

Crystal Mountain/GKE Purchase Order Terms and Conditions 2014

1. Buyers Obligations

Crystal Mountain/GKE shall pay Supplier for the Goods and Services at the agreed Price set forth in the Purchase Order (PO) pursuant to the submission of a valid detailed invoice presented in the currency noted within the PO and subject to the Terms and Conditions of this Agreement. Crystal Mountain reserves the right to inspect the Goods and Services and reject them in part or completely if they do not meet the print requirements, quality standards, service levels and the specifications. Should a defect be found a request for replacement product, refund or credit at Supplier's cost including transportation. The non conforming product will be in dispute including the associated invoice in part or completely. Under no circumstances will the acceptance of the Goods and Services by Crystal Mountain be presumed or deemed, including without limitation due to any act of Crystal Mountain such as the payment of the invoice. Inspection and acceptance by Crystal Mountain does not relieve Supplier of its warranty obligations.

2. Supplier's Requirements

Supplier shall supply the equipment, materials, goods or services identified in the Purchase Order (PO) pursuant to the Terms and Conditions contained herein. Goods and Services are to be supplied at the locations and by the delivery dates set forth in the PO and per material releases. Supplier shall use qualified personnel and equipment and facilities that meet industry standards. Supplier shall respect all relevant Crystal Mountain regulations, local legislation, local labour laws, immigration laws, import-export regulations, environmental and industry standards in all jurisdictions where Supplier operates and the Goods and Services are delivered. Supplier shall maintain records and provide regular reports pursuant to Crystal Mountain's instructions on the delivery of the Goods and Services, their conformity with the service levels and specifications identified to Supplier, and the application of any service level payments identified in the PO in the event of non-conformity. Supplier shall respect government policies regarding workplace conduct, site access, safety, contractor orientation, computer systems security, privacy and its Environmental Policies. Supplier means Supplier, its personnel, affiliates and subcontractors involved in the supply of Goods and Services.

3. Representations and Warranties

Supplier represents and warrants that: it is duly organized or incorporated in the relevant jurisdictions and has full capacity to enter into this Agreement and perform its obligations hereunder No hardware or software or other material used in the supply of the Goods and Services infringes any intellectual property rights or liens of any third party. That it operates in compliance with all laws and regulations and this Agreement does not violate any other agreement binding on Supplier.

WARRANTIES REGARDING THE GOODS AND THE SERVICES

Seller expressly warrants that the Goods and the Services, including any special tools, dies, jigs, fixtures, patterns, machinery and equipment, that are obtained at Buyer's expense for the performance of this Order and/or are or become the property of Buyer be free from any defects in materials and workmanship be fit for use, sufficient and suitable for the particular purpose for which Buyer intends to use the Goods or the Services, including the specified performance in the component drawings and specifications. Performance includes specific dimensions, engineering test criteria and inspection requirements noted on drawings or other supplemental specifications provided by the customer. Where applicable and agreed upon between buyer and seller, components must comply and be identical to

signed approved parts between both parties. Customer may request documentation related to ongoing validation, inspections and data relevant to the product performance. Seller shall and agrees to provide documentation within 48 hours of a written request from the customer. Seller further expressly warrants that, unless otherwise expressly stated in this Order, the Goods are manufactured entirely with new materials.

The Seller's Warranties are available to, and for the benefit of, Buyer, its subsidiaries and affiliates, their respective successors and assigns, the Customer and users of products containing the Goods or the Services. The Seller's Warranties shall extend to future performance of the Goods. The warranty period shall be 1 year except if the Buyer is obligated to provide a longer warranty period to the Customer pursuant to the Customer Terms, such longer period shall apply. The Seller's Warranties shall be in addition to all other warranties available under applicable law.

Seller shall indemnify and hold Buyer and the Customer, and their respective representatives, employees, customers, subsidiaries, and affiliates, harmless from and against all liabilities, claims, demands, losses, costs, damages and expenses of any nature or kind (including consequential damages, personal injury, property damages, lost profits, recall or other Customer field service action costs and reworking charges, professional and other legal fees, and other costs associated with Buyer's administrative time, labour and materials) arising from or as a result of any breach of the Seller's Warranties

Seller acknowledges that Buyer may defend any claim brought by the Customer that the Goods or Services are in breach of the Seller's Warranties or are otherwise defective and do not meet the contractual requirements of this Order. Seller agrees that Buyer's action to defend such claims is in the interest of both Buyer and Seller and is done to mitigate damages.

During the time period this Order remains in effect, Seller warrants that it will not supply the Goods or Services directly to the Customer for which Buyer intends to incorporate the Goods or Services without Buyer's prior written consent.

4. Financial Matters Payment Terms

Supplier shall submit invoices upon delivery of the Goods and Services. Crystal Mountain/GKE shall pay invoices 60 days from the date on the invoice unless agreed otherwise and subject to acceptance. All Prices shall be exclusive of all provincial, state and federal taxes.

5. Labelling, Packaging, Delivery and Shipment

Goods are to be prepared for shipment and must be labelled, packaged and shipped in accordance to buyers' specification. All cost for packaging, labelling, boxing, skids and other materials shall be part of piece price. Transportations shall be the suppliers' responsibility. Materials will be shipped per releases or per the PO.

Seller shall ship product 1 week from release ensuring and maintaining necessary inventory levels at the supplier site to meet 1 week release demands. Supplier shall hold necessary safety stock to meet Crystal Mountain/GKE releases.

6. Force Majeure

Notwithstanding anything to the contrary in this Agreement, neither Party shall be liable for delay or non-performance caused by any of the following circumstances when beyond its control: acts of God, explosions, riots, extreme natural disasters, wars, sabotage or terrorism ("Force Majeure"). Should an event of Force Majeure make it impossible for a Party to perform its obligations hereunder, the affected Party shall try to reduce or mitigate the adverse impact of the event. The affected Party shall notify the other Party that it considers an event of Force Majeure has occurred. If the adverse impact cannot be eliminated completely, such non-performance shall be excused for the duration of the event of Force

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7. Liability and Indemnification

Supplier shall indemnify and hold harmless Crystal Mountain from any losses, liens, damages, liability, and expenses (“Damages”) incurred by Crystal Mountain arising from Supplier’s breach of its obligations or warranties under this Agreement; any third party claims; or Supplier’s access to Crystal Mountain’s or Crystal Mountain’s affiliates’ premises. In the event that Crystal Mountain has incurred Damages, Crystal Mountain shall notify Supplier and Supplier shall indemnify Crystal Mountain for the Damages and hold harmless Crystal Mountain against any third party legal claims associated with the Damages. No third party claim may be settled without the consent of Crystal Mountain, which consent shall not be unreasonably withheld.

8. Insurance

In the event that Supplier is supplying Goods or Services or accessing Crystal Mountain sites or Crystal Mountain’s affiliates sites, seller/supplier shall maintain Comprehensive General Liability with an insurer acceptable to Crystal Mountain, of no less than two million US dollars (\$2,000,000 USd) per occurrence, for damage to or destruction of property (including loss of use), including products and completed operations coverage and contractual liability, or a combined single limit of two million US dollars (\$2,000,000 USd) for bodily injury including death.. Supplier shall provide Workers Compensation coverage (or equivalent) for its personnel and subcontractors in accordance with the statutory limits in the relevant jurisdiction and Country and reimburse Crystal Mountain for any claims that Crystal Mountain must pay for which Supplier is responsible. Supplier shall name Crystal Mountain as an additional insured and provide a certificate of insurance pursuant to which Crystal Mountain will be notified of any cancellation or material change to coverage. Any deductible or self-insurance shall be of a level acceptable to Crystal Mountain.

9. Governing Law, Dispute Resolution

This PO will be governed by the laws of the laws of Hong Kong applicable therein. Any dispute that cannot be resolved between the Parties shall be resolved by litigation before the Hong Kong Superior Court.

10. Confidentiality

Each Party shall keep confidential and prevent the unauthorized disclosure of information disclosed by the other Party, which is confidential by its nature including without limitation technical, commercial, financial, marketing, operational or strategic information related to the business of a Party, on any verbal, visual or written medium, whether it is marked confidential or restricted or not (“Confidential Information”). The receiving Party shall protect Confidential Information from disclosure to third parties using the same degree of care that it uses for its own most confidential information, but no less than best efforts.

11. General

The PO, these Terms and Conditions, the Crystal Mountain/GKE Policies, and any specifications, service levels, or instructions provided by Crystal Mountain, constitute the entire agreement between the Parties and take precedence over any other understandings or communications, oral or written, and over any Supplier terms and conditions or purchase orders. If a master agreement exists between Crystal Mountain and Supplier to govern the supply of Goods and Services identified in the PO, the terms and conditions of the master agreement shall apply to such Goods and Services. If any clause is unenforceable it shall be severed and the other clauses will remain in full force. Any clause which by its nature should survive termination will do so, including without limitation the Confidentiality, Liability, Indemnification and Warranty clauses. The Parties are independent contractors and nothing herein shall make them agents, employees, or partners and there shall be no joint and several liabilities. The non-exercise by a Party of a right hereunder does not constitute a waiver of such right. Nothing herein shall be interpreted to create an exclusivity in favour of Supplier unless otherwise set out in the PO.