

SHIN GROUP GENERAL TERMS AND CONDITIONS

1. General

- (a) These terms and conditions and the documents referred to herein govern all Purchase Orders issued by SHIN Group Inc. ("SHIN").
- (b) This Purchase Order constitutes SHIN's offer to Supplier upon the terms and conditions stated herein and shall become a binding contract on the terms and conditions set forth herein when it is accepted either by Supplier's acknowledgment or performance. This Purchase Order expressly limits acceptance to the terms and conditions stated herein. Any additional or different terms or conditions proposed by the Supplier are objected to and hereby rejected and shall be of no effect nor in any circumstances binding upon SHIN, including without limitation, any such terms or conditions contained in Supplier's quotation or acknowledgment forms. Any reference in this Purchase Order to Supplier's quotation(s) or proposal(s) does not imply acceptance of any terms or conditions in that quotation(s) or proposal(s). Upon acceptance, this Purchase Order shall constitute the entire agreement between SHIN and the Supplier and supersede all previous communications either written or oral with respect to the subject matter of this Purchase Order. The quantities, prices, terms, conditions or other pertinent specifications of the Purchase Order shall not be changed, altered or modified except in writing, duly executed by an appropriate representative of each party.
- (c) Upon SHIN's sole discretion, it shall be entitled to assign any of its rights under this Purchase Order or otherwise, to any third party, including any of SHIN's customers and/or the applicable end users.
- (d) This Purchase Order may be revoked at any time prior to SHIN's receipt of written acceptance by Supplier.

2. Warranties and Representations

- (a) Supplier shall fully comply with all applicable federal, state, and local (county and municipal) laws, rules and/or regulations, including the procurement of any necessary permits and licenses in the relevant jurisdiction.
- (b) Supplier shall, and shall require its employees and subcontractors to, comply with all laws, acts, ordinances, rules, regulations, codes, requirements and guidelines relating to employment standards, environmental laws and occupational health and safety, hazardous materials regulations, and protection of the public, including, without limitations, the requirements of the following EC Directives: the General Product Safety Directive 2001/95/EC; the WEEE Directive; and the ROHS Directive.
- (c) Supplier shall fully comply with and will cause each of its subcontractors and suppliers to comply with (1) all applicable laws relating to anti-terrorism security measures and (2) all Supply Chain Security guidelines as defined by the importing country, including but not limited to: C-TPAT (Customs-Trade Partnership Against Terrorism) as published by the United States, the STP (Secure Trade Program) as

published by Singapore, and the AEO (Authorized Economic Operator) as published by the European Union.

- (d) Supplier warrants that in performing its work pursuant to the Purchase Order, Supplier, its affiliates and agents have not and will not pay, offer or promise to pay, or authorize the payment, directly or indirectly, of any money or anything of value to any government official, government employee, political party or candidate for political office for the purpose of influencing any act or decision of such person or of the government to obtain or retain business, or direct business to any person or business. Supplier further warrants it, its affiliates and its agents have not and will not pay, offer or promise to pay, or authorize the payment directly or indirectly, of any money or anything of value to any employee of SHIN to obtain or retain business.
- (e) Supplier expressly warrants that all Items supplied to SHIN pursuant to this Purchase Order shall: (i) conform to Items description, manufacturer requirements, the specifications, drawings or other descriptions, upon which this Purchase Order is based upon; (ii) be merchantable with clear and marketable title, and suitable and sufficient for their intended purpose (iii) be of new manufacture (in their original manufacturer packaging), good workmanship and materials, free from design defect, claim, encumbrance, lien or any other third party claim, and (iv) that the manufacture, production, installation and sale, or use by SHIN of these Items are in compliance with any and all federal and state laws, rules and regulations, including without limitations environmental laws and occupational health and safety, hazardous materials regulations, and protection of the public, such as the requirements of the following EC Directives: the General Product Safety Directive 2001/95/EC; the WEEE Directive; and the ROHS Directive.
- (f) Supplier further warrants that the Items supplied under this Purchase Order and their use shall not infringe any copyright, patent, trademark, commercial secret or any other third party's proprietary rights.
- (g) All Items' components shall be of new origin and may be traced to their original manufacturers.
- (h) Without derogating of any of the supplier's warranties and representations hereof, the supplier undertakes to obtain and pass through to SHIN all manufacturers warranties and liabilities with respect to the items, as provided by the manufacturers, including without limitations all manufacturers warranties posted on the relevant manufacturer's websites.
- (i) The Supplier undertakes to immediately (and in any event no later than 7 business days from SHIN notice) replace or fully refund, upon SHIN's discretion, any item which is found, during a period of 24 month from such item acceptance by SHIN, to be defective in material or workmanship or otherwise not in exact conformity with this Purchase Order and specifications, or with any of the warranties and/or representations set forth herein. The supplier shall ensure and demonstrate that any replaced item shall comply with any of the warranties and/or representations set forth herein. If, upon SHIN's discretion, the foregoing is not achieved within a time deemed reasonable by SHIN, the supplier shall immediately refund all amounts paid for the infringing item.

- (j) Without prejudice to any other remedies available to SHIN under this Purchase Order or otherwise, the supplier shall pay all costs and expenses relating to the return of affected Items to the supplier and the supply (DDP or DDU in accordance with the Incoterms 2000 for the original supply of the defective item) of replaced Items to SHIN's warehouse.
- (k) Supplier shall and/or ensure that the original manufacturer shall support items shipped to SHIN for a period of 10 years from their date of acceptance by SHIN. Support includes (i) performing repair or replacement of faulty items; and (ii) providing technical support, via telephone or e-mail, to assist in troubleshooting and maintenance of deployed items.
- (l) These warranties shall be in addition to any other warranties, express, implied or statutory. There are no exclusions, limitations or disclaimers of warranty other than those that may be expressly recited therein or in this Purchase Order.
- (m) All the foregoing representations, warranties and remedies are transferable and run to any of SHIN's customers, end users and/or any subsequent owners of the items to which they relate.

3. Delivery and Acceptance

- (a) The quantity, quality and description of the items shall be specified in this Purchase Order.
- (b) Time is of the essence for all deliveries. Deliveries shall be made strictly in accordance with SHIN's direction, and in exact quantities ordered. If a delivery is not expected to be made on-time, Supplier will notify SHIN and will take all reasonable steps at its own cost to expedite delivery. If a delivery is not made on-time or if notice is given that a delivery is expected to be late, SHIN may cancel the order immediately by delivering written notice of the cancellation to Supplier. Absent such cancellation notice, Supplier will deliver the order on an expedited basis at its own cost. Upon such cancellation, SHIN will have no further obligation with respect to such order. If a delivery is not on time and is canceled by SHIN, SHIN will be free to purchase the late items from a third party and deduct from payment of future invoice(s) from Supplier (or have Supplier pay SHIN) any difference between the third party purchase price and what SHIN would have had to pay for such late items under this Purchase Order. Without prejudice of all other SHIN's right as afore mentioned, SHIN may claim for liquidation damages at 20% of the delayed Purchase Order value for each week of delay in the delivery. SHIN may return to Supplier items delivered early, with Supplier bearing the cost. SHIN may return for full credit or refund any quantity in excess of the amount ordered. Acceptance by SHIN of any late delivery, either in whole or in part, shall not constitute a waiver of damages resulting there from.
- (c) Supplier shall pack, mark and ship all items in accordance with the requirements of this Purchase Order and so as to be in compliance with all applicable transportation regulations and good commercial practice for protection against damage from weather and shipment, including all applicable laws. No additional charge is payable by SHIN for containers, crating, boxing, handling or storage unless specifically stated in this Purchase Order. Damage resulting from improper packing

and shipping will be charged to Supplier. Supplier shall mark each container with applicable lifting, handling and shipping information, the number of this Purchase Order, date of shipment. An itemized packing slip with the number of this Purchase Order shall be enclosed in an envelope attached to each container. All shipments shall be duty paid DDP SHIN's facility per INCOTERMS 2000 (Supplier will deliver items to SHIN's facility with all carriage and duties paid), unless expressly stated otherwise on the face page of this Purchase Order.

- (d) Unless otherwise specified on this Purchase Order, items shall be delivered DDP to all shin sites worldwide, at which time title and risk of loss on the items shall pass to SHIN. If any of the items are destroyed or materially damaged prior to the time risk of loss passes to SHIN, SHIN may cancel this Purchase Order as to the destroyed or materially damaged items or require the prompt delivery of substitute items of equal quantity and quality.
- (e) An original, authentic and transferable (to any of SHIN's customers) manufacturer Certificate of Conformance (COC) shall be provided by the supplier and must be enclosed to all delivery of items to SHIN.
- (f) The supplier shall demonstrate to SHIN satisfactory, that the Date Code of any of the items supplied by the supplier is within 24 month as of the relevant item manufacturing date.
- (g) Approval of any sample or acceptance of any items or any payment by SHIN for the items delivered hereunder shall not constitute SHIN's acceptance.
- (h) Risk and damage or loss to the items shall pass to SHIN upon their acceptance by SHIN in SHIN's premises. Title to the items shall pass to SHIN upon delivery. However, in case payment for the items is made prior to delivery, the title shall pass to SHIN on the day of payment.

4. Not Used.

5. Payments

- (a) Unless otherwise stated in the Purchase Order, the prices specified in the Purchase Order are inclusive of all the boxing, packing, crating, loading and transportation costs, taxes, fees, levies and insurance. Supplier undertakes at its own risk and expense to obtain any approval and/or other official authorization necessary for the performance of this Purchase Order including the exportation of the items.
- (b) All payment for undisputed invoices shall be as per SHIN payment policy and cycle. No payment shall be made for any disputed bills unless the dispute/defect as raised by SHIN is fully settled/rectified by Supplier to SHIN's satisfaction.
- (c) Supplier agrees and covenants that it shall not be entitled to suspend or withhold any and delivery of items, for any reason whatsoever, including without limitation, any payment dispute or delay.
- (d) Upon SHIN's request, Supplier shall provide SHIN with a book keeping certificate and a certificate regarding the rate for withholding taxes at source. In the absence of such certificates, SHIN shall deduct the tax at source in accordance with any applicable law.

- (e) SHIN shall be entitled at all times to set off any amount owing at any time from Supplier to SHIN (or any of SHIN's affiliates and subsidiaries) against any amount payable at any time by SHIN (or any of its affiliates and subsidiaries) to Supplier. In addition and to the extent applicable, in case of termination or anticipated breach by Supplier, or where SHIN has reasonable ground to believe that Supplier fails to duly pay its sub-contractors for the items, then SHIN shall be entitled to make such payment on behalf of Supplier and set off the applicable amounts from any amount payable at any time by SHIN to Supplier.

6. Indemnification

Without derogating any of rights and/or remedies granted to SHIN by the manufacturer, the Supplier shall defend, indemnify and hold harmless SHIN from and against any and all claims, actions, demands, legal proceedings, judgments, liabilities, loss, damages, judgments, authorized settlements, costs or expenses, including without limitation any items testing, any customers' claims and/or reasonable attorneys' fees, arising out of or in connection with any alleged or actual: (i) Infringement by Supplier, of a copyright, patent, trademark, trade name, trade secret, or other proprietary or intellectual property right of any third party; (b) Claim that the items delivered under this Purchase Order has caused bodily injury (including death) or has damaged real or tangible personal property; (c) breach of any of the Supplier's warranties contained in this Purchase Order; (d) breach of any of the Supplier's (and any third party on its behalf) confidentiality obligations; (e) any negligent or willful act or omission of Supplier or its contractors, employees or agents; (f) any delay in delivery of the items; (g) any claim arising out of or relating to Supplier's provision of items that contain used or refurbished parts that are not clearly and conspicuously labeled as such; (h) any violation by Supplier of any governmental or other official authorities' laws, rules, ordinances or regulations; (i) claim by or on behalf of Supplier's subcontractors, suppliers, employees or agents, and/or (g) any other defect attributable to the items delivered under this Purchase Order.

Supplier's aforementioned obligations to indemnify SHIN shall survive the expiration or termination of this Purchase Order by either party for any reason.

7. Confidentiality and Proprietary Rights

Supplier and any third party on its behalf shall maintain all oral or written information delivered to it with respect to a Purchase Order in full confidentiality. This obligation shall remain in force until the confidential information shall become public knowledge or upon receiving SHIN's written approval for its release. Upon SHIN's request, Supplier's employees, consultants and subcontractors shall sign a specific non-disclosure agreement. Supplier agrees that SHIN's Specifications, manufacturing information and all other information relating to SHIN's business, including without limitation, improvements to the items, and details of SHIN's customers or third parties suppliers, are SHIN's proprietary data and exclusive property and shall not be utilized for purposes other than the fulfillment of this Purchase Order. These obligations shall survive the termination or expiration of this Purchase Order.

8. **Rescheduling**

SHIN may reschedule or cancel the delivery of items up to the time of shipment with zero liability. SHIN may return any and all new and unused items to Supplier within one year of delivery for credit or refund at SHIN's sole discretion.

9. **Termination**

SHIN is entitled to terminate this Purchase Order in whole or in part at any time by written notice to the Supplier, including with respect to Purchase Orders in which the items are designated as non-cancelable/non-returnable. The Supplier shall not be entitled to any compensation what so ever for cancelled non-custom items. Except for termination due to default or delay of the Supplier, The Supplier shall be entitled, as the Supplier's sole and exclusive remedy, to commercially reasonable compensation for NCNR items as follows: SHIN will purchase (a) finished purchase at the Purchase Order price, (b) work-in-process items at a reasonable pro- rata percentage of the finished items Purchase Order price based on the percentage of completion, and (c) custom components for the cancelled items, which Supplier properly ordered and was not able to cancel, return, or broker using diligent efforts within 120 days after cancellation, at Supplier's cost for such custom components. In case SHIN breaches its obligations under this Purchase Order, and fails to cure within a commercially reasonable time after receiving written notice of such default, Supplier's sole remedy shall be to receive direct damages for the items in question as if such items were cancelled, computed at a reasonable pro- rata percentage of the finished items Purchase Order price based on the percentage of completion. In no event shall SHIN be liable for (i) special, direct, consequential or punitive damages including but not limited to labor costs incurred by Supplier or (ii) any damages whatsoever resulting from loss of use or profits arising out of or in connection with items sold hereunder.

10. **Insurance.**

Supplier shall at all times maintain general liability, product liability and property damage insurance coverage, under policies issued by an insurance carrier properly licensed to do business in the jurisdictions where Supplier conducts its business, in such amounts as are necessary to protect SHIN from such risks and from any claims under applicable laws, rules and regulations. At SHIN's request, Supplier shall furnish SHIN with an insurance carrier's certificate evidencing all of such insurance described herein.

11. **Severability**

If any term or provision of this Purchase Order is held to be to any extent invalid or otherwise unenforceable by any court of competent jurisdiction, such provision will be construed as if it were written so as to effectuate to the greatest possible extent the expressed intent of this Purchase Order, and the remainder of the Purchase Order will not be affected thereby and will remain valid and enforceable

12. **Governing Law and Dispute Resolution**

The provisions set forth in this Purchase Order shall be construed and enforced in accordance with the laws of the state of Florida, U.S.A under the jurisdiction of the courts of the state of Florida, U.S.A

13. **Assignment**

This Purchase Order or any portion of this Purchase Order or any duty or right here in or any claim arising hereunder shall not be assigned by Supplier, without the prior written consent of SHIN

Any additional terms and/or conditions attached to supplier's confirmation of this Purchase Order and/or to the items and/or in any other way, shall be considered null and void and failure of SHIN to respond/or execution of the transaction by SHIN shall in no way be construed as acceptance of same by SHIN.

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