

**PURCHASING TERMS AND CONDITIONS OF
MAXCESS INTERNATIONAL CORPORATION AND ITS SUBSIDIARIES**

1. **ACKNOWLEDGMENT AND ACCEPTANCE:** The issuance of any purchase order (each, an “Order”) from Purchaser to Supplier for the purchase of products and/or services (“Products” and/or “Services”) constitutes an offer expressly limited to the terms contained in these Purchasing Terms and Conditions (which may be revised at any time by Purchaser posting a revised version to its website). “Purchaser” means the entity issuing the Order to Supplier. Supplier’s acceptance is expressly made conditional on assent to the terms hereof. Any addition, change or deletion in these terms by Supplier in Supplier’s acknowledgment form or otherwise communicated to Purchaser shall be deemed a material alteration and is expressly objected to and rejected by Purchaser. Purchaser reserves the right to revoke any offer at any time prior to acceptance by Supplier, which acceptance shall take place only by (a) the return of an executed and unmodified copy of such Order, or (b) Supplier’s delivery of Products or Services in compliance with the requirements of these Purchasing Terms and Conditions to Purchaser and Purchaser’s acceptance thereof. Unless Supplier accepts an offer (as described in the preceding sentence) within five (5) days of issue, Purchaser reserves the right to revoke such offer and/or reject any acceptance by Supplier that occurs after such five-day period.

2. **PRICING:** Supplier represents and warrants that the prices for the Products and/or Services shall be as specified in each Order and that such prices: (a) prevail over any higher list or invoice price of Supplier, (b) do not exceed Supplier’s current selling prices for the same or substantially similar articles, and for comparable quantities, in each case, to any purchaser, and (c) are not in excess of the maximum prices permitted by any applicable government laws or regulations existing on the date of such Order. Any extra handling charges incurred due to the failure of Supplier to fill any Order as per instruction will be billed back to Supplier. If Purchaser is offered similar products or services by another supplier at a delivered price lower than Supplier’s price, or upon terms and conditions more favorable than those provided by Supplier then Supplier shall reduce Purchaser’s price to such lower price or shall offer more favorable terms to Purchaser for as long as the lower price or more favorable terms and conditions remain available from other suppliers. In addition, if Purchaser becomes aware that Supplier is offering products or services to a third party at a price which is lower than the prices offered to Purchaser, then the price applicable to Purchaser’s Orders for similar quantities will be reduced accordingly.

3. **WARRANTY.** Supplier warrants that for a period of two (2) years following delivery of the Products, the Products shall be merchantable, of good quality, free from defects in labor, materials, fabrication or otherwise, and suitable for the use intended. In addition, Supplier warrants that the Products: (a) are not adulterated or misbranded within the meaning of applicable laws, (b) conform to the specifications in effect at the time of production and any other requirements set forth in any Order, (c) are free of all foreign substances and foreign materials, and do not contain any materials whose use is prohibited by applicable law, (d) comply with applicable law, (e) are delivered with good title and are free from any security interest or other lien or encumbrance, and (f) do not violate or infringe the patent, copyright, trademark, trade secret or any other intellectual property or other right of any person; provided that, such warranty does not include any violation or infringement caused solely by Purchaser’s intellectual property. For the avoidance of doubt, the warranties set forth in the preceding sentence shall not be limited in time. With respect to Services, Supplier warrants that the Services it provides shall be provided in a professional manner, using requisite skill and experience, and in compliance with all applicable industry standards.

The warranties set forth above shall also apply to: (a) any nonconforming Products which are reconditioned by Supplier at Purchaser’s request, and (b) Products or Services which Supplier provides to Purchaser as replacement Products or Services for nonconforming Products or Services.

4. INSPECTION AND NONCONFORMING PRODUCTS OR SERVICES: Supplier shall inspect all Products prior to shipment to Purchaser. Nonconforming Products may be rejected by Purchaser and returned to Supplier at Supplier's risk and expense for credit, refund of paid purchase price, or replacement at Supplier's expense, in each case, at Purchaser's option (in addition to any other remedies which Purchaser may have). Nonconforming Services may be rejected by Purchaser and Purchaser may receive a refund of purchase price paid or may have such Services re-performed by Supplier at Supplier's expense, in each case, at Purchaser's option. Payment before Purchaser's inspection shall not be deemed acceptance of nonconforming Products or Services.

5. COMPLIANCE WITH APPLICABLE LAW. Supplier agrees to comply with all applicable laws, statutes, regulations, ordinances, rules, procedures, industry standards, codes, programs, plans, and orders and guidelines in the operation of its business, design, production and sale of the Products, and the provision of the Services (including, without limitation, customs regulations, import/export laws, labeling and warning laws, advertisement laws, personal information protection laws, trademark registration laws, labor laws, tax laws, foreign corrupt practices laws, anti-terrorism laws, laws prohibiting deceptive trade practices). Supplier warrants that all Services supplied hereunder will be produced or rendered in compliance with the foregoing and that all Products supplied hereunder will be designed, manufactured and packaged in compliance with the foregoing. Upon Purchaser's request, Supplier shall provide a written certification confirming compliance with any laws or regulations deemed applicable by Purchaser. Further, Supplier represents and warrants that it shall maintain all licenses, registrations, and permits required to perform its obligations pursuant to each Order.

Supplier shall use commercially reasonable efforts to: (a) identify whether Products contain tin, tantalum, gold or tungsten; (b) determine whether any such minerals originated in covered countries, as defined in Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"); and (c) perform appropriate due diligence on its supply chain in support of Purchaser's obligations under the Act. In addition, Supplier shall, as soon as reasonably practicable following the completion of each calendar year, provide a completed Conflict Minerals Reporting Template, using the form found at <http://www.responsiblemineralsinitiative.org/conflict-minerals-reporting-template/>. If requested, Supplier will promptly provide information or representations that Purchaser reasonably believes are required to meet Purchaser's conflict minerals compliance obligations.

6. SHIPMENTS AND ADVANCE COMMITMENTS. Each container and accompanying packing lists must show the relevant Order number. No charge shall be made for packaging or similar costs unless expressly authorized by the relevant Order. All items shall be suitably prepared for shipment to secure the lowest transportation and insurance rates, and to meet the carrier's requirements. Purchaser may, at its option, either retain items received in advance of the delivery schedule or return them to Supplier at Supplier's risk and expense; if retained, time for payment and discount shall be based upon scheduled delivery dates. Supplier shall place all orders for, and schedule deliveries of, materials and parts necessary for its performance under each Order at such time as will enable Supplier to meet, but not unreasonably anticipate, the schedule of delivery of Products and/or Services set forth in the Order. In the event of termination of, or changes to, any Order, Purchaser shall not be liable, without prior written consent, for any changes or costs arising out of commitments by Supplier for the acquisition of said materials and parts, or out of work performed in advance of the time necessary to meet the delivery schedule.

7. SUPPLIER TOOLS, FIXTURES, PATTERNS, ETC. Unless otherwise specified in an Order, the purchase price includes the cost of any and all property such as, but not limited to, gauges, jigs, fixtures, dies, molds, tools, and patterns that may be obtained or required by Supplier for the manufacture, fabrication, or assembly of the Products or provision of the Services. Unless purchased by Purchaser from Supplier or otherwise specified, title to such property will remain with the Supplier.

8. TAXES. Federal, State or local taxes of any nature which are billed to Purchaser, shall be stated separately in Supplier's invoices. Any and all tax exemption certificates will be accepted by Supplier.

9. CHANGES. Purchaser shall have the right at any time before shipment of the Products or provision of the Services to make changes including without limitation, as applicable, in quantities, in drawings, and specifications, in delivery schedules, in methods of shipment and packaging, and in the scope of Services. If such changes cause an increase or decrease in prices or in the time required for performance, Supplier shall promptly notify Purchaser thereof, and a suitable adjustment shall be made. Changes shall not be binding upon Purchaser unless evidenced by an Order change notice issued and signed by Purchaser.

10. DELIVERY. Time, quantity, and accuracy of deliveries are of the essence. Supplier shall immediately notify Purchaser in the event that Supplier's timely performance is delayed or likely to be delayed, in whole or in part, and Supplier shall provide Purchaser with an explanation for such delay. Such notice shall not constitute a waiver by Purchaser of any of Supplier's obligations. Supplier will not substitute Products or Services without Purchaser's consent.

Only overshipments which are caused by conditions of packing or allowances in manufacturing processes and which do not exceed 5% of the quantity called for will be accepted. In all other cases quantity shown is to be delivered net and no excess will be accepted. In addition, Purchaser may accept or reject, in its sole discretion, any undershipments provided that in the event it accepts any such undershipment, the price is adjusted accordingly. Unauthorized advance shipments are returnable at Supplier's expense.

All shipments shall be made pursuant to the Incoterm or other delivery instructions set forth on the Order (and if no such Incoterm or instruction is stated, then delivery shall be made F.O.B. destination), and title to, and risk of loss on, all items shipped by Supplier to Purchaser shall pass to Purchaser upon delivery to the destination specified on the face of the Order. Cost of all return shipments for whatever reason returned, shall be borne by Supplier with title and risk of loss passing at Purchaser's designated location, unless otherwise specified by Purchaser at the time of return. If the Products are not delivered or the Services are not provided at the time, at the location, in the quantities, and as otherwise required by the Order, Purchaser reserves the right, without liability and in addition to any other rights and remedies it may have: (a) to terminate the Order by written notice effective when received by Supplier as to stated Products not yet shipped or Services not yet provided; (b) to expedite shipments of Products or provision of Services at the sole cost and expense of Supplier; and (c) to purchase substitute products elsewhere or engage another supplier to provide services, in each case, and charge Supplier any difference between the cost of the Products or Services as set forth in the Order and the cost of obtaining the substitute products or having the substitute services provided.

11. BREACH AND FORCE MAJEURE. Purchaser reserves the right to terminate any Order in the event of a material breach by Supplier including without limitation breach relating to late delivery or non-delivery; provided that, termination in the event of a Force Majeure Event affecting Supplier shall only be permitted as described below. Supplier shall have the duty to use its best efforts to mitigate any loss incurred due to Purchaser's termination on account of Supplier's material breach. Such termination shall be without prejudice to, or waiver of, Purchaser's right to recover damages therefor and shall not be construed as a rescission unless expressly so stated upon cancellation.

Supplier shall be excused from performance and shall not be liable for any delay in delivery or non-delivery, as the case may be, in whole or in part, if such delay or non-delivery is caused by the occurrence of any contingency or act beyond Supplier's reasonable control and without Supplier's fault or negligence, including, but not limited to fire, civil disobedience, riot, rebellion, accident, explosion, flood, and any other Acts of God ("Force Majeure Event") provided that Supplier promptly notifies Purchaser as soon as

such delay becomes apparent. If the Force Majeure Event preventing Supplier's performance continues for a period that Purchaser deems in its sole discretion to be excessive, then Purchaser may terminate any and all outstanding Orders, without any liability resulting from such termination, and without obligation to make any further purchases from Supplier.

12. INSPECTION AT SOURCE. The Products to be delivered pursuant to any Order shall be subject to inspection by Purchaser upon the premises of the Supplier, and Supplier, without additional cost, shall provide all reasonable facilities and assistance for the safety and convenience of such inspectors. At the time of inspections Supplier shall make available to the inspectors' copies of all drawings, specifications and process, preservation and packaging data applicable to the Products ordered. Such inspection shall be deemed as preliminary only and all Products ordered shall be subject to final inspection and acceptance at Purchaser's designated location.

13. PROPERTY FURNISHED TO SUPPLIER BY THE PURCHASER. All designs, tools, patterns, drawings, specifications and other information, materials or equipment, etc., furnished by Purchaser to Supplier for use in manufacture of the items hereunder shall remain Purchaser's property, and the Supplier shall not use any such property in the production, manufacture or design of any other articles or materials, or for the production or manufacture of larger quantities than those specified in the applicable Order, nor shall the Supplier create any encumbrance on such property, without first obtaining Purchaser's written consent thereto. Purchaser does not warrant the accuracy of tools and fixtures; however, all work must be in strict accordance with the applicable specifications. Supplier shall be fully responsible for all property upon delivery to Supplier until redelivery thereof to Purchaser. Supplier shall promptly upon request from Purchaser, whether on or prior to completion of work, deliver such property and productions to Purchaser in accordance with the terms of said demand.

14. CONFIDENTIALITY. Supplier shall not, without first obtaining Purchaser's written consent, disseminate the fact that the Supplier has furnished or has contracted to furnish Purchaser the Products or Services ordered in any Order, nor, except as is necessary for performance of an Order, shall Supplier disclose any Confidential Information that it may acquire from Purchaser (including without limitation any of the details connected with any Order) to third parties. "Confidential Information" means the commercial terms of any Order and all non-public information in respect of Purchaser's business.

15. INDEMNIFICATION: Supplier shall indemnify and hold harmless Purchaser, its successors, assigns, customers, directors, officers, employees, agents and other users of the Products and Services purchased pursuant to any Order (collectively, "Purchaser Parties") against any and all first and third party liability, costs, expenses (including reasonable attorneys' fees), damages, losses, royalties, license fees, claims, and causes of action (collectively, "Losses"), arising, directly or indirectly, from:

(a) the Products or Services (including without limitation Supplier's design, manufacture and sale of the Products, defective parts and materials incorporated into the Products, Product warnings and any otherwise nonconforming Products or Services);

(b) any breach of the warranties set forth in these Purchasing Terms and Conditions;

(c) any recall of Products;

(d) the negligent act or omission, strict liability or wilful misconduct of Supplier and/or its directors, officers, employees, subcontractors and agents; and

(e) Supplier's breach of any Order.

A Purchaser Party may make first party claims by giving written notice thereof summarizing the basis for the claim to Supplier as soon as reasonably practicable after identifying such claim but the failure to do so shall not relieve Supplier from any liability. A Purchaser Party may make third party claims by giving written notice thereof summarizing the basis for the claim to Supplier promptly after receiving notice of the underlying claim from the third party, but the failure to do so shall not relieve Supplier from any liability.

Upon Supplier's receipt of such notice from the Purchaser Party, Supplier shall promptly investigate the claim asserted and shall communicate with the Purchaser Party on a regular basis about the status of its investigation. The Purchaser Party shall be entitled to direct the defence against any third party claim with counsel selected by it (subject to the consent of Supplier, which consent shall not be unreasonably withheld). Each party shall make available such information and assistance as the other party may reasonably request and shall cooperate in the defence of the claim, at the expense of Supplier.

The indemnification obligations set forth in this Section 15 are in addition to any other indemnification obligations set forth in any other provisions of these Purchasing Terms and Conditions.

16. **INSURANCE:** Supplier shall maintain and require its subcontractors and agents to maintain adequate insurance coverage adequate, including comprehensive general liability and worker's compensation insurance (or corresponding coverages in Purchaser's jurisdiction), in amounts sufficient in the reasonable opinion of Purchaser, taking into account the nature and use of the Products, to cover against any losses incurred as a result of the use of the Products. Such comprehensive general liability policy shall name Purchaser as an additional insured which may be pursuant to a broad form vendor's endorsement if available. Supplier will furnish on Purchaser's request insurer's certificates evidencing such insurance which expressly provide that the insuring company will give thirty (30) days prior written notice to Purchaser of the cancellation or expiration of such insurance.

17. **INFRINGEMENT:** Supplier shall indemnify the Purchaser and hold them harmless from any and all Losses arising from any suit or claim of infringement of any third party intellectual property right including without limitation patent, copyright, trademark or trade name by reason of the manufacture, sale or use of such Products or Services, including any settlement. Upon the tendering of any such suit or claim to Supplier, Supplier shall defend the same at Supplier's expense. The foregoing indemnification obligation shall apply whether Supplier or Purchaser defends such suit or claim.

18. **LIMITATION ON LIABILITY:** ANY ACTION BY SUPPLIER ARISING OUT OF OR RELATED TO ANY ORDER MUST BE COMMENCED WITHIN ONE YEAR AFTER THE SCHEDULED DATE OF DELIVERY OF THE PRODUCTS OR SERVICES ORDERED. PURCHASER'S LIABILITY FOR ANY CLAIM OF ANY KIND ARISING OUT OF OR RELATED TO ANY ORDER SHALL IN NO CASE EXCEED THE PURCHASE PRICE OF THE PRODUCTS OR SERVICES WHICH GIVE RISE TO THE CLAIM. NOTWITHSTANDING ANYTHING SET FORTH IN THESE PURCHASING TERMS AND CONDITIONS TO THE CONTRARY, IN NO EVENT WILL PURCHASER BE LIABLE TO SUPPLIER FOR SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES OR LOST PROFITS FOR ANY REASON INCLUDING ON ACCOUNT OF A TERMINATION OF ALL OR ANY PART OF AN ORDER.

19. **RECALL OF PRODUCTS:** In the event of a recall of the Products, the parties shall comply with all applicable laws and shall fully cooperate with each other and take all steps that are reasonably necessary to implement the recall of Products in a timely and complete manner. Further, Supplier shall use diligent efforts to assist Purchaser in investigating the cause of any such recall. In the event of a recall, Purchaser shall coordinate all contacts with relevant governmental authorities and shall direct all activities concerning such recall (in each case, unless otherwise specified, recommended or required by the regulatory authority). Purchaser's Losses related to a recall may include without limitation all costs to

execute such recall, the costs incurred to repair or replace the recalled Products or Purchaser's products that incorporate the recalled Products, as applicable, delivery and storage costs, all penalties, fines, third party claims, product liability claims and attorneys' fees.

20. PAYMENT: Purchaser shall issue payment at Net 10 days for a 2% discount or Net 55 days, in each case, from receipt date of Products or completion of Services or as otherwise set forth in the Order in the currency specified in the Order. Payment by Purchaser is contingent upon delivery by Supplier of conforming Products or satisfactory completion of Services and an accurate invoice as required by Purchaser. Payment made by Purchaser for Products or Services that do not comply with the requirements set forth in these Purchasing Terms and Conditions shall be refunded by Supplier to Purchaser within five (5) business days of Purchaser's request or, at Purchaser's option, deducted from any other payments then or thereafter due to Supplier from Purchaser. In no event shall Purchaser be obligated to pay interest or penalties on any amounts due.

21. GOVERNING LAW: Each Order shall be governed by the laws of the jurisdiction in which the principal place of business of the Purchaser is located without regard to its conflict of laws provisions. The United Nations Convention on Contracts for the International Sale of Products shall not apply to any disputes relating to any Order or the purchase or sale of the Products.

22. DISPUTE RESOLUTION:

(a) If both the Purchaser and the Supplier are US entities then any dispute or claim arising out of or in connection with any Order shall be resolved by proceedings brought in the courts located in the state where the Purchaser's principal place of business is located, which courts shall have exclusive jurisdiction.

(b) If the Purchaser is not an entity incorporated in the United States, Europe, or the PRC and if the Supplier's principal place of business is located in, or if the Supplier has substantial assets in, in each case, a contracting state of the New York Convention, then (provided that such principal place of business or location of substantial assets shall be determined by Supplier in its sole discretion acting in good faith) any dispute or claim arising out of or in connection with any Order shall be finally resolved by arbitration under the Rules of American Arbitration Association, before a sole arbitrator appointed in accordance with the said Rules. "PRC" means the People's Republic of China excluding Hong Kong, Macao and Taiwan, The seat, or legal place, of arbitration shall be the city in which the principal place of business of the Purchaser is located and the language to be used in the arbitration shall be the official language of the country in which the principal place of business of the Purchaser is located. Unless the parties expressly agree in writing to the contrary, the parties undertake as a general principle to keep confidential all awards in their arbitration, together with all materials in the proceedings created for the purpose of the arbitration and all other documents produced by another party in the proceedings not otherwise in the public domain, save and to the extent that disclosure may be required of a party by legal duty, to protect or pursue a legal right or to enforce or challenge an award in bona fide legal proceedings before a state court or other judicial authority.

(c) If the Purchaser is an entity incorporated in the PRC, and if the Supplier's principal place of business is located in, or if the Supplier has substantial assets in, in each case, a contracting state of the New York Convention, then (provided that such principal place of business or location of substantial assets shall be determined by Supplier in its sole discretion acting in good faith) any dispute or claim arising out of or in connection with any Order shall be finally resolved by arbitration administered by China International Economic and Trade Arbitration Commission (concurrently named the "Court of Arbitration of the China Chamber of International Commerce") ("CIETAC") under the Rules of CIETAC, before a sole arbitrator appointed in accordance with the said Rules. The seat, or legal place, of arbitration shall be in Shanghai

and the language to be used in the arbitration shall be English and Chinese. Unless the parties expressly agree in writing to the contrary, the parties undertake as a general principle to keep confidential all awards in their arbitration, together with all materials in the proceedings created for the purpose of the arbitration and all other documents produced by another party in the proceedings not otherwise in the public domain, save and to the extent that disclosure may be required of a party by legal duty, to protect or pursue a legal right or to enforce or challenge an award in bona fide legal proceedings before a state court or other judicial authority.

(d) Notwithstanding Sections 22(a) 22(b) or 22(c), nothing shall limit the right of the Purchaser to take proceedings against the Supplier in any other court of competent jurisdiction.

(e) Regardless of which of the foregoing provisions in this Section 22 applies, a party seeking injunctive relief may always pursue an action for such relief in any court of competent jurisdiction.

23.GENERAL:

(a) The terms of each Order (including these Purchasing Terms and Conditions) constitute the entire agreement between the parties on its subject matter and supersede and terminate all existing and/or prior agreements or arrangements (except for any written confidentiality agreements). Neither party enters into any Order in reliance upon, and it shall have no remedy in respect of, any representation or statement (whether made by the other party or any other person) which is not expressly set out in that Order.

(b) If any of the terms and conditions of these Purchasing Terms and Conditions (or part thereof) shall be found by any court or body or authority of competent jurisdiction to be illegal, unlawful, void or unenforceable, such term or condition shall be deemed to be severed from the Agreement and this shall not affect any other term or condition (or the other part of the term or condition of which such illegal, unlawful, void or unenforceable part forms part) which shall remain in full force and effect.

(c) No part of any Order may be assigned or subcontracted without prior written approval of Purchaser.

(d) Purchaser's failure to insist on performance of any of the terms and conditions of any Order or exercise any right shall not be deemed a waiver unless in a writing signed by Purchaser. A waiver on one occasion shall not thereafter operate as a waiver of any other terms, conditions or rights, whether of the same or similar type.

(e) Purchaser shall have the right to set off against any amounts which are due or may become due to Supplier any amount which Supplier may owe to Purchaser under any Order or otherwise.

(f) The remedies provided in these Purchasing Terms and Conditions shall be cumulative and in addition to any other remedies provided by law or equity.

(g) Nothing in any Order shall constitute or be deemed to constitute a partnership or other form of joint venture between the parties or constitute or be deemed to constitute either party as the agent or employee of the other for any purpose whatsoever.

(h) The provisions of these Purchasing Terms and Conditions which are intended to survive the termination or completion of an Order (including without limitation Sections 14 – 19) shall survive termination or expiration thereof.