

STANDARD TERMS & CONDITIONS

ACCEPTANCE. The following Standard Terms and Conditions are applicable to all quotations and orders between Sugatsune America, Inc. ("Supplier") and any buyer ("Buyer") of any products of Supplier ("Products"). These Standard Terms and Conditions are the only terms and conditions, oral or written, applying to the sale of Products to Buyer except for (i) additional terms consistent with these Standard Terms and Conditions on prices, quantities, delivery schedules, and the description and specifications of the Products as set forth in an order form issued by Supplier ("Supplier Order Form") and (ii) the terms and conditions in any written supply agreement entered into by Supplier and Buyer contemporaneously with the acceptance of these Standard Terms and Conditions ("Supply Agreement"). Any specifications for a Product shall be only as set forth in a Supplier Order Form or Supply Agreement ("Specifications"). Supplier hereby objects to and rejects any other terms or conditions appearing on, incorporated by reference in or attached to any purchase order, acceptance, acknowledgement, invoice, transmittal or other document other than a Supplier Order Form and any such document issued by Buyer is for administrative convenience only. Supplier's failure to object to any provision contained in a document or communication from Buyer shall not be a waiver of these Standard Terms and Conditions or any Supplier Order Form or Supply Agreement. All proposals, negotiations, representations, quotations or agreements, if any, written or oral, regarding the sale of any Products and made prior to or contemporaneous with the date of these Standard Terms and Conditions are merged herein. Acceptance of these Standard Terms and Conditions and any Supplier Order Form, both or either of which may be delivered to Buyer in electronic form by Supplier shall be deemed to have occurred upon the earlier of (i) executing or accepting these Standard Terms and Conditions, (ii) executing or accepting any Supplier Order Form, (iii) when Buyer is aware that Supplier has commenced performance thereunder or (iv) taking delivery of any Products. Accepted Supplier Order Forms may not be modified, cancelled or rescheduled without Supplier's written consent and are subject to modification, cancellation or reschedule charges determined by Supplier. Supplier may withdraw or revoke any Supplier Order form prior to acceptance by Buyer.

PRICES AND PAYMENT TERMS. The prices for the Products are as set forth in an applicable Supplier Order Form or Supply Agreement. Buyer must accept any Supplier Order Form issued by Supplier within 30 days of issuance to receive the price and price protection set forth in such Supplier Order Form. Except as otherwise set forth in a Supplier Order Form or Supply Agreement, the price of Products are subject to monthly adjustments, including for changes in prices of applicable raw materials. Unless different payment terms are specified in a Supplier Order Form or Supply Agreement, payment terms are net 30 days from the date of shipment of Product under a Supplier Order Form, and payments must be received in Supplier's account no later than 30 days from the date of shipment of Product. If Supplier does not receive full payment by the due date, a late fee will be applied at a rate of 1.5% of the original balance per month. Buyer shall pay Supplier for all collection costs Supplier incurs to collect from Buyer any amount past due. Buyer will incur all charges, if any, related to the transfer or payment of funds to Supplier's account. In the event that Buyer has any amount due and outstanding to Supplier, Supplier may suspend any further shipment of Products until all outstanding amounts are paid to Supplier. Prices exclude any tax or duty now or hereafter imposed upon the production, transportation, export, import, storage, delivery, sale, or use of Products. Any changes to any Specifications, order patterns, payment terms, or other matters in a Supplier Order Form or Supply Agreement may result in Supplier modifying pricing on the applicable Products. Without waiving any other rights or remedies available to Supplier under applicable law or otherwise, Supplier may, at its option, (i) defer shipment or deliveries of Products until all past-due accounts of Buyer to Supplier have been satisfied in full, or (ii) require Buyer to pay for Product prior to shipment or ship Product on a "cash on delivery" basis if Supplier determines, in its sole discretion, not to extend credit to Buyer. Buyer shall pay Supplier any and all governmental taxes, charges or duties of every kind (excluding any tax based upon Supplier's income) that Supplier may be required to pay with respect to the production, transportation, export, import, storage, delivery, purchase, sale or use of the Products. Buyer shall provide Supplier, on request, with properly completed exemption certificates for any tax or duty from which Buyer claims an exemption.

SHIPMENT; RISK OF LOSS; INSPECTION AND RETURN. Shipment dates are approximate only. Supplier shall not be liable because of late deliveries. Unless different terms are specified in a Supplier Order Form or Supply Agreement, title and risk of loss shall pass to Buyer FOB Origin (Supplier shipping point), regardless of whether Supplier or Buyer pays for actual freight delivery charges. Buyer may inspect the Products, or provide for inspection, at the point of shipment. Buyer shall inspect the Products for failure to conform to any Specifications immediately upon receipt. In the event that any Product fails to conform to any Specifications in any material respect at the time of delivery (a "Material Specifications Nonconformity"), Buyer's sole and exclusive remedy shall be for Supplier to, at Supplier's election, provide to Buyer replacement Product or issue Buyer a credit for the purchase price paid for the Product. No claim for a Material Specifications Nonconformity may be made more than 60 days after delivery of the Product to Buyer, and no claim will be valid if made after the Product has been altered or used. Buyer shall afford Supplier a prompt and reasonable opportunity to inspect any Product for which a Material Specifications Nonconformity claim is made. No Product shall be returned without Supplier's express consent and the issuance of a return authorization and return instructions per Supplier's customer return policy.

DISCLAIMER OF WARRANTY. SUPPLIER IS SELLING TO BUYER THE PRODUCTS AND BUYER ACCEPTS THE PRODUCTS "AS IS," AND SUPPLIER EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, ARISING FROM COURSE OF DEALING OR USAGE OF TRADE, OR STATUTORY, INCLUDING BUT NOT LIMITED TO THE IMPLIED CONDITIONS AND WARRANTIES OF MERCHANTABILITY, QUALITY, FITNESS FOR A PARTICULAR PURPOSE, CORRESPONDENCE WITH DESCRIPTION OR QUALITY, TITLE, QUIET POSSESSION AND NON-INFRINGEMENT.

LIMITATIONS OF LIABILITIES. In no case shall Supplier be liable for any special, incidental or consequential damages based upon breach of contract, negligence, strict liability, tort, or any other legal theory, even if Supplier is notified of the possibility of such damages. In all cases, Supplier's maximum liability arising out of or relating to these Standard Terms and Conditions and any Supplier Order Form and Supply Agreement, regardless of the legal theory, shall not exceed the contract price actually paid by Buyer in respect of the Products supplied by Supplier to which such liability relates. Supplier shall not be liable for any loss, damage, detention or delay due directly or indirectly to causes beyond its reasonable control, such as acts of God, acts of Buyer, acts of civil or military authority, fires, strikes, floods, epidemics, war, riot, delays in transportation, government restrictions or embargoes, or difficulties in obtaining necessary labor, materials, manufacturing facilities or transportation due to such causes. Supplier further reserves the right to allocate inventories and current production and to substitute suitable materials when, in its opinion, circumstances warrant such allocation or substitution.

INDEMNIFICATION. Buyer will defend, indemnify and hold harmless Supplier against all claims, losses, liabilities, damages and expenses on account of any damage to property or injury or death of persons caused by or arising out of or relating to Buyer's (and/or any of Buyer's employee's, agent's, affiliate's and customer's) distribution, storage, handling, use, or disposal of Products or caused by or arising out of: (i) any breach of contract by Buyer; (ii) any tortious acts or omissions of Buyer (and/or any of Buyer's employees, agents, affiliates and customers); or (iii) any willful misconduct or any violation by Buyer (and/or by any of Buyer's employees, agents, affiliates and customers) of any applicable law, rule or regulation. Buyer shall further be exclusively responsible for and shall defend, indemnify and hold harmless Supplier against all claims, losses, liabilities, damages and expenses arising out of or relating to any designs, logos, Universal Product Code symbols, names, devices or words, including any wording required by any federal, state or local laws, rules or regulations, that Buyer requests or requires Supplier to incorporate into or place on any Product; notwithstanding that Supplier may have been consulted thereon, or performed art work or other special services in connection therewith. With respect to any Product containing a Universal Product Code symbol, it shall be the responsibility of Buyer to furnish Supplier with the correct Industry, Manufacturer, Item and Modular check numbers together with information relating to the magnification and truncation of the symbol, and Supplier shall have no obligation to verify the accuracy of such numbers or information. Supplier shall have the right to imprint its trademark in a suitable inconspicuous locality on any Products furnished by it.

INTELLECTUAL PROPERTY RIGHTS. Buyer acknowledges and agrees that: (a) except to the extent provided in a separate written agreement between Buyer and Supplier, Supplier will retain all patents, copyrights, trade secrets and other intellectual property rights ("IPRs") used to create, embodied in, used in or otherwise relating to the Products and any of their component parts; (b) any and all of Supplier's IPRs are the sole and exclusive property of Supplier or its licensors; (c) Buyer shall not acquire any ownership interest in any of Supplier's IPRs; (d) any goodwill derived from the use by Buyer of Supplier's IPRs inures to the benefit of Supplier or its licensors, as the case may be; (e) if Buyer acquires any IPRs in or relating to any Products by operation of law, or otherwise, such rights are deemed and are hereby irrevocably assigned to Supplier or its licensors, as the case may be, without further action by either party; and (f) Buyer shall use Supplier's IPRs only in accordance with these Standard Terms and Conditions and any written instructions of Supplier.

MISCELLANEOUS. These Standard Terms and Conditions do not constitute an agency relationship between the parties and neither party shall hold itself out to be the legal representative, agent, or employee of the other party for any purpose whatsoever. Neither these Standard Terms and Conditions nor any Supplier Order Form or Supply Agreement, nor any term or provision hereof or thereof may be modified, amended, or waived, except by a writing duly executed by Supplier. These Standard Terms and Conditions and any Supplier Order Form and Supply Agreement shall be binding upon and inure to the benefit of Supplier and Buyer and each of their respective successors and permitted assigns. Neither party shall assign or delegate its rights or responsibilities under these Standard Terms and Conditions or applicable Supplier Order Form or Supply Agreement, or any portion thereof, without the prior written consent of the other party, which consent shall not be unreasonably withheld; provided, however, that Supplier may assign these Standard Terms and Conditions and any Supplier Order Form and Supply Agreement in connection with a merger, a sale of all or substantially all of its assets or business operations related to these Standard Terms and Conditions and any Supplier Order form, or a reorganization without the consent of Buyer by providing notice to Buyer. If any provision of these Standard Terms and Conditions or any Supplier Order Form or Supply Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such provision shall be deemed deleted from these Standard Terms and Conditions or any Supplier Order Form or Supply Agreement and replaced by a valid and enforceable provision which, so far as possible, achieves the same economic and other benefits for the parties as the severed provision was intended to achieve, and the remaining provisions of these Standard Terms and Conditions and any applicable Supplier Order Form and Supply Agreement shall continue in full force and effect. These Standard Terms and Conditions together with any Supplier Order Forms and Supply Agreement represent the entire integrated contract of the parties with respect to the terms of purchase and sale of the Products, and supersedes all previous agreements and understandings between the parties with respect to the subject matter of these Standard Terms and Conditions, and may not be modified except by an instrument in writing signed by the duly authorized representatives of the parties. These Standard Terms and Conditions and all Supplier Order Forms and any Supply Agreement shall be governed by, construed and interpreted in accordance with the laws of the State of California, without reference to (i) the conflicts of laws principles thereof and (ii) the United Nations Conventions on Contracts for the International Sale of Goods. Any claim, action, suit or other proceeding initiated under or in connection with these Standard Terms and Conditions or any Supplier Order Form or Supply Agreement may be asserted, brought, prosecuted and maintained only in any federal or state court in the State of California having jurisdiction over the subject matter thereof, and the parties hereto hereby waive any and all right to object to the laying of venue in any such court and to any right to claim that any such court may be an inconvenient forum. The parties hereto submit themselves to the jurisdiction of each such court and agree that service of process on them in any such action, suit or proceeding may be affected by the means by which notices are to be given to it under these Standard Terms and Conditions. Any claim, action, suit or other proceeding initiated by Buyer in connection with these Standard Terms and Conditions must be brought within one year after delivery to Buyer of the applicable Products to which such claim, action, suit or other proceeding relates.