

VILLAGE ISLAND CO LTD – Terms of Sales

The general terms and conditions of sales listed below are applicable for purchases to Village Island Co., Ltd. Please be careful of specific condition detailed in our quotations which may be superseding these terms and conditions.

In the terms below, **Village Island Co., Ltd.**, here referred to as “VI”.

VI PRODUCTS ARE SOLD BY VI TO BUYER UPON THE FOLLOWING TERMS AND CONDITIONS. VI'S ACCEPTANCE OF ANY ORDER FOR PRODUCTS IS EXPRESSLY MADE CONDITIONAL UPON BUYER'S ACCEPTANCE OF THE TERMS AND CONDITIONS CONTAINED HEREIN AND IN ANY RELATED GOVERNING AGREEMENT, AS DEFINED BELOW. VI OBJECTS TO ANY ADDITIONAL OR DIFFERENT TERMS AND CONDITIONS, WHETHER CONTAINED IN BUYER'S FORMS OR OTHERWISE. VI WILL NOT BE DEEMED TO HAVE WAIVED THESE TERMS AND CONDITIONS OF SALE IF IT FAILS TO OBJECT TO PROVISIONS CONTAINED IN BUYER'S FORMS OR OTHERWISE. BUYER'S SILENCE, PLACEMENT OF A PURCHASE ORDER, OR ACCEPTANCE OF VI'S PRODUCTS CONSTITUTES ITS ACCEPTANCE OF THESE TERMS AND CONDITIONS OF SALE.

“**Buyer,**” as used in these terms and conditions, means the party placing the order for products with VI.

1. Acceptance

Every order for products from Buyer is subject to acceptance by VI. Acceptance of any order will be in the sole discretion of VI. VI can accept orders via Email or orally. These terms and conditions will constitute the sole terms and conditions of Buyer's order, except that if VI and Buyer have both signed a written agreement regarding or governing ongoing orders or their relationship (a “Governing Agreement”), the terms of that Governing Agreement will prevail over any inconsistent terms herein. Buyer's agreement will be conclusively established by either (i) Buyer's placement of an order for products, or (ii) Buyer's acceptance of all or any part of VI's products. VI objects to any terms or conditions which differ from, or are additional to, those of the Governing Agreement or those stated herein.

2. Change of Price and Taxes

The prices for any products ordered by Buyer will be based on VI's current prices, in effect at the time of order. All prices quoted or previously charged by VI are subject to change by VI at any time without prior notice. Customer pricing may vary due to quantity ordering and the terms of purchase agreements between VI and

its other customers. In the event that Buyer's order specifies out-of-date or otherwise incorrect pricing, VI will notify Buyer of the correct current prices, allowing Buyer an opportunity to (i) modify its order orally or in writing to reflect the correct pricing, or (ii) place a new order with the correct pricing. The prices and charges stated on the order do not include state or federal excise, sales or use taxes (if any). All such taxes in effect or hereafter levied which are applicable to the order are in addition to such prices and will be paid by Buyer.

3. Changes of Products

Buyer acknowledges and agrees that the products sold by VI may vary from (i) products previously sold by VI, and (ii) any specification sheet, catalog, or description provided by VI related to the products. VI reserves the right to make, at any time, changes in design, construction, and attributes of its products as VI deems appropriate, without prior notice to the Buyer. Buyer acknowledges and agrees that such variances may affect the performance of the products. However, VI agrees that such variances will not result in a material adverse effect on the functionality of the products. VI may furnish suitable substitutes for materials unobtainable because of priorities or regulations established by governmental authority or non-availability of materials from suppliers. In addition, the name, labeling, and packaging of the products may be changed at any time. VI may discontinue the production or sale of any line of products at any time without notice to Buyer.

4. Payment

Payment will be made in the currency specified by VI. Unless provided otherwise in any Governing Agreement(s) or stated otherwise by VI at the time of order, payment terms are net 30 days from the date of VI's invoice, by check, electronic funds transfer, or any other method specified by VI. In the event that Buyer fails to pay VI's invoices when due, VI may charge Buyer, on all amounts so due and payable, interest from the date such payment was due until the date paid by Buyer, accruing and compounded monthly, at the rate of (i) 2 percent calculated as of the end date that the payment originally became due and recalculated each year thereafter. VI reserves the right to charge such interest which will be due and payable without demand or protest by VI. Whenever reasonable grounds for insecurity arise with respect to due payment by Buyer, including but not limited to any nonpayment by Buyer related to any order, VI may (i) demand different terms of payment for unfulfilled orders and future orders, (ii) demand assurance of Buyer's due payment for unfulfilled orders and future orders, and (iii) immediately suspend or cancel shipment of any orders or partial orders of products made by Buyer, even if such orders were previously accepted by VI.

5. Title

Notwithstanding the passing of the risk of loss and damage from VI to the Buyer as described herein, VI shall retain title to the products until it has received payment in full of all such amounts owed by the Buyer to VI due in connection with the products delivered hereunder or any other account. Buyer also grants VI a purchase money security interest in the products until such time as Buyer has paid VI in full all such amounts owed by

Buyer to VI due in connection with the products. Buyer will take any action requested by VI in order to enable VI to perfect its security interest.

6. Delivery

Unless otherwise agreed in writing, all products are sold EXW shipping point, and the cost of loading and transportation for those products to the Buyer's location will be borne by Buyer. All delivery or shipping dates are estimates only.

7. Delays

VI will use reasonable efforts to fill Buyer's order in accordance with the estimated delivery or shipping date, but VI will not be responsible for any delays in filling the order nor liable for any losses or damages resulting from such delays, and the order will not be subject to cancellation for such delays.

8. Force Majeure

VI will not be liable for delays in filling the order or failure in the performance of any of its obligations hereunder caused by accidents; labor disputes, disruptions, strikes or shortages of labor; shortages of materials, fuel or power; fires, floods or other acts of God; acts or omissions of Buyer; delays in transportation or lack of transportation facilities; priorities required, requested or granted for the benefit of the government; restrictions imposed by law or any rules or regulations thereunder; or any cause, whether similar to or dissimilar from those enumerated, beyond VI's reasonable control.

9. Method of Transportation

Buyer will specify the agency and method of transportation in its order and will be responsible for all costs therefor. If no instructions are received by VI from Buyer, the agency and method of transportation of the products and the routing of the products to the delivery point will be designated by VI in its discretion. In that event, VI may charge a standard shipping charge. Buyer retains the risk of loss for VI's loading of the products.

10. Shipments; Partial Shipment

VI may make partial shipments hereunder and may invoice for each such partial shipment separately. Each partial shipment will be deemed to be a separate sale; however, delay in delivery of any partial shipment will not relieve Buyer of its obligation to accept delivery of remaining shipments hereunder. VI reserves the right to combine multiple orders to the same Buyer and shipping address in one shipment even if this involves delaying some of the shipment by few days.

11. Limited Warranty

VI's standard Terms of Warranty ("**Warranty Terms**") will apply to the products. The documentation reflecting the Standard Warranty will be provided to Buyer separately, or may be requested by Buyer from VI at any time.

If Buyer resells the products, Buyer will sell the products only on the basis of the Standard Warranty, and will make no representations relating to any other warranty or rights. The one-year period of the warranty shall start on the date of delivery of the products to Buyer, and Buyer will advise its customers accordingly. EXCEPT AS EXPRESSLY PROVIDED IN VI'S STANDARD WARRANTY, VI DISCLAIM ALL EXPRESS AND IMPLIED WARRANTIES, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE PRODUCTS. The Standard Warranty may be modified at any time. Any modifications to the terms of the Standard Warranty shall not be effective as to products sold to the end user prior to the date of the notice of such modification.

12. Acceptance / Returns

Shipments will be deemed to have been accepted by Buyer upon delivery of the said shipments to Buyer unless rejected upon receipt. Buyer shall perform all inspections and tests Buyer deems necessary as promptly as possible but in no event later than seven days after delivery of product, at which time Buyer will be deemed to have irrevocably accepted the products. Any discrepancy in shipment quantity must be reported within seven days after delivery. Buyer may not return products without a return material authorization ("RMA") number issued by VI. An RMA is valid for 30 days from date issued. Any product returned by Buyer due to Buyer's error may be subject to a restocking charge equivalent to 20% of the value of such product as specified in VI's invoice to Buyer related to each such returned product.

13. Technical Assistance or Advice

If technical assistance or advice is offered or given by VI to Buyer, such assistance or advice is given free of charge and only as an accommodation to Buyer. VI shall not be held liable for the content or Buyer's use of such technical assistance or advice nor shall any statement made by any of VI's representatives in connection with the products constitute a representation or warranty, express or implied.

14. Limitation of Liability

(a) VI's liability and Buyer's exclusive remedy for any tender of nonconforming or defective products is limited to those remedies available under the Standard Warranty referenced in paragraph 11 above. VI's liability and Buyer's exclusive remedy for any breach of warranty is expressly limited to VI's choice of: (i) the repair of non-conforming or defective products; (ii) the replacement of non-conforming or defective products with conforming products at the EXW point of shipment; or (iii) the repayment of that portion of the purchase price represented by non-conforming or defective products.

(b) EXCEPT AS SET FORTH IN PARAGRAPH 14(A) ABOVE, VI AND ITS AFFILIATES WILL NOT BE LIABLE TO BUYER OR ANY OTHER COMPANY, ENTITY OR PERSON, UNDER ANY CIRCUMSTANCES OR UNDER ANY LEGAL THEORY, WHETHER IN CONTRACT, IN TORT, UNDER ANY WARRANTY, IN NEGLIGENCE, OR OTHERWISE, FOR ANY LOSS OR DAMAGES INCLUDING WITHOUT LIMITATION DIRECT, INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR OTHER DAMAGES (INCLUDING DAMAGES FOR LOSS OF

USE, INFORMATION, GOODWILL, PROFIT, WORK STOPPAGE, DATA, BUSINESS OR REVENUE) INCURRED BY BUYER OR ANY THIRD PARTY ARISING OUT OF THE USE OR INABILITY TO USE THE PRODUCTS, EVEN IF VI, ITS AFFILIATES, OR SUCH OTHER PERSONS HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR SUCH DAMAGES ARE FORESEEABLE. IN ANY EVENT, VI'S AND ITS AFFILIATES' TOTAL LIABILITY WILL NOT EXCEED THE COST OF REPAIR OR REPLACEMENT OF THE DEFECTIVE PRODUCTS. BUYER ASSUMES ALL OTHER LIABILITY FOR ANY LOSS, DAMAGE OR INJURY TO PERSONS OR PROPERTY ARISING OUT OF, CONNECTED WITH OR RESULTING FROM THE USE OF VI'S PRODUCTS, EITHER ALONE OR IN COMBINATION WITH OTHER PRODUCTS.

(c) Buyer acknowledges and agrees that VI and its affiliates take no responsibility whatsoever for any claims, damages, or losses of any kind suffered by any third party, including if applicable any end customer of Buyer, related to the products. Buyer is solely responsible for any claims, damages, or losses suffered by its end customer or any other third party.

15. Indemnity

Buyer will release, hold harmless, indemnify and defend VI and its affiliates, and its and their present and future officers, directors, officials, employees, agents, subsidiaries, successors and assigns, from and against any liability (including without limitation liability for negligence or strict liability), demands, suits, penalties, fines, forfeitures, claims, losses, damages, suits and costs (including, without limitation, interest, penalties, reasonable attorneys' fees and all monies paid in the investigation, defense or settlement of any or all of the foregoing), regardless of the basis of liability or legal principle involved, which any or all of them may suffer, incur, be responsible for or pay as a result of or caused by, arising out of or relating to any act or omission of Buyer or its successors, assigns, agents, representatives or employees, including but not limited to their use of any of the products.

16. Termination; Changes

Buyer may not terminate an accepted order without the prior written consent of VI. If VI consents to such termination, reasonable termination charges computed by VI may be assessed in connection with such termination. Any changes requested by Buyer to an order will be subject to the consent of VI and subject to an equitable price adjustment as determined by VI.

17. Confidentiality

Unless otherwise agreed to in a writing signed by VI, VI will not be bound by any obligations of confidentiality or non-disclosure. Buyer agrees that the terms and conditions quoted, offered, and provided by VI to Buyer related to the sale of the products, including the pricing for the products, will be and remain confidential and will not be disclosed by Buyer to third parties, except to the extent that disclosure is required under court order or is necessary to comply with any applicable law or regulation.

18. Intellectual Property

Buyer acknowledges that VI or its affiliates retain all right, title, and interest in and to any and all copyrights, trademarks, patents, trade secrets and other intellectual property and proprietary rights related to the products. No right, title, or interest in and to any of these intellectual property or proprietary rights is conveyed to Buyer. Buyer is not permitted to copy, reproduce, modify, disassemble, decompile, imitate, change, analyse or reconstruct any of the products or any part thereof without VI's express prior written consent. VI's name and logo, and all related product and service names, design marks and slogans are the trademarks, service marks or registered trademarks of VI and may not be used or modified by Buyer in any manner without the prior written consent of VI.

19. Software

Any software included with the products will be governed by VI's applicable End User License Agreement, which will be provided to Buyer separately or which may be requested by Buyer from VI at any time. The terms of the End User License Agreement will prevail over any inconsistent terms herein in relation to the software.

20. Amendment & Caution

These terms and conditions may be modified unilaterally by VI, without prior consent of the Buyer. Buyer may consult VI for latest change these terms and conditions. VI will keep posted on its website the latest revision of this document.

Prior to purchase, Buyer is required to check and acknowledge the specific conditions indicated in quotation which may supersede these terms and conditions.

21. Severability

The invalidity, in whole or in part, of any provision of these terms and conditions will not affect the remainder of such provision or any other provision.

22. Integration

These terms and conditions, and any Governing Agreement(s), constitute the entire understanding between the parties and supersede any previous oral or written understandings with respect to the subject matter hereof.

23. Choice of Law and Forum Selection.

If the purchase order for the products is placed with VI then (i) the parties agree that these terms and conditions will be interpreted under and governed by the laws of JAPAN, without reference to its conflict of law rules, and (ii) in the event of any dispute between the parties, the parties irrevocably submit to the personal



jurisdiction of a court with appropriate subject matter jurisdiction in Tokyo, waive any objection to jurisdiction or venue in such courts, and waive any claim that such forum is an inconvenient forum..

24. Contacting VI

If Buyer has any questions about these terms and conditions, or any question or problem regarding VI's products, Buyer can contact VI by email at sales@village-island.com.

(The below is left blank intentionally)