VIPCOLOR TERMS AND CONDITIONS FOR THE US

1) Controlling Provisions

Except as modified by an unexpired written agreement signed by an authorized officer of **VIPCOLOR TECHNOLOGIES USA INC.** (hereinafter "Seller"), the following Terms and Conditions comprise the complete agreement between Buyer and Seller with respect to products supplies, accessories, related equipment and software offered by Seller (collectively referred to as "Products"). Acceptance of all orders by Seller is strictly limited to these Terms and Conditions.

All terms and conditions contained in any prior oral or written communication, including, without limitation, Buyer's purchase order, which are different from or in addition to these Terms and Conditions are hereby rejected by Seller and shall not be binding on Seller, whether or not they would materially alter this document. All prior proposals, negotiations and representations, if any, are merged herein. Buyer will be deemed to have consented to all these Terms and Conditions if any part of the Products are shipped or an invoice is presented in connection with the Products.

2) Acceptance of Orders; Price; Delivery

Seller reserves the right to review and decline any order and purchases will have to be placed in accordance with the Seller's order process.

The price for each Product shall be that set forth in the applicable price list in effect when an order is accepted by Seller or as otherwise specified in an unexpired written quotation or agreement. All prices are exclusive of all taxes. All shipments will be Ex-Works of an agreed location ("Agreed Site"), unless otherwise agreed. Should the delivery date be postponed by Buyer, Seller shall have the right to adjust the price of the undelivered Products to Seller's price at the time of shipment.

3) Taxes

Any sales, use, excise, or manufacturer's tax which may be imposed upon the sale or use of the Products or any property tax levied after readiness to ship or any excise tax license or similar fee required under this transaction shall be in addition to the quoted prices and paid by Buyer. If Buyer is exempt from any taxes, Buyer shall furnish to Seller an appropriate tax exemption certificate in a form acceptable to the taxing authority prior to processing of the Buyer's orders.

4) Terms of Payment

Seller will issue a separate invoice for each shipment. Payment terms are as follows:

a. If credit terms are requested, prior to any such credit terms being authorized, all Products must be paid for in advance of shipment.
b. If credit terms are authorized, all payments must be paid within ninety (90) days from invoice date. Payments not received by this date are deemed late and subject to late payment charges.

Seller reserves the right to require payment in advance or to establish other credit terms for Buyer. Each shipment shall be deemed a separate and independent transaction. Unless otherwise agreed in writing, payment on all export orders shall be paid in advance of shipment in U.S. dollars against Seller's invoice and standard shipping documents. All goods shipped are deemed property of the Seller until all payments in full have been received from Buyer on corresponding purchase order.

5) Late Payment:

A service charge of either 2% per month or to the maximum rate allowed by law, shall apply to the portion of Buyer's outstanding balance which is not paid when due. If legal action is taken by Seller, Buyer shall be liable for Seller's reasonable attorney fees, plus other costs of such action. The Seller shall advise the Buyer of the late payment service charge in writing.

6) Delivery, Risk of Loss, Shipment, and Acceptance

a. Delivery and performance dates specified herein or otherwise communicated to Buyer are approximate only and are based on conditions at the time Seller accepts Buyer's purchase order.
b. Delivery shall be complete upon placement of Products for pickup by common carrier at the Agreed Site, hereupon title and all risk of loss, damage or destruction to the goods shall pass to Buyer, unless otherwise agreed.
c. In the absence of specific instructions by Buyer, the carrier will be selected by Seller. In no event shall Seller be liable for any delay in delivery by the carrier, nor shall the carrier be deemed an agent of Seller.
d. Seller reserves the right to make partial shipments and to submit invoices for partial shipments.
e. Seller also reserves the right to impose handling charges on orders or single shipments under the minimum order requirements.
f. Products not expressly rejected in a writing delivered to Seller within ten (10) days of receipt shall be deemed to have been accepted.

7) Order Cancellation

Any orders placed by Buyer may be cancelled only with Seller's prior written consent and is subject to cancellation fees imposed by Seller.

8) Security Interest

These Terms and Conditions shall constitute a security agreement in which Buyer hereby grants Seller a purchase money security interest in each Product shipped to Buyer until all payments in full are made by Buyer to Seller. Buyer agrees, without further consideration, at any time to execute appropriate financing statements, amendments thereto, and other documents necessary to perfect the security interest granted hereby, and consents to the filing of such financing statements, amendments and related documents with the appropriate authorities. Buyer hereby appoints Seller as its attorney-in-fact, which appointment is coupled with an interest, for the purpose of executing and filing with the appropriate authorities a financing statement and all other documents necessary to perfect the security interest granted hereby.

9) Warranty

9.1. Each Product sold to Buyer under these Terms and Conditions is sold subject only to the implied warranty of title described in Section 2312 (1) of the California Commercial Code and the implied warranty of merchantability described in Section 2314 of the California Commercial Code. Seller makes no express warranties concerning the Products sold under these Terms and Conditions, and any affirmations or representations made by Seller or Seller's agents concerning the Products, including without limitation Product brochures and other marketing materials, were made for illustrative purposes only and do not constitute warranties of the Products.

Notwithstanding the foregoing:

a. Seller warrants that during the Warranty Period as set out in the "Label Printer Limited Warranty", each Product manufactured by Seller shall be free from defects in material and workmanship under normal use and service subject to the terms set out in the "Label Printer Limited Warranty". The terms of the "Label Printer Limited Warranty" may be found at www.vipcolor.com. The warranty for spare parts is set out in the "Spare Parts Limited Warranty".
b. No warranty extended by Seller shall apply to:
   i. Any Product which has been modified or altered by persons other than Seller;
   ii. Any Product subjected to any misuse, neglect, improper storage or handling, improper installation or accidental damage;
   iii. Any Product used in an unintended manner, or if non-manufacturer recommended original inks, parts, consumables or non-qualified media, are used;
   iv. Any product manufactured by a third party;
   v. Products consisting of normal wear and tear items deemed preventative maintenance parts, consumables, print heads, media, supplies or items that have an operational duration that may be less than the term of the applicable limited warranty, depending on usage;
   vi. Any Products which are required to be replaced under the maintenance cycle or damage caused due to the failure to carry out the preventative maintenance cycle according to the manufacturer's recommendations; or
   vii. Any other Products as set out in the "Label Printer Limited Warranty".

c. Seller's exclusive obligation under this warranty is, at Seller's option, (i) to supply a replacement Product free of charge, or (ii) to refund to Buyer the purchase price paid for the defective Product. Seller shall not reimburse or make any allowance to Buyer for any labor charges incurred by Buyer for replacement of any Product unless such charges are authorized in advance by Seller.

d. Seller makes no representation nor provides any warranties and shall not be responsible for the integrity and/or longevity of any text, images, graphics, barcodes, or combination thereof that are produced, generated, or otherwise transferred to labels under any conditions.

e. This warranty is made on the conditions that (i) the claim is otherwise made in a timely manner (that is, within the applicable Warranty Period) by Buyer, (ii) the Product has been registered on Seller's website at the time of receipt of the Product or the Buyer can show valid proof of purchase, and (iii) Buyer returns the Product to Seller and Seller's inspection reveals that Buyer's claim is valid under the terms of this warranty.

f. With respect to third party goods, Seller's only warranty to Buyer is that such goods are free of any rightful claims of their manufacturer. To the extent any warranties extended to Seller by their manufacturer are transferable; Seller shall transfer such warranties to Buyer.

g. Software storage media shall be governed by the Spare Parts Limited Warranty set forth in this section. Otherwise, software supplied by Seller is "as is" and without warranty, either express or implied, of any kind or nature whatsoever.

9.2. THIS LIMITED WARRANTY MAY ONLY BE ASSERTED BY BUYER, AND BY NO OTHER PERSON, AND IS IN LIEU OF ALL OTHER OBLIGATIONS OR LIABILITIES ON SELLER'S PART EVEN IF SELLER HAS BEEN MADE AWARE OF A PARTICULAR PURPOSE. SELLER EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, WRITTEN, ORAL, EXPRESS, IMPLIED OR STATUTORY, TO THE FULLEST EXTENT PERMITTED BY CALIFORNIA LAW, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE AND NONINFRINGEMENT.
The sole and exclusive remedy and damages available to the Buyer are limited to the remedies set forth in this Section. IN NO EVENT SHALL SELLER BE LIABLE FOR LABOR OR ANY OTHER INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES RELATED TO LOSS OF USE, BUSINESS, REVENUE OR PROFITS, IN CONNECTION WITH OR ARISING OUT OF THESE TERMS AND CONDITIONS, OR ARISING OUT OF THE SALE OR USE OF ANY PRODUCT, SPARE PART OR SERVICES PROVIDED PURSUANT TO THESE TERMS AND CONDITIONS, EVEN IF SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

10) Intellectual Property

10.1. The Products sold hereunder are or will be protected by intellectual property rights of Seller anywhere in the world, including, but not limited to, rights under issued and pending patents, issued and pending model and design rights, copyright rights, issued and pending trademark rights, database rights, and know-how rights. Nothing in these Terms and Conditions is intended to confer on Buyer or third parties any rights or interests therein. No implied licenses to use the Products in any other manner shall flow from these Terms and Conditions.

10.2. Buyer further agrees to use and respect, and further agrees not to remove or obscure, all intellectual property and proprietary notices and markings on all Products.

10.3. Buyer further agrees not to copy, modify, reverse assemble, deconstruct or reverse engineer any Product.

11) Miscellaneous

11.1. **Governing Law and Jurisdiction**. These Terms and Conditions shall be governed by and construed in accordance with the laws of the State of California, excluding any conflicts of law provisions thereof.

11.2. **Severability.** If any provision of these Terms and Conditions (or any portion of any provision) is held by any court of competent jurisdiction to be invalid or unenforceable, that provision or portion will be severed from this Agreement and any remaining provisions will continue in full force.

11.3. **No Waiver**. The waiver by either party of any term or condition of these Terms and Conditions shall not be deemed to constitute a continuing waiver thereof nor of any further condition or additional right that such party may hold under these Terms and Conditions.

11.4. **Compliance with Export Laws.** Buyer shall not export, directly or indirectly, any product without first obtaining the appropriate Government export license.

11.5. **Assignment**. Neither party may assign, charge, transfer or otherwise dispose of these Terms and Conditions or any rights or obligations therein in whole or in part, without the written consent of the other party (which consent shall not be unreasonably withheld or unduly delayed).

11.6. **Amendment**. These Terms and Conditions shall be modified only by the written agreement of the parties represented by duly authorized officers.

11.7. **Force Majeure**. Seller shall be excused from any delays or failure in performance caused by any labor dispute, governmental requirement, act of God, inability to secure materials or transportation facilities, or any other cause beyond its reasonable control.

12) Return policy

Products not expressly rejected in writing delivered to Seller within ten (10) days of receipt shall be deemed to have been accepted. Products may only be rejected by Buyer if Products do not comply with the warranties referred to in Section 9. All Product returns shall be in accordance with the Seller's Return Material Authorization ("RMA") process. The Product must be returned with the original packaging and in its original condition. All returns must have an official RMA number with them or they will be rejected. RMA numbers can be obtained from Seller's customer service. Seller will not be responsible or liable for shipping and handling charges if Product return is refused or rejected due to lack of an official RMA number. Seller has the discretion to refuse to refund any Product returned in packaging other than the original packaging and/or not in its original condition or charge a restocking fee equal to 50% of the invoice price of the Product and any administrative fees.

Seller will not provide any refunds for customized Products including, but not limited to labels, software, services, hardware, license fees, NREs or development fees.