

KOCO DC-MOTION, INC.

ORDER ACCEPTANCE/ACKNOWLEDGEMENT TERMS & CONDITIONS

-

1. Acceptance: Buyer's purchase order (hereinafter referred to as "Order", acknowledged hereby as an offer of a contract, is accepted subject to the following terms and conditions (hereinafter referred to as "TERMS AND CONDITIONS") of sale or such other terms and conditions as may be approved in writing by Seller.
2. Prices: All prices shown are FOB factory at Hong Kong, China, and unless otherwise stated do not include cartage, insurance charges, taxes, impost or any similar charges.
3. Payment: The term of payment shall be net thirty (30) days from date of Seller's invoice, unless otherwise specified. Payments shall be made by Buyer without any deduction or set-off. Unless otherwise agreed, payment shall be made in U.S. dollars. Seller reserves the right to charge late payment fees at the rate of one and one half (1.5) percent per month, or the highest rate permitted by law, whichever is less, accruing daily. If the financial condition of Buyer is unsatisfactory to Seller, Seller may require full or partial payment in advance, or satisfactory security in the form of a letter of credit or otherwise. In the event of bankruptcy or insolvency of Buyer, Seller may immediately cancel any Order then outstanding.
4. Deliveries: Seller shall not be liable for, nor be deemed in default by reason of any delay or failure in the performance of this contract in any particular when any such delay or failure is caused in whole or in part by any act of God or the public enemy, law, regulations, order of any governmental agency, riot, strike, or civil commotion of any other cause direct or indirect, beyond Seller's control.
5. Special Tools, Patterns, Dies, Drawings, Etc.: Except as otherwise expressly agreed in writing, all right and title to tooling, designs, patterns, drawings and materials shall be and remain with Seller. Any property of Buyer in the possession of Seller shall be held without liability to Seller except wherein the loss or damage is due to gross negligence of Seller.
6. Changes: No change shall be made in drawings and specifications relating to this contract without the written consent of Seller. Subject to the foregoing, Buyer, by written order, may make changes in drawings, specifications, delivery schedules, shipment or packing of articles. If any such change causes an increase or decrease in amounts due under this contract or in the time required for its performance, an equitable adjustment shall be made and the contract shall be modified accordingly. Any claim for adjustment hereunder may be asserted at any time prior to final settlement of the contract. It is understood that the prices stated herein are based upon straight-time labor costs; any request of Buyer necessitating over-time expenses shall be deemed a change under this provision.
7. Reproduction Rights: Drawings, specifications, reports, photographs and other data relating to this contract and all proprietary rights and interest therein and the subject matter thereof shall remain the property of Seller. Buyer agrees that it will not use the Seller's drawings, specifications and other materials and

information above mentioned for the production or procurement of articles covered by this contract or any similar article from any other source, or reproduce the same or otherwise appropriate them without the written authorization of Seller.

8. Confidentiality: Buyer agrees and warrants that it will not disclose or make available to any third party any drawings, data, information, or any other details pertaining to this contract without first obtaining the written consent of Seller.
9. WARRANTY: SELLER WARRANTS ITS PRODUCTS DELIVERED HEREUNDER TO CONFORM TO FINAL SPECIFICATIONS, DRAWINGS, OR OTHER DESCRIPTIONS APPROVED IN WRITING BY SELLER AND TO BE FREE FROM DEFECTS IN MATERIALS AND WORKMANSHIP. THIS WARRANTY SHALL EXTEND TO BUYER AND/OR ITS CUSTOMERS, AND WILL BE IN EFFECT FOR A PERIOD OF TWO (2) YEARS AS OF PRODUCT SHIP DATE. THIS WARRANTY SHALL NOT APPLY TO ANY PRODUCT THAT HAS BEEN IMPROPERLY INSTALLED, SUBJECTED TO MISUSE OR NEGLIGENCE, OR WHICH HAS BEEN REPAIRED OR ALTERED EXCEPT BY SELLER'S ACCREDITED REPRESENTATIVE, NOR TO ANY PRODUCT WHICH HAS BEEN SUBJECTED TO ACCIDENT. NO WARRANTY IS GIVEN WITH RESPECT TO ANY APPARATUS, INSTRUMENT, COMPONENT OR ACCESSORY NOT MANUFACTURED BY SELLER, OR AS TO ANY PRODUCT WHICH IS MANUFACTURED BY SELLER BUT WHICH IS INSTALLED OR OTHERWISE SUBJECTED TO USAGE WITH ANY APPARATUS, INSTRUMENT, COMPONENT OR ACCESSORY NOT MANUFACTURED BY SELLER AND NOT APPROVED IN WRITING BY SELLER AS APPROPRIATE FOR USAGE WITH SELLER'S PRODUCTS. EXCEPT AS EXPRESSLY STATED HEREIN ABOVE IN THIS PARAGRAPH AND NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THESE "TERMS AND CONDITIONS" OR OTHERWISE, SELLERS PRODUCTS ARE OFFERED AND SOLD WITHOUT ANY WARRANTIES, EXPRESS OR IMPLIED, OF MERCHANTABILITY, FITNESS, OR OF ANY OTHER KIND WHATSOEVER PERTAINING THERETO.
10. LIMITATION OF LIABILITY: SELLER'S LIABILITY WITH RESPECT TO ANY CLAIM OF ANY KIND FOR LOSS OR DAMAGE ARISING OUT OF, RESULTING FROM OR CONCERNING ANY ASPECT OF THE OFFERING AND SALE, BY SELLER OF ITS PRODUCTS TO BUYER IS EXPRESSLY LIMITED TO WHICHEVER OF THE FOLLOWING MEASURES SELLER, IN ITS SOLE DISCRETION, SHALL DETERMINE TO BE APPROPRIATE:
 1. REPAIR OF DEFECTIVE OR NON-CONFORMING PRODUCTS
 2. REPLACEMENT OF DEFECTIVE OR NON-CONFORMING PRODUCTS; OR
 3. REFUND OF THE PURCHASE PRICE PAID FOR DEFECTIVE OR NON-CONFORMING PRODUCTS

SELLER'S LIABILITY AS AFORESAID SHALL BE APPLICABLE ONLY AS REGARDS SUCH DEFECTIVE OR NON-CONFORMING PRODUCTS AS ARE RETURNED TO SELLER WITHIN SIX (6) MONTHS OF THE DATE OF SHIPMENT. THE REMEDIES PROVIDED HEREIN SHALL CONSTITUTE BUYER'S SOLE, AND EXCLUSIVE REMEDIES FOR LOSS OR DAMAGE ARISING OUT OF, RESULTING FROM OR CONCERNING ANY ASPECT OF THE OFFERING AND SALE BY SELLER OF ITS PRODUCTS TO BUYER; AND SELLER SHALL NOT UNDER ANY

CIRCUMSTANCES (WHETHER AS A RESULT OF BREACH OF CONTRACT, BREACH OF WARRANTY, TORT OR OTHERWISE) BE LIABLE TO BUYER IN THAT REGARD FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE, EXEMPLARY OR OTHER DAMAGES OF ANY KIND OR MANNER, INCLUDING, WITHOUT BEING LIMITED TO, LOSS OF PROFITS OR REVENUES, LOSS OF USE OF OR DAMAGE TO ASSOCIATED PRODUCTS OR EQUIPMENT, COSTS OF CAPITAL OR COSTS OF SUBSTITUTE PRODUCTS, FACILITIES OR SERVICES.

REV 01:2015-07-20