

O-NET TERMS AND CONDITIONS OF PURCHASE

1. GENERAL

1.1 Applicability. This purchase order (“PO”) is an offer by the O-Net entity indicated in the Bill-To section on the face of the PO (collectively the “O-Net”) for the purchase of the goods, deliverables, and/or services specified on the face of the PO (collectively the “Products”) from vendor of such Products (“Vendor”) in accordance with the following terms and conditions and any additional terms and conditions printed on the face of the PO that do not conflict with such following terms (collectively the “Terms”). This PO, together with any documents incorporated herein by reference, constitutes the sole and entire agreement of the parties with respect to the PO, and supersedes all understandings, agreements, negotiations, representations and warranties, and communications, both written and oral, with respect to the subject matter of this PO.

1.2 Acceptance. Vendor shall be deemed to have accepted this PO upon the earlier of (i) acceptance or acknowledgment of the PO whether orally, in writing or otherwise, or (ii) commencement of performance of Vendor’s obligations under the PO.

2. PRICE AND PAYMENT

2.1 Price. Prices for Products shall be in the currency set forth on the front of this PO. Vendor warrants that the prices offered for the Products hereunder are the lowest prices for these or similar Products sold by Vendor to other customers, and in the event of any price reduction between the acceptance of this PO and delivery of the Products, O-Net shall be entitled to such reduction.

3. SHIPMENT AND DELIVERY OF PRODUCTS

3.1 Packing. All Products shall be properly prepared, marked (bar coded) and packed for shipment. Vendor shall provide adequate protective packing to prevent loss or damage with no additional charge, and shall be solely liable for damage due to improper packing or shipping of the Products.

3.2 Shipping. Vendor shall: (i) deliver the Products to the agreed ship-to location on the Delivery Dates; (ii) provide the complete up-to-date set of its standard user manuals, technical manuals setting forth pertinent information relating to the operation, installation and maintenance of Products, including, without limitation, all warranties and Product warnings, for each Products shipped; (iii) obtain the documents affixed with O-Net’s Product Receipt Special Seal. In any case, any documents without such special seal shall not be regarded as the effective evidence that O-Net has actually received the Products.

3.3 Cancellation and Rescheduling. O-Net may, at any time, with or without cause, unilaterally cancel the PO, in whole or in part (“Cancellation”). In the event O-Net terminates without cause, O-Net agrees to negotiate in good faith a compensation amount for reasonable, documented direct out of pocket costs incurred by Vendor. Notwithstanding the foregoing, where O-Net provides Vendor with notice of cancellation of this PO at least thirty (30) days prior to the scheduled delivery date, O-Net shall have no liability or obligations to Vendor whatsoever. O-Net may, without liability on five (5) days notice or greater, reschedule any delivery date to a later date.

3.4 Late Delivery. In this PO, time is of the essence. Failure to deliver Products on the delivery dates shall constitute a material breach and could cause irreparable damage to O-Net that may be impossible to determine. If Vendor delays delivery of the Products, Vendor shall be liable for all loss suffered by O-Net, including but not limited to the customer claim and attorneys’ fees and costs, and other costs in connection with Vendor’s late delivery. Where the Vendor has delayed delivery for fifteen (15) days or more, O-Net may cancel the PO, in whole or in part, without any liability.

3.5 Title & Risks. Title to the Products and risk of loss shall pass to O-Net only after the Products delivered by Vendor have passed O-Net’s inspection.

4. INSPECTION

4.1 O-Net may reject any Products that are delivered to O-Net but are inconsistent with the packing and transportation requirements. O-Net

will inspect the packing, quantity and specifications within fourteen (14) days after its receipt of the Products or within a longer period separately agreed by Vendor and O-Net (“Inspection Period”). If O-Net finds any non-conformity in the Products, it shall notify Vendor in writing within the Inspection Period or at any time after it finds such non-conformity.

4.2 If O-Net discovers any defects or non-conformity in the Products, Vendor shall promptly, at O-Net’s option, refund, replace or repair any non-conforming Products, at Vendor’s expense, including all shipping and replacement costs, and shall compensate all losses suffered by O-Net arising out of or in connection with such non-conformity.

4.3 O-Net’s inspection of, failure to inspect or reject, or payment for Products, will not relieve Vendor of any of its obligations hereunder, and does not waive, impair, or reduce O-Net’s rights under this PO.

5. PRODUCT WARRANTY

5.1 Vendor warrants to O-Net that: (i) the Products will be new and free from defects in title, design, material and workmanship; (ii) where applicable, the Products will conform to all applicable specifications, drawings and samples, including, without limitation, those furnished or accepted by O-Net; (iii) the Products delivered by Vendor shall comply with all laws, regulations, drawings and industry standards applicable to the nature of the Products supplied; (iv) the Products and use thereof by O-Net and/or its customers in accordance with the specifications and instructions provided by Vendor will not infringe, misappropriate or otherwise violate any copyright, mask work, patent, trademark, service mark, trade name, trade secret, other intellectual property rights, or similar proprietary rights conferred by contract, statute, common law or any other applicable law; (v) Unless otherwise declared by O-Net, the Products shall conform to RoHS requirements and will not contain 3TG (tin, tantalum, tungsten and gold) minerals that fail to conform to all applicable regulations and requirements and may cause or aggravate conflict; and Vendor shall comply with China Customs AEO certification requirements. If Vendor fails to comply with any warranties, O-Net may cancel the PO, in whole or in part, without any liability.

5.2 Product Warranty. Unless otherwise agreed by both parties, Vendor warrants that each Product furnished under the PO will conform to its specifications and be free from defects for a period of thirty-six (36) months from the date that the Products pass Vendor’s incoming inspection (the “Warranty Period”). In case of any failure of the Products during the Warranty Period, unless otherwise agreed by O-Net, Vendor shall respond and eliminate the failure within 24 hours after receiving O-Net’s notice of failure at Vendor’s expense. After the Warranty Period, Vendor shall provide lifelong maintenance services for the Products as requested by O-Net at preferential prices not higher than the lowest service prices it provides to other customers. Without limiting O-Net’s available remedies, Products failing to comply with applicable warranties will be, at O-Net’s option, (i) returned for a full refund of amounts paid by O-Net for the defective Products, (ii) repaired, (iii) replaced or (iv) re-performed, at no cost or expense to O-Net and with shipping and transportation costs and risk of loss and damage in transit to be borne by Vendor.

5.3 Epidemic Failure. An Epidemic Failure shall be deemed to have occurred where two (2) percent or more of any Products supplied to O-Net fails in the same or similar manner within a time period of ninety (90) days, occurring anytime within the ten (10) year period after the Products are delivered to delivery location specified by O-Net. In the event of an Epidemic Failure, Vendor shall, at its cost, provide support services as required by O-Net and if deemed necessary by O-Net, at Vendor’s cost, implement an engineering change to correct the problem giving rise to the Epidemic Failure. O-Net shall have the right to reject further deliveries of such Products without liability. In addition, without limitation, in relation to all affected Products (whether already supplied to O-Net’s customers or stocked at O-Net’s or its subcontractors’ facilities and, whether or not such

O-NET TERMS AND CONDITIONS OF PURCHASE

Products have in fact failed), as directed by O-Net at its option and sole discretion, Vendor shall pay O-Net a full refund or credit, perform repair services, and/or provide replacement Products, all at Vendor's cost, together with Vendor compensating O-Net for any and all costs, expenses, damages and/or liabilities related to the Epidemic Failure, including, without limitation, O-Net end-customer costs associated with Product and customer product removal and re-installation. In the event of an Epidemic Failure, Vendor shall respond and eliminate the failure within twenty-two (24) hours at Vendor's expense, without being limited by the Warranty Period in Section 5.2.

5.4 In the event Vendor fails to comply with the applicable Product Warranties, Vendor shall fully indemnify O-Net for all losses, damages, costs and expenses of any kind incurred by O-Net, including but not limited to the customer claim and reasonable attorneys' fees and costs.

6. INTELLECTUAL PROPERTY RIGHT

6.1 New Developments. O-Net will own all intellectual property rights related to the creation of customized products or other materials for O-Net, including all specifications, designs, unique equipment and standard operating procedures ("New Developments"), and Vendor hereby assigns to O-Net all right, title and interest in the New Developments it may have or obtain.

6.2 Vendor agrees to execute, at O-Net's request, all documents as may be necessary to grant, transfer and assign all such title and ownership of the New Developments to O-Net.

7 NON-DISCLOSURE

7.1 Confidential Information of a Party shall mean all information of a technical, commercial or business sensitive nature, including without limitation product designs and specifications, business plans, financial data, operating data, lists of customers or vendors, furnished by such Party to the other Party and which, if disclosed in writing, is marked as confidential, or if disclosed orally or visually, is designated as, confidence as, confidential at the time of disclosure and confirmed in writing within thirty (30) days of disclosure.

7.2 Each of Vendor and O-Net agrees not to disclose or use any confidential information during or after expiration or termination of this PO for any purpose other than as permitted or required for performance of this PO hereunder.

8. ANTI- BRIBERY

8.1 Vendor warrants that it will comply with the requirements of all applicable anti-bribery regulations, codes and/or sanctions. Vendor and its employees shall not give cash, gifts, gift certificates or securities or other advantages to O-Net's employees or their related individuals or entities in any way.

8.2 Vendor and its employees shall firmly refuse O-Net's employees' asking for improper benefits or remuneration in an express or implied way, and shall immediately notify O-Net's anti-bribery office by dialing +86-755-26710000-8578 or sending an email to Improvement@o-netcom.com.

9. FORCE MAJEURE

9.1 If a party claims that a Force Majeure event has occurred affecting its performance of its obligations hereunder, it shall promptly notify the other party in writing and shall use its best efforts to overcome the effects of the contingency as promptly as possible. If the losses are expanded due to its delay in taking corresponding measures, it shall not claim exemption from liability for the expanded losses. If the force majeure event persists and O-Net believes that it is meaningless to continue to perform the PO, O-Net shall have the right to terminate the PO without liability.

10. EXPORT AND TRADE COMPLIANCE

10.1 Vendor acknowledges and agrees to comply at all times with all applicable export laws and regulations and O-Net's compliance requirements.

10.2 Vendor agrees to provide the true and accurate Harmonized Tariff Schedule (HTS) Classification, Country of Origin (including certificates of origin) and Export Control Classification Numbers

(ECCN) (including ITAR category, if applicable) for each Product, and any preferential trade agreements under which the Product originates, including declarations of preferential origin eligibility. In the event that such information changes, Vendor shall immediately notify O-Net with the updated information.

11. LIABILITY

11.1 If Vendor is in breach of Section 7 (Non-disclosure), Section 8 (Anti-bribery) or Section 10 (Export and Trade Compliance), O-Net may terminate this PO, in whole or in part, or other contracts or purchase orders between the Parties, without any liability, and Vendor shall be liable for the losses, damages, costs and expenses O-Net incurs.

12. GENERAL PROVISIONS

12.1 All notices of default, breach, renewal or termination of this PO required or permitted hereunder (collectively, "Notices") shall be (i) in writing, (ii) sent to the other party at the address listed on the face of the PO, or to such different address as such party may designate in writing on thirty (30) days prior written notice to the other party, and (iii) transmitted to the other party via hand-delivery, nationally recognized commercial overnight courier, or United States registered or certified mail, postage prepaid, return receipt requested. Notices shall be deemed given when actually delivered to the recipient party or when such recipient party refuses delivery thereof as shown on the delivery receipt.

12.2 Survival. The provisions of these Terms and Conditions which by their nature should apply beyond their terms will remain in force after any termination or expiration of this PO including, but not limited to, the following provisions: Product Warranty, Compliance with law, Non-disclosure, Governing Law and Dispute Resolution and Survival.

12.3 Compliance with Laws. Each party shall perform its obligations hereunder in compliance with all applicable laws, regulations, and other legal requirements.

12.4 Assignment. Vendor shall not transfer, assign, subcontract or delegate, in whole or in part, any of its rights or obligations under this PO without the prior written consent of O-Net.

12.5 Severability. In the event that any provision of the PO is determined by a court of competent jurisdiction to be illegal, invalid or otherwise unenforceable, under applicable law, such provision shall be deemed severed from this PO, and all remaining provisions shall remain binding, enforceable, and in full force and effect.

12.6 Headings. All headings contained in this PO are for convenience only and shall not be deemed to be part of this PO.

12.7 Independent Contractors. Each party shall be an independent contractor of the other party. Nothing in this PO shall create, or be construed as creating, a joint venture, partnership, agency, or employment relationship between the parties hereto. Neither party shall have any right or authority to assume or create any obligations of any kind or to make any agreements, representations, or warranties on behalf of the other party, whether express or implied, or to bind the other party in any respect whatsoever.

12.8 Governing Law and Dispute Resolution. This PO shall be governed by the laws of the People's Republic of China. Any dispute arising from or in connection with this PO shall be exclusively settled by Shenzhen Court of International Arbitration (SCIA) in accordance with the arbitration rules that are in effect at the time of the arbitration application. The arbitration award shall be final and binding upon the parties hereto.