

## ***Terms and Conditions of Sales***

**PRICE:** All prices quoted are exclusive of taxes, freight charges, and handling charges. Purchaser shall furnish Enpac Industries Inc. (Hereinafter referred to as the Company) with appropriate tax exemption certificate, if applicable.

**FEES AND COSTS:** Purchaser shall pay costs and expenses incurred by the Company in collection of any sums owing by the purchaser, including reasonable legal fees. Each returned check should be subjected to twenty dollars USD (\$20.00 USD) handling charge.

**DELIVERY:** Shipment of all products shall be FOB the Company warehouse, unless otherwise indicated. All shipments should be inspected immediately. In the event of damage, delay, or loss due to the mishandling in transportation, purchaser shall deal directly with the company freight carrier. Purchaser shall instruct the Company with shipping instructions, if no specific instructions are given, the Company will select the most reasonable shipping method to ensure the on time delivery, with reasonable freight cost. The Company is not liable for delay or any freight charge of shipment due to the absence of shipping instruction from purchaser. In the case of purchaser, the Company will store all products ordered at purchaser's risk and expense.

**RISK OR LOSS:** Any risk of loss or damage to products shall be passed to the freight carrier, purchaser, or purchaser's agent at FOB point. The Company responsibility ceases when the carrier signs the bill of lading acknowledging they have received the merchandises in good condition.

**CHANGES AND CANCELLATIONS:** purchaser without the consent of the Company or its authorized agents does not subject order accepted by the Company to change or cancellation. A minimum of fifteen percent (15%) handling charge may be applied to the orders changed or cancelled.

**JURISDICTION AND VENUE:** Should legal action commence to interpret or enforce the terms of the Agreement, jurisdiction and venue shall be in the Municipal or Superior Courts of the County of Los Angeles, State of California, and/or in the United States District Court, Central District of California, or elsewhere upon the mutual agreement of all parties.

**GOVERNING LAW:** All questions with respect of the construction of this Agreement, and the rights and liabilities of the parties hereunder, shall be determined in accordance with the applicable provisions of the law of the State of California, without giving effect to the choice of law principles.

**ATTORNEY'S FEES:** If any legal action or any arbitration or other proceedings are brought for the interpretation or enforcement of this Agreement, or any rights of the parties with regard to this Agreement, and/or any related Agreement, or because of and alleged dispute, breach, or default, the successful or prevailing party shall be entitled to recover its reasonable attorney's fees and expenses, and any costs associated with any enforcement proceeding.

**CONFLICTION TERMS:** All orders accepted by the Company shall be subjected to Company's Standard Terms and Conditions of Sales. Any terms and conditions presented in orders placed by purchaser, which are in conflict with the Company's Standard Terms and Conditions then in effect, shall be inapplicable without the written approval from the Company.

**CONFIRMATION:** Purchaser's receipt of the terms and conditions contained herein without prompt written objection thereto, or an acceptance of any of the products covered by purchaser's order that is hereby confirmed, shall constitute an acceptance of all terms and conditions set forth on the reverse side of this invoice.

**SECURITY INTEREST:** Upon delivery and acceptance by the purchaser, as security for the due and punctual payment of any sums due thereunder or under any purchase order from the purchaser to the Company, purchaser hereby grants to the Company a continuing purchase money security interest in all the products and any proceeds thereof in which the purchaser now has or hereafter has any right, title, or interest. Purchaser shall join with the Company's request, from time to time in executing financing statement, amendments thereto and continuation statements, and pay the cost of the filing of the same whenever the Company deem desirable, and execute and deliver to the Company all documents and instruments, and do such other acts and things as the Company may reasonably request in order to effectuate fully the purpose of this grant of security interest. In the event of the purchaser is in default under the security agreement provided herein, the Company shall have all rights and remedies provided by law.

**PATENTS:** The Company agrees to (i) defend at its own expense for any suites or proceedings brought in the United States against its purchaser or its customers, to the extent that such suits or proceeding are based on a claim of infringement of any United States Letters Patents by any products, as such, sold in accordance with this confirmation; (ii) pay any final judgment for such infringement entered in any such suits; (iii) pay such sums which is the result of compromise or settlement of any such charge, unless such infringement is the result of designs or other special requirements specified by purchaser, or the result of applications or the usage other than those contemplated in the Company's proposal to which purchaser or others put such

product; all of the foregoing, however, will under the conditions that the Company be promptly notified of all such charges or suits, and be promptly supplied with the contents of all communication in connection therewith. IN NO EVENT SHALL THE COMPANY BE LIABLE FOR INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES ARISING FROM INFRINGEMENT OF PATENTS OR COPYRIGHTS, NOR SHALL THE COMPANY BE LIABLE FOR AMOUNT EXCEEDING THE SUMS PAID BY PURCHASER TO THE COMPANY.

**WARRANTY:** The Company provides limited warranty to the original purchaser of ENHANCE -branded product for one (1) year unless otherwise specified by their respective manufacturers. The warranties are subject to the following conditions (i) Should a product proved to be defective by reasons of improper workmanship or material, under normal usage and service conditions within the warranty period specified, from the Company invoice date. The Company will, at its sole option, repair or replace the product without charge for the parts or labor. (ii) The limited warranty is not applicable if the product is damaged by accident, improper installation, misuse, lightning, fire, water, or other acts of nature. (iii) Warranty void if the product is altered or repaired by anyone other than the Company or a Company authorized repair and service station.

SHOULD THE COMPANY'S PRODUCTS PROVED TO BE DEFECTIVE, PURCHASER'S SOLE REMEDY SHALL BE SUCH REPAIR OR REPLACEMENT AS PROVIDED HEREIN. IN NO EVENT SHALL THE COMPANY BE LIABLE FOR ANY LOSS OF USE, REVENUES, ANTICIPATORY PROFIT, AND DIRECT OR INDIRECT CONSEQUENTIAL DAMAGES ARISING OUT OF OR CONNECTED WITH THE SALES, USE, OPERATION, OR FITNESS FOR A PARTICULAR PURPOSE, AND ALL SUCH WARRANTIES ARE EXPRESSLY DISCLAIMED.

**NON ENHANCE -BRANDED PRODUCTS:** Non ENHANCE -branded products carry different return and warranty policies than ENHANCE 's products. Non ENHANCE-branded products purchased directly from ENHANCE may be returned to ENHANCE in accordance with the ENHANCE return policy in effect on the date of invoice. ENHANCE will not provide any warranty and technical support for non ENHANCE-branded product unless purchased direct from ENHANCE. The non ENHANCE-branded warranty service and technical support may vary from product to product from original manufacturer.

**RETURN AND REFUNDS:** For Non-defective products, the Company does not accept return of sold products after seven (7) days from the Company's invoice date, nor does the Company refund or credit back the purchase money after the above-mentioned period of time. To qualify for the return or credit back, purchaser must notify the Company timely, obtain proper authorization from the Company, and the purchaser's expenses deliver the products to the Company's Warehouse within the above-mentioned 7-day period of time. Refunds or credit back on non-defective products shall be limited to the price of the actual products only, not including shipping and handling expenses of the purchaser, and the Company shall apply a fifteen percent (15%) restocking charge against the purchaser.

### **RETURN MERCHANDISE AUTHORIZATION (RMA) PROCEDURES:**

1. **RETURN:** RMA number must first be obtained from the Company. To obtain an RMA number, Purchaser is required to provide the invoice number, shipping date, model number, and the reason of return. The Company must receive returned products within fourteen (14) days after issuance of the RMA number. For defective products returned, Purchaser is required to test and identifies the nature of defect. If the Company find the products to be non-defective, such products will be returned to Purchaser with freight collect.
2. **SHIPPING:** Products should be returned to the Company freight pre-paid in the original packing box and material. Returned products must be complete, including all manuals, cables, accessories, and etc. RMA number must be marked clearly outside the carton, and also on the mailing labels, proof of purchase and a note of reasons for return must be enclosed. The Company will not accept any freight collect or C.O.D. on return RMA shipment. In the event that RMA shipment not meeting all the above conditions, the Company reserves the right to refuse the shipment, and the imposition of handling charge.
3. **SERVICES:** The Company will return the repaired or replaced products to the Purchaser at the Company's cost, provided that the products were originally purchased from the Company, and still covered by the warranty policy, and such products are confirmed to be defective.
4. **DEFECTIVE ON ARRIVAL (D.O.A):** Products that are reported as D.O.A. by the purchaser may be returned to the Company for credit or refund, within fifteen (15) days from the invoice day under the products were shipped.

**THIS STANDARD TERMS AND CONDITIONS OF SALES ARE SUBJECT TO CHANGE WITHOUT PRIOR NOTICE.**