



**NEW VISION DISPLAY, INC. AND ITS AFFILIATE COMPANIES
TERMS AND CONDITIONS OF SALE**

1. **QUOTATIONS.** A quotation (“Quote”) is Seller’s offer to the individual or entity to whom the Quote is addressed (“Buyer”). The following terms and conditions shall be part of each Quote Seller may issue Buyer for the LCD Module product (the “Product”). “Seller” is New Vision Display, Inc. (“NVD”) or one or more of its affiliated companies.

2. **TERMS OF SALE.** The terms and conditions contained herein shall govern the Quote, all purchase orders submitted by Buyer and acknowledgements to any purchase orders received by Seller, and any other purchase and sale agreements between the Seller and Buyer for the Product. **THE QUOTE EXPRESSLY LIMITS ACCEPTANCE TO THE TERMS AND CONDITIONS CONTAINED IN THE QUOTE.** Buyer shall be deemed to have accepted these terms and conditions if Buyer submits a Purchase Order or accepts delivery of the goods and/or services described in the Quote (the “**Product**”). **NO CHANGE, ADDITION OR MODIFICATION TO THESE TERMS AND CONDITIONS (INCLUDING ANY ADDITIONAL OR DIFFERENT TERMS IN BUYER’S PURCHASE ORDER) SHALL BE BINDING ON SELLER UNLESS AGREED TO IN WRITING BY SELLER’S AUTHORIZED REPRESENTATIVE.** Seller’s failure to object to provisions proposed by Buyer shall not be deemed a waiver of any of the terms and conditions contained herein.

3. **PURCHASE ORDERS; LEAD TIME; MINIMUM ORDER VALUE.** Buyer’s purchase orders shall contain the following information: (a) part number identification of the Product(s), (b) quantity, (c) cost per unit, and (d) delivery and shipping requirements. Unless otherwise provided in writing by Seller, purchase orders shall be sent to the following address:

New Vision Display, Inc.
1430 Blue Oaks Boulevard, Suite 100
Roseville, CA 95747-5156
USA

Purchase orders may not request a required delivery date that is shorter than the Product Lead Time without Seller’s written consent. “**Product Lead Time**” means the Materials Procurement Lead Time plus the manufacturing cycle time required from the delivery of the materials or components at Seller’s manufacturing facility to the completion of the manufacture, assembly and test processes for the Product. “**Materials Procurement Lead Time**” means with respect to any particular item of materials or components, the longer of (a) lead time to obtain such materials or components as recorded on Seller’s MRP system or (b) the actual lead time, if a supplier has increased the lead time but Seller has not yet updated its MRP system. The then-current Product Lead Time will be provided to Buyer at the time Buyer places its purchase orders.

Buyer's accepted purchase orders and forecast will constitute authorization for Seller to procure, without Buyer’s prior approval, (a) Inventory (as defined below) to manufacture the Products covered by such purchase orders based on the Product Lead Time and (b) certain Special Inventory based on Buyer’s purchase orders and forecast such as Long Lead-Time Materials as required based on the Lead Time when such purchase orders are placed and at Minimum Order Quantities as required by NVD’s suppliers. Minimum Order Quantities shall mean Materials purchased in excess of requirements to fulfill purchase orders because of minimum lot sizes available from NVD’s suppliers.

The Minimum Order Value for a Buyer Production Purchase Order is \$7,500 US dollars.

DEFINITIONS

“Inventory” shall mean any Materials that are used to manufacture Products that are ordered pursuant to a purchase order. “Materials” shall mean components, parts and subassemblies that comprise the Product and that appear on the bill of materials for the Product.

“Special Inventory” shall mean any Long Lead Time Materials and/or Minimum Order Quantities.

“Long Lead Time Materials” shall mean Materials with Lead Times exceeding the period covered by the accepted purchase orders for the Products.

4. **PRICES.** Buyer shall pay the prices for Product specified in Seller’s Quote or as otherwise quoted at the time the purchaser orders are submitted to Seller. All pricing will be in U.S. Dollars. All pricing is calculated based upon FCA Seller’s 3PL Hong Kong and at the quoted annual production volumes. In addition to the prices quoted by Seller, Buyer shall pay applicable federal, state and local excise, sales, use, VAT and similar taxes, duties, or other fees imposed by government authorities.

5. **SHIPMENT.** All sales are made (i) FCA (INCOTERMS 2010) Seller’s 3PL Hong Kong if the Product is produced in China for export out of China, (ii) EX WORKS (INCOTERMS 2010) NVD Factory if the Product is produced in China for domestic sales. Title and risk of loss to Products shall pass to Buyer when Products are delivered to the Buyer’s carrier.

6. **TERMS OF PAYMENT.** Terms of payment are 30 days net from date of invoice. Overdue amounts shall be subject to a late charge at the lesser of 1.5% of the outstanding amount per month or the maximum rate permitted by law. Payments shall be made to New Vision Display, Inc. in U.S. Dollars by wire transfer or check to the address or bank account specified on the invoice.

If Seller determines in good faith that Buyer’s financial condition does not justify continuance of production or shipment of Products, Seller may stop production, require advance payment or by C.O.D. before shipping the Products and modify credit terms in its discretion.

IF BUYER REFUSES SHIPMENT MADE ON THE DATE SPECIFIED IN BUYER’S ACCEPTED PURCHASE ORDER WITHOUT SELLER’S WRITTEN CONSENT, PAYMENTS SHALL BECOME DUE ON THE DATE BUYER REFUSED SHIPMENT. In the event Buyer does not arrange for the prompt pickup of Products ordered by it after being informed by Seller that such Products are ready for pickup in accordance with Buyer’s purchase order, or Buyer attempts to reschedule or cancel a delivery of Products previously ordered by Buyer, in a manner not permitted by these terms and conditions, then, in addition to any other remedies available to Seller hereunder and at law, Buyer hereby authorizes Seller to transfer such Products to a warehouse operated by Seller or a third party. Any portion of a warehouse operated by Seller will be assigned to Buyer for its exclusive use. Such transfer shall be considered a delivery and sale to Buyer, and title and risk of loss for such Products shall thereupon transfer from Seller to Buyer. In accordance with these terms and conditions, Seller shall invoice Buyer for such sale. Buyer shall also be invoiced for all applicable storage and handling fees for the Products on a monthly basis, or any portion thereof, that the Products are stored for Buyer. Such storage and handling fees shall cover the expense of storage, security and transporting the Products to and from such site. During the time that the Products are stored pursuant to this section hereof, Buyer shall have the right, upon reasonable notice, to inspect the Products. Upon Buyer’s request, Seller shall ship the Products to Buyer, at Buyer’s expense.

7. **RESCHEDULING.** Products ordered under accepted purchase orders, including blanket purchase orders, may only be rescheduled as follows:

Days before scheduled shipment date	Percentage of Order	# of Days Maximum Deferral
1-30	0%	0
31-60	10%	30
61-90	20%	30
91+	100%	90

(a) Buyer may only reschedule one time per purchase order and reschedule requests must be in writing. Rescheduling shall not relieve Buyer of the obligation to purchase such Products, unless Buyer elects to cancel the Products in which case the cancellation charges that will apply are set forth below. Unauthorized reschedules of any portion or all of the quantities on any purchase order shall be treated as a cancellation of such quantities and governed by Section 8 below.

(b) If Buyer does not obtain prior approval from Seller for such reschedules, or if Buyer and Seller do not agree in writing to specific terms with respect to any approved reschedule, then Buyer will have been deemed to have cancelled the order and the cancellation charges in Section 8 below will apply. In addition, any finished Products that have already been manufactured to support the original delivery schedule will be treated as cancelled as provided in Section 8 below.

8. **CANCELLATION.** Buyer may not cancel all or any portion of product quantity of an accepted purchase order without Seller's prior written approval, which, in its sole discretion, may or may not be granted. Regardless of whether or not Seller provides prior approval for a purchase order cancellation, and unless Buyer and Seller agree in writing to specific terms with respect to any approved cancellation, Buyer will pay Seller for any such cancellation, for any Product or Inventory or Special Inventory procured by Seller to support the original delivery schedule. In addition, if Seller notifies Buyer that such Product, Inventory and/or Special Inventory has remained in Seller's possession for more than thirty (30) days since such cancellation, then Buyer agrees to immediately purchase from Seller such Product, Inventory and/or Special Inventory by paying the Affected Inventory Costs.

"Affected Inventory Costs" shall mean: (i) 110% of the Cost of all affected Inventory and Special Inventory in Seller's possession and not returnable to the vendor or reasonably usable for other customers, whether in raw form or work in process, less the salvage value thereof, (ii) 105% of the Cost of all affected Inventory and Special Inventory on order and not cancelable, (iii) any vendor cancellation charges incurred with respect to the affected Inventory and Special Inventory accepted for cancellation or return by the vendor, (iv) the then current fees for any affected Product, and (v) expenses incurred by Seller related to labor and equipment specifically put in place to support the purchase orders and forecasts that are affected by such reschedule or cancellation (as applicable).

9. **DELIVERIES.** Shipping dates and quantities are approximate and not guaranteed. Seller shall use commercially reasonable efforts to fill the orders according to the quantities and delivery date specified in the order. Partial shipments and/or delayed delivery constitute a valid delivery and Buyer shall not be relieved of its obligations to accept and pay for shipments. Any delivery shall be paid for regardless of other controversies relating to other delivered or undelivered Products. Seller reserves the right to close orders short should the need arise due to variation in yield.

10. **FORCE MAJEURE.** Seller shall not be liable for any failure to deliver any of the Products and/or services due to unforeseen causes beyond Seller's control. Such causes include, but are not limited to, strikes, fires, floods, labor disputes, civil unrest, war, accidents, an inability to obtain raw materials or supplies, excessive demand for product over the available supply, customs, duties or surcharges, any interruption for any reason in the manufacture or supply of components or other products by Seller's suppliers, any act of God, or the action of any government. If Seller is able to partially perform, Seller shall attempt to allocate deliveries among its similar customers in a commercially reasonable manner. Seller shall have the right, in the event of the above circumstances, to cancel delivery or any part thereof without resulting liability.

11. **DISCONTINUANCE.** Seller reserves the right to discontinue any Products with six (6) months' notification to the Buyer. During the notification period, Seller agrees to accept orders for delivery over the twelve (12) month period immediately following the end of the notification period.

12. **ACCEPTANCE.** Buyer shall inspect Products within ten (10) days after delivery. If such Products do not substantially conform to their applicable specifications ("**Non-conforming Products**"), Buyer shall notify Seller immediately stating the full particulars in support of such claim. Together with such report, Buyer shall provide Seller with 25 samples of the Products Buyer asserts as Non-conforming Products. Claims for Non-conforming Products must be made in writing within 90 days after delivery of Products. Products may only be returned to Seller after obtaining a Return Material Authorization ("**RMA**") from Seller. Seller shall either repair or replace the Products to

conform to their applicable specifications. Buyer shall be responsible for shipping Products back to Seller in the condition Products were received by Buyer. Claims for delivery delays, shipment shortages, or for any other cause other than the fact that they are Non-conforming Products shall be waived and released by buyer unless made in writing within 10 days after delivery of Products.

13. **EXPRESS LIMITED WARRANTY.** The warranty hereunder is set forth in the NVD Warranty Terms and Conditions, attached hereto and incorporated herein by this reference.

14. **INFRINGEMENT.** Seller shall defend, indemnify, and hold Buyer harmless against any and all losses, damages, liabilities, costs, and expenses with respect to any claim or proceeding brought by any third party arising out of any alleged infringement or violation (a “**Claim**”) of any U.S. patent or copyright, provided that Buyer gives Seller written notice of the Claim, the ability to solely control the defense against the Claim, and Buyer fully cooperates with Seller in the defense of such Claim. Seller’s sole obligation under this Section 14 shall be to settle the Claim or judgment on the Claim in one of the following ways, at Seller’s sole option and expense: (a) procure for Buyer the right to continue to use the Product, (b) replace or modify the Product so that it becomes non-infringing but functionally equivalent, (c) grant a refund of the price paid for the individual units of Product which are the subject of the Claim, depreciated over a five-year period on a straight-line basis, upon return to Seller of such Product. This Section 14 shall not apply if the infringement is due to (1) the combination of the Product with other equipment to the extent that the Product alone would not have resulted in a Claim of infringement; (2) any modifications, alterations to the Product performed by anyone other than Seller, (3) use of the Product outside of the intended use; (4) continued use of the Product by Buyer after receiving notice of an infringement claim and being requested by Seller to cease such use or (5) failure of Buyer to replace the Product with a non-infringing substitute provided by Seller.

THE FOREGOING SECTION 14 STATES THE ENTIRE LIABILITY OF SELLER CONCERNING INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS.

15. **CONFIDENTIAL INFORMATION.** Each party shall refrain from using or disclosing any and all Confidential Information of the disclosing party for any purposes or activities other than those specifically authorized in these terms and conditions or in any Quote. Except as otherwise specifically permitted herein or pursuant to written permission of the party owning the Confidential Information, no party shall disclose or facilitate disclosure of Confidential Information of the disclosing party to anyone without the prior written consent of the disclosing party, except to its employees, consultants, parent company, and subsidiaries of its parent company who need to know such information for carrying out the activities contemplated by this Agreement and who have agreed in writing to confidentiality terms that are no less restrictive than the requirements of this Section 15. Notwithstanding the foregoing, the receiving party may disclose Confidential Information of the disclosing party pursuant to a subpoena or other court process only (a) after having given the disclosing party prompt notice of the receiving party’s receipt of such subpoena or other process and (b) after the receiving party has given the disclosing party a reasonable opportunity to oppose such subpoena or other process or to obtain a protective order. Confidential Information of the disclosing party in the custody or control of the receiving party shall be promptly returned or destroyed upon the disclosing party’s written request. Confidential Information disclosed shall be maintained confidential for a period of three (3) years after the disclosure thereof. “**Confidential Information**” means (x) the existence and terms hereof and all information concerning the quantities and prices for Products and (y) any other information that is marked “Confidential” or the like or, if delivered verbally, confirmed in writing to be “Confidential” within 30 days of the initial disclosure. Confidential Information does not include information that (i) the receiving party can prove it already knew at the time of receipt from the disclosing party; or (ii) has come into the public domain without breach of confidence by the receiving party; (iii) was received from a third party without restrictions on its use; (iv) the receiving party can prove it independently developed without use of or reference to the disclosing party’s data or information; or (v) the disclosing party agrees in writing is free of such restrictions.

16. **GOVERNING LAW.** These terms and conditions shall be governed by and interpreted in accordance with the laws of the State of California and the parties hereby consent to the personal and exclusive jurisdiction and venue of the California state courts and the Federal courts located in Sacramento County, California. The rights and obligations of the parties hereunder shall not be governed by the 1980 U.N. Convention on Contracts for the International Sale of Goods.

17. **ADDITIONAL ALTERNATIVE DISPUTE RESOLUTION TERMS.** Notwithstanding the foregoing, except with respect to enforcing claims for injunctive or equitable relief, any dispute, difference, claim or controversy arising from or related in any way to these terms and conditions, the Quote or any purchase order submitted by Buyer to Seller or the interpretation, application, breach, termination or validity hereof or thereof, including any claim of inducement of these terms and conditions by fraud (collectively, "Disputes") will be submitted for resolution by binding arbitration in accordance with the Comprehensive Arbitration Rules & Procedures of JAMS. The arbitration will be held in Sacramento County, California and it shall be conducted in the English language. Judgment on any award in arbitration may be entered in any court of competent jurisdiction.

The provisions contained in this Section 17 shall survive termination and/or expiration of these terms and conditions, a Quote or any purchase or sale agreement, including any purchase orders and acknowledgements, between the parties. The decision of the arbitration panel shall be final and binding on all of the parties hereto and non-appealable, and the parties hereby waive any right of appeal to any court on the merits of any Disputes.

However, the provisions of this Section 17 may be enforced in any court in California having jurisdiction over the award or any of the parties as set forth herein, and judgment on the award (including, without limitation, equitable remedies) granted in any dispute resolution hereunder may be entered in any such court.

Each party shall pay their own expenses in connection with the resolution of Disputes, including attorneys' fees, except as set forth in Section 6 hereof. **IN THE EVENT OF ANY JUDICIAL PROCEEDINGS, THE PARTIES KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, AND HAVING HAD AN OPPORTUNITY TO CONSULT WITH COUNSEL, WAIVE ALL RIGHTS TO TRIAL BY JURY, AND AGREE THAT ANY AND ALL MATTERS SHALL BE DECIDED BY A JUDGE WITHOUT A JURY TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW. In the event of any lawsuit between the parties arising out of or related to sale and purchase of Products pursuant to these terms and conditions, the parties agree to prepare and to timely file in the applicable court a mutual consent to waive any statutory or other requirements for a trial by jury.**

18. **LIMITATION OF LIABILITY. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY "COVER" DAMAGES (INCLUDING INTERNAL COVER DAMAGES). IN ADDITION, NEITHER PARTY SHALL BE LIABLE FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL, INDIRECT, OR PUNITIVE DAMAGES ARISING OUT OF OUT OF THE QUOTE, THESE TERMS AND CONDITIONS OR THE PURCHASE OR SALE OF PRODUCTS, WHETHER SUCH LIABILITY IS ASSERTED ON THE BASIS OF CONTRACT, TORT (INCLUDING THE POSSIBILITY OF NEGLIGENCE OR STRICT LIABILITY), OR OTHERWISE, EVEN IF THE PARTY HAS BEEN WARNED OF THE POSSIBILITY OF ANY SUCH LOSS OR DAMAGE, AND EVEN IF ANY OF THE LIMITED REMEDIES STATED HEREIN FAIL OF THEIR ESSENTIAL PURPOSE. SELLER'S LIABILITY SHALL NOT EXCEED THE COST OF PRODUCTS WHICH ARE THE SUBJECT OF THE CLAIM.**

19.

20. **ENTIRE AGREEMENT AND SEVERABILITY.** The terms and conditions contained herein constitute the final, complete, and exclusive statement of the terms of the purchase and sale between the Seller and Buyer pertaining to the Products. If any term or condition contained herein is determined to be illegal, unenforceable, or invalid in whole or in part for any reason, such illegal, unenforceable, or invalid provisions or part thereof shall be stricken, and such provision shall not affect the legality, enforceability, or validity of the remaining terms and conditions. If any provision or part thereof is stricken in accordance with the provisions of this section, then this stricken provision shall be replaced, to the extent possible, with a legal, enforceable, and valid provision that is similar in tenor to the stricken provision as is legally possible.