REMAIN ATTACHED TO THE PRODUCT(S) AND REMAIN UNCHANGED AND UNDAMAGED.
3. DURING THE ONE YEAR OR 2000 HOURS WHICHEVER COMES FIRST WARRANTY PERIOD, ALL PARTS (INCLUDING THE WEARS AND TEARS) REPLACED AND SERVICES REQUIRED MUST BE PROVIDED BY SELLER. THE WARRANTY DOES NOT APPLY IF ANY PRODUCT HAS BEEN TEMPERED, REPAIRED OR ALTERED BY OTHER THAN SELLER OR SELLER'S AUTHORIZED OUTLET IN ANY WAY.

THE WARRANTY CERTIFICATE IS THE ONLY COPY GIVEN, NO SECOND COPY CAN BE REQUESTED IF IT IS MISPLACED. HOWEVER, IN CASE THAT THE WARRANTY CERTIFICATE IS LOST AND YET SERVICE IS NEEDED, THE EFFECTIVE WARRANTY PERIOD WILL BE

BASED ON THE MANUFACTURING DATE AS SHOWN ON THE MANUFACTURE NUMBERED PLATE ATTACHED ON THE PRODUCT.

The buyer's sole and exclusive liability for breach of the aforesaid warranty and for any direct or consequential damages resulting from, caused by or arising out of the use or operation of any product Seller delivers to Buyer shall be limited to the replacement of parts defective in workmanship or material. Seller shall be notified in writing within seven (7) days after any alleged breach of the aforesaid warranty. Seller shall have the option of inspecting the product at Buyer's plant or its client's plant before accepting or rejecting Buyer's claim. If the product is to be inspected at Seller's plant, then all shipping, crating, handling and other relating charges of the products to and from Seller's plant shall be paid by Buyer. Claims for shortages or other errors must be made in writing to Seller within seven (7) days after receipt of shipment, and failure on the part of Buyer to give such a specific notice shall constitute an unqualified warranty claim and therefore a Seller rejection to all such claims by Buyer. No claim for correction shall be accepted except for any work to be performed with the written consent by an authorized official at Seller's home office in advance.

No claim will be accepted for products misused by Buyer and/or client, or damaged in transit.

Claimed defects that do not impair the operation or service of the product shall not be accepted by Seller as a cause for Buyer's rejection.

**BUYER'S MATERIAL.** When buyer furnishes the material that is to be worked by seller, and it proves defective or involves expenses not normally contemplated by the seller at the time the order is placed, the seller will bill buyer and buyer will pay for all expenses involved up to the time of discovery of the defect, or the need for such additional expense. Seller shall, after discovery of any defect in the material, notify buyer of the discovery and obtain authorization to proceed with the work. Seller shall not be liable for any costs of the material or other damages in the event of spoilage or rejection for whatsoever cause or reason.

**PATTERNS AND TOOLING.** Seller shall not be liable for loss of patterns, tooling or merchandise by reason of circumstances beyond the seller's control.

**DEVELOPMENT, DRAWING, PATTERN AND/OR TOOL CHARGES.** Development, drawing, pattern and/or tool charges quoted in any proposal represent the buyer's proportionate cost thereof, and it is expressly understood that such drawings, patterns and/or tools remain the property of the seller, unless otherwise agreed in writing.

PATENTS, ETC. Buyer will indemnify, defend and save seller harmless from any claims, damages, cost or expenses arising out of any claim infringement of any patents, designs, copyrights or trademarks with respect to any goods supplied or services rendered pursuant to buyer's designs, plans or specifications.

ALTERATIONS. No alterations in specifications, either for total quantity, delivery, mechanical, chemical or other details, may be made without written consent of an authorized official of seller and readjustment of price.

DEFERRED DELIVERY AND WORK STOPPAGE. Should the buyer for good and sufficient cause desire that his order be held up or delivery deferred until some later time, approval of the deferred delivery or work stoppage must be obtained from the seller in writing, and seller may grant said requests subject to the following conditions:

- a. As to work completed prior to seller's consent to a deferred delivery or work stoppage, said work shall be held by seller for buyer for a period of time not to exceed seven (7) days. If at the expiration of said period, buyer has not informed seller as to the disposition of the completed products, then seller may ship the products to the destination specified in this agreement, or if buyer notifies seller of a destination, seller may ship the products to said destination. Buyer shall pay all charges and costs, as determined by seller, concerning all the products covered by this agreement.
- b. As to work which is uncompleted prior to seller's consent to a deferred delivery or work stoppage, seller shall stop all work and hold the unfinished products for buyer for a period of time not to exceed seven (7) days. If by the expiration of said time period, buyer does not notify seller to proceed with the work upon the same terms and conditions contained herein and give a delivery date acceptable to seller, then seller may declare buyer in default of his obligations hereunder and assess damages against buyer.

After expiration of the above-mentioned time period, the seller reserves the right to re-sell the products.

ERRORS. Stenographic or clerical errors are subject to correction.