

GENERAL TERMS AND CONDITIONS OF SALE

1. GENERAL

The General Terms and Conditions of Sale ("GT&Cs") only apply to all sales of XXX products ("Product or Products") to the buyer ("Buyer") by Honey Hope Honesty Enterprise CO., LTD. ("HHH"). GT&Cs take precedence over Buyer's terms or conditions contained in any proposal, acknowledgement or other writing, whether or not such terms or conditions conflict with the GT&Cs. Neither HHH's commencement of performance or delivery shall be deemed or construed as acceptance of Buyer's terms or conditions specified above. HHH's failure to object to Buyer's conflicting or additional terms or conditions will not change or add to the terms of this agreement. Buyer's acceptance of Products from HHH shall be deemed to constitute acceptance of the terms and conditions contained herein.

Buyer acknowledges that GT&Cs will apply to all purchase orders ("Order or Orders") for Products between Buyer and HHH. However, if the parties enter into a supply agreement, the terms of such supply agreement shall apply in the event of any conflict with the GT&Cs applicable to the Orders. A supply agreement will take effect only upon its full execution and Signed by duly authorized representatives of HHH and Buyer.

2. PRICES

The prices of Products ("Prices") are those prices specified on the price quotations made by HHH and are quoted in US\$. Prices for Rush Orders requiring spot buys will be quoted separately. Pricing for undelivered Products may be increased in the event of an increase in HHH's cost, change in market conditions or any other causes beyond the HHH's reasonable control including, but not limited to, increases in components, base metal, manufacturing, transportation, duty, brokerage and other direct costs. Normally, HHH will provide Buyer with 30 days' written notice of any Price changes, however, HHH reserves the right to make Price changes without notice. All Prices shall be confidential and Buyer shall not disclose such Prices to any third party.

3. TAXES

Unless otherwise agreed to in writing by HHH, Prices are exclusive of, and Buyer shall pay, all present or future taxes, duties, tariffs, levies or fees, or other similar charges imposed on HHH or on Buyer by any taxing authority (other than taxes imposed on HHH's income) related to Buyer's Order. Buyers who are tax exempt must provide a valid tax exempted certificate concurrent with their Orders. Buyer agrees to indemnify and hold HHH HHH reserve the right to change these GTCs at any time.

HHH will give you thirty calendar days' notice of any changes by posting notice on our website.

harmless for any liability for tax in connection with the sale, as well as the collection or withholding thereof, including penalties and interest thereon. All taxes prepaid by HHH shall be added to the HHH's invoice as separate items on HHH's invoice.

4. LEADTIMES

Buyer shall endeavor to provide HHH with a twelve (12) month rolling demand forecast for released Products. Firm Orders for released Products are required a minimum of eighteen (18) weeks prior to the requested delivery date. Products delivery lead times will vary due to a number of factors including manufacturing capacity, physical stock availability and location, component availability and the accuracy of Buyer's Products demand forecast provided to HHH. HHH will confirm current lead times with Order confirmation or Price quotations made by HHH in writing.

5. ACCEPTANCE OF ORDERS

(1) Buyer agrees to obtain from HHH Products as set forth in Orders, which Products may include, without limitation, certain electronic components, motors, motor controllers, displays, software, charger, bicycle parts, batteries and accessories. All Orders placed by Buyer for Products must include:

- Name, address and Contact information of HHH;

- Buyer's Order number;
- Complete bill-to and ship-to Name, address and Contact information;
- The Purchasing agent or Buyer's name and title;
- A complete description of Product being ordered;
- Product number, price and quantity for each Product; and
- The delivery date for each Product (or for the entire PO).

(2) Orders from Buyer via e-mail or fax to HHH are subject to acceptance by HHH in writing, and HHH reserves the right to accept or reject any Orders in whole or in part. HHH will endeavor to provide an order confirmation in writing with projected delivery dates and places for Product via e-mail to Buyer within 10 business days after receipt of Orders, however, such confirmation will not be provided unless the full deposit amount has been received by HHH in accordance with Section 7. If HHH fails to issue a confirmation of acceptance or rejection of Orders, HHH shall be deemed to have rejected Buyer's Orders. Orders may not be cancelled or rescheduled without HHH's written consent.

(3) Delivery dates are approximate and are based on prompt receipt from Buyer of all necessary information. HHH reserves the right to make partial shipments. HHH will not pay for any penalty or damage, whether liquidated or otherwise, for late delivery. A delayed delivery of any part of an Order does not entitle Buyer to cancel other deliveries.

6. DELIVERY AND TITLE

(1) Products shall be delivered Ex Works (EXW) Incoterms® 2010 at the named place of shipment designated by HHH. Buyer bears full costs and risks of loading and moving the goods from there to destination, including, but not limited to, arranging for the export clearance, Freight charges and insurance costs.

(2) HHH will provide a confirmation with the delivery date via e-mail to Buyer when Products will be made available for delivery to the buyer at the HHH's named place. Buyer or its designated carrier must pick up all HHH Products within five (5) days upon receipt of HHH's notice of confirmed delivery date, however, such pickup will not be provided unless the full balance payable for Products has been received by HHH in accordance with Section 7. Title and risk of damage, loss or destruction of Product passes to Buyer when Buyer or its designated carrier picks up Products from HHH's named place.

(3) Buyer can reschedule the confirmed delivery date on Orders out to a maximum of two (2) weeks.

(4) HHH reserves the right to charge Buyer a penalty if Products are not picked up within five (5) days of receipt of HHH's notice of confirmed delivery date.

(5) Failure from Buyer to collect Products within two (2) weeks gives HHH the right to invoice Buyer. HHH reserves the right to apply Order deposit in the event of on- COLLECTION OF PRODUCTS. Therefore, if any products cannot be shipped or collected by Buyer the following can occur.

(a) HHH may ship products to an appropriate storage facility or agreed freight forwarder. Once HHH places products into storage, the following conditions apply; (i) title shall immediately pass from HHH to Buyer once the balance is paid in full, (ii) if the balance not paid in full then HHH will maintain title until balance fully paid, (iii) a fixed storage fee of \$ 300 USD per pallet per month commencing when Product go into storage, and (iv) when conditions permit and upon full payment of all amounts due, HHH shall make Products available to Buyer for delivery.

(b) If balance of payment not paid within 30 days, then a fee of 2% per month will be charged.

(c) Payment Default, if Buyer defaults in not paying the balance within 30 days, the title of Products will pass to the HHH who in turn can sell Products to another customer without any further notice to Buyer. Buyer also will forfeit the deposit. Should there be any shortfall between what HHH is able to recover for Products and what Buyer owes to HHH, HHH will seek payment of that shortfall. Due to the customized and proprietary nature of Products, HHH cannot sell Products to any other customer without significant delay and cost. Buyer's customers will be the viable customers to which HHH can sell Products without unreasonable cost and delay. HHH will seek to mitigate its losses by selling Products directly to Buyer's customers. Buyer agrees that the aforementioned sale of Products by HHH to Buyer's customers does not violate any prior agreement, recommendation, confirmation or other written document between Buyer and HHH or either party.

7. PAYMENTTERMS

- (1) Payment shall be made in United States dollars by wire transfer to a bank account to be notified in writing by HHH.
- (2) HHH shall issue a Proforma Invoice to Buyer for each Order made by Buyer upon the acceptance of the Order in accordance with Section 5. Unless otherwise confirmed with HHH in writing signed by the authorized representative of HHH, Buyer agrees to pay a non-refundable deposit equal to thirty (30) percent of the Price for Products of each Order within 7 business days after receipt of the Proforma Invoice.
- (3) When Products are ready for shipment, HHH shall issue an Invoice to Buyer for Products. Buyer shall pay the balance payable equal to 70% of the Price for Products of each shipment before Products pickup by Buyer or its designated carrier in accordance with Section 6.(2). Full payment, cleared in HHH's bank account, is required prior to Products being released for delivery to Buyer.
- (4) The deposit for Products of an Order will only be used as partial payment for Products of that Order sold to Buyer. Unused deposits are forfeited after two years.

8. INTELLECTUALPROPERTY

- (1) « Intellectual Property Rights » shall mean, but are not limited to, any copyrights, patents, know how, trademarks, trade names, trade secrets, or other similar rights (collectively, "Intellectual Property Rights").
- (2) HHH is authorized by the Original Design Manufacturer ("ODM") to sell Products. HHH warrants and represents that Products shall not infringe others' Intellectual Property Rights.
- (3) Buyer shall not acquire as a result of buying Products from HHH any right to use for its own purposes any right or interest in or to any Intellectual Property Rights owned, controlled or used by HHH or ODM relating to the Products. All such rights, together with all associated goodwill, are and shall remain the sole property of HHH or ODM.
- (4) Except as explicitly stated herein, Buyer is prohibited from using HHH's or ODM's Intellectual Property Rights for any purpose, other than as expressly permitted by HHH in writing. Buyer shall maintain confidentiality with respect to HHH's or ODM's Intellectual Property Rights, and shall not use it for its own, or any third party's purposes.

9. LIMITEDWARRANTY

HHH warrants only released Products. HHH warrants released Products sold by it to be free from defects in materials and workmanship and to meet HHH's published specification for Product or, in the case of Buyer-specific Product, the specifications agreed upon with Buyer, at the time of shipment, assuming Products were under proper use and storage, for a period of Twenty-four (24) months from the date of the original delivery, subject to exclusions below. HHH does not warrant that its Products will be fit for Buyer's purpose. Further HHH does not warrant that either the default or custom parameter settings provided by HHH will be fit for Buyer's purpose. In addition, Buyer is responsible for ensuring that any custom parameter settings requested to be loaded onto Product by HHH or loaded by Buyer or other party after delivery are suitable for the intended purpose. The foregoing warranties and remedies are exclusive and HHH shall have no further or additional obligation concerning any Products sold to Buyer. Except as expressly provided in GT&Cs, HHH excludes all express or implied warranties, conditions and obligations of HHH, whether statutory or otherwise, concerning the quality of Product, its fitness for any purpose, non-infringement and any warranties arising from a course of dealing or usage of trade.

HHH warranties replacement or repaired released Products, supplied by HHH for a period of three (3) months from the date of delivery of the replaced or repaired released Product.

For further clarity, HHH does not provide any warranty on pre-released Products or Buyer-specified connectors/harnesses sold in conjunction with its Products. Pre-released Products may include but is not limited to prototypes, engineering samples or products provided under limited availability. Buyer acknowledges that pre-released Products is still under development, may not be fully tested or qualified, may not be fully functional, may contain error or bugs, lacks regulatory approvals and may be delinquent in other areas. Buyer acknowledges that HHH has no obligation at a minimum to further develop any pre-released Products, to maintain features, functionality, design or dimensions, to commercialize and release at any time in the future, to provide error free versions or to provide versions compliant with regulatory approval for any pre-released Products. Buyer further acknowledges that HHH has the right to stop providing pre-released Products at any time without notice at HHH's sole discretion.

10.WARRANTY LIMITATIONS

HHH's entire liability and obligation to Buyer under Section 9 shall be expressly limited to the unit replacement or repair cost, as HHH may determine at its sole discretion, of any defective or non-conforming released Products for which Buyer has first given written notice to HHH of such defect or non-conformity. HHH will not be liable for any consequential damages. The LIMITATION OF LIABILITY under Section 11 does not apply in the case of:

- (a) non-conformities, defects or errors in any Products due to accident, abuse, misuse or negligent use of Products, use of Products in a manner other than as intended by HHH, use of Products in environmental conditions not conforming to HHH's instructions or failure to follow typical operating procedures with respect to Products and intended field of use;
- (b) defects, errors or non-conformities in any Products due to normal wear and tear;
- (c) damage to any Products caused by force of nature or act of any third party; or
- (d) any third party products or products that are otherwise not considered by HHH to be HHH's standard Products, including, without limitation, any custom algorithms or software within Products, which HHH may supply from time to time to Buyer, or which Buyer may source from a third party.

11.LIMITATION OF LIABILITY

HHH's total liability, if any, for any damages suffered by Buyer, or any other party claiming on behalf of or through Buyer, or any other third party, whether in contract, tort, warranty, or otherwise, shall be limited to direct money damages actually incurred, and shall not exceed the amount of money paid to HHH by Buyer for Products giving rise to such claim. HHH shall not be liable for and Buyer shall indemnify, defend, and hold HHH harmless from any claims based on (a) HHH's compliance with Buyer's designs, specifications or instructions, (b) modifications made of any Products by parties other than HHH, or (c) the use of HHH's Products in combination with other products. Buyer acknowledges that HHH Products could act as a single point of failure and Buyer warrants that HHH has no liability or obligation for system failure analysis or system testing under normal operation or failure mode operation of the sub-systems or end user products. Buyer future acknowledges that HHH has not duty to warrant the fitness of Products or Service, whether released or pre-released for the sub-system or end user products.

Under no circumstances shall HHH be liable for any alleged, indirect, special, incidental, exemplary, punitive, or consequential damages suffered by Buyer, by any party claiming on behalf of or through Buyer, or by any other party resulting from or arising out of the purchase of Products and Services from HHH, including loss of business or profits, business interruption or damage or destruction of data, even if HHH has been previously advised of the possibility of such damages. No action, regardless of form or basis arising out of the transactions hereunder may be brought by Buyer after one (1) year following the time in which Buyer knew or should have known the occurrence of the event(s) which gave rise to such action. HHH hereby disclaims any duty to indemnify Buyer, any party claiming on behalf of or through Buyer, or any other party.

12.RETURN POLICY WITHIN THE SCOPE OF THE PRODUCTS LIMITED WARRANTY

(1) To return any in warranty Products, Buyer shall submit a written request to HHH indicating details of the Products being returned such as product number, quantity, lot number and description of the problems. Buyer must obtain a written consent notice with a Return Product Authorization ("RPA") number and the HHH's designated return location prior to shipping any in warranty Products back to HHH. Buyer shall return Products to HHH in its original shipping carton or container with the RPA number clearly displayed on the outside of the carton or container. All Returns are to be shipped to the HHH designated location by Buyer according to HHH's instructions and at Buyer's expense.

(2) If HHH approves return of in warranty Products which has no fault, then a 20% restocking fee will apply. Buyer will pay for returned in warranty Products that are found to be functional and fault-free by HHH together with the freight, testing and handling costs associated therewith. Buyer will not receive a credit memo on such Products. Buyer shall ship the functional and fault-free Products back at its own expense within 5 business days after receiving the notification from HHH, otherwise HHH will not bear any storage responsibility and custody duty. If in warranty Products returned are found by HHH to be abnormal function and fault, HHH will, at its sole discretion, either: (i) replace or repair the in-warranty Products found to be faulty and ship back to Buyer within 15 business days after receipt at the HHH designated location; or (ii) provide a credit to Buyer's account at the original Price of Products.

(3) If Buyer fails to complied with its responsibilities and obligations in this Section, HHH reserves the right to refuse to accept any Products returned by Buyer. If, in the sole opinion of HHH, the in warranty Products have been dismantled, altered or repaired by any individual or entity other than HHH or its authorized representative, or has been damaged in any manner by Buyer, the warranty claim will be denied.

13.OUT OF WARRANTY REPAIRS

HHH will repair or replace the defective out of warranty products provided, however, that any such repair or replacement is contingent upon the availability of the required components. Buyer must obtain a written consent notice with the HHH's designated location prior to shipping any out of warranty Products back to HHH. Buyer shall pay the two-way shipping, packing, insurance, repair / replacement costs and service fees of the out-of-warranty products returned for repair or replacement, including necessary labor and parts.

14.CONFIDENTIAL INFORMATION

All non-public, confidential or proprietary information, including but not limited to specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts or rebates, disclosed by the disclosing party, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential" is confidential, solely for the use of fulfilling Orders in accordance with GT&Cs and may not be disclosed or copied unless authorized in advance by the disclosing party in writing. Upon the disclosing party's request, the receiving party shall promptly return all documents and other materials received from it. The disclosing party shall be entitled to injunctive relief for any violation of this Section. This Section does not apply to information that is: (a) in the public domain; (b) known to the receiving party at the time of disclosure; or (c) rightfully obtained by the receiving party on a non-confidential basis from a third party.

15.FORCE MAJEURE

HHH shall not be liable for any failure or delay in manufacture or delivery resulting from any cause beyond the reasonable control of HHH, including by way of illustration and not by way of limitation, compliance by HHH with any government or military regulation, or from acts of God, fires, floods, elements of nature, earth quakes, pandemics, epidemics, extraterrestrial events, rebellions, revolutions or other casualty or accident, strikes, lockouts, factory shutdowns or alterations, embargoes, riots or other disorders, delays or shortages in transportation, or inability to obtain sufficient quantity of fuel, power, labor, manufacturing facilities of materials or other supplies from the usual sources of HHH.

16.ORDER TERM AND TERMINATION

GT&Cs will remain in effect until terminated or Products as set out in Order is delivered and the warranty obligations fulfilled. Buyer acknowledges that HHH will purchase in advance the materials and supplies to fulfill each Buyer's Order. Buyer acknowledges that Orders are not cancellable by Buyer. If HHH wishes to terminate Order as a result of Buyer's breach of any of GT&Cs, including, without limitation, by non-payment of any amounts due to HHH hereunder, Buyer agrees to pay to HHH a cancellation charge equal to the value of materials and supplies purchased and work performed on the cancelled Order at the time of cancellation (the "Cancellation Fee"). Any Cancelled Order, that results in the abandonment of finished Products, or components that are orphaned, HHH reserves the right to sell to any and all customers and shall apply the deposit against any losses.

17.DISCONTINUATION OF PRODUCT

Upon receipt of discontinuation Notice of the released Products from OEM, HHH shall use its reasonable commercial efforts to give Buyer written notice of such discontinuance containing the anticipated final availability date and shall use reasonable commercial efforts to accept last-time-buy Orders for such discontinued Products all in accordance with OEM's product discontinuation process and general information related thereto.

18. AMENDMENT

No change, modifications or amendments to Order shall be valid unless agreed to in writing and signed by a duly authorized representative of HHH or acknowledged by way of issuance of a revised Order verification by HHH.

19.NO WAIVER

No failure or delay by HHH to exercise any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof, or the exercise of any other right, power or privilege.

20.PARTIAL INVALIDITY

If, in any instance, any provision of GT&Cs shall be determined to be invalid or unenforceable under any applicable law, such provision shall not apply in such instance, but the remaining provisions shall be given effect in accordance with their terms.

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21.ADDITIONAL TERMS

GT&Cs shall be governed by and be interpreted in accordance with the laws of Republic of China (Taiwan), without giving effect to the choice of law provisions thereof. Buyer and HHH agree to submit to the personal jurisdiction of the courts of Republic of China (Taiwan) with respect to conflicts that arise under the Terms and Conditions.

22. LANGUAGE:

The parties hereby acknowledge that they have required GT&Cs and any and all schedules to be drawn up in the English language.

23.RESERVATION CLAUSE

HHH shall not be obligated to fulfill the terms and conditions if such fulfillment is prevented by any impediments arising out of national or international foreign trade or customs requirements or any embargoes or other sanctions.

24.NEWS, PUBLICITY, ADVERTISING RELEASES & TRADEMARKS

No news release or any other publicity in any way relating to Buyer or HHH concerning the terms & conditions, products or other business arrangements between HHH & Buyer shall be made by either party. This includes all media outlets such as newspaper, television, mass email, radio announcements, billboards, trade magazines, marketing literature, brochures, etc. as well as both parties' websites.

Either party must seek written approval from the other party if they want to have a press release, announcement, or other references relative to business transactions between both parties be disclosed in the public domain.

Each Party hereby agrees that neither it nor any of its Affiliates shall use the name, logo, or any other trademarks of any other Party. Each Party agrees that it may use its own trademarks for any purpose without obligation to the other Party without written authorization. Nothing herein shall grant Buyer any right, title, or interest in HHH's Trademarks. At no time shall Buyer challenge or assist others in challenging HHH's Trademarks or registration thereof or attempt to register any trademarks, service marks, or trade name confusing similar to those of HHH.