

INNOLUX ("INX") TERMS AND CONDITIONS FOR SALE**1. SCOPE.**

These Terms and Conditions of Sales of Innolux Corporation (the "Terms and Conditions") shall be the sole terms and conditions governing the sale of INX's products ("Products") to the party listed on the purchase order or other order documentation ("Buyer"). INX's all communications with Buyer, including without limitation, quotations, confirmations and acceptance of Buyer's purchase order are expressly conditioned under these Terms and Conditions. Any and all Buyer's terms and conditions are hereby rejected and shall be of no effect.

2. PRICING AND QUANTITIES.

Buyer shall purchase the Products with the quantities and at the prices specified in the applicable quotations. Prices are exclusive of all federal, state, municipal or other government excise, sales, use, occupational or like taxes, tariffs, customs, duties and importing fees. Prices are consequently subject to increase by the amount of any such tax, tariff, duty or fee that INX pays or is required to pay or collect upon sale or delivery of the Products. Any certificate of exemption or similar document or proceeding required to exempt the sale of Products from sales or use tax liability shall be obtained by Buyer at its expense. If any shortages of the Products, INX may, after consultation with the Buyer, adjust the delivery quantities of the Products.

3. PAYMENT.

Unless otherwise agreed, Buyer shall make full payments for the Products Telegraphic Transfer (T/T) into INX's bank account before the shipment in New Taiwan Dollars and/or U.S. Dollars (as stated in the invoice). The title and ownership of the Products shall transfer from INX to Buyer upon Buyer's completion of full payments for the Products. No discount, offset or reduction from the payment are allowed. If deliveries are authorized in installments, each shipment shall be invoiced and paid when due without regard to other scheduled deliveries. Overdue payment shall be subject to finance charges computed at a periodic rate of 1% per month (12% per year) or the applicable statutory rate, whichever is higher, from the due date until payment in full. INX reserves the right at any time to suspend, delay, refuse, revoke or cancel any credit, delivery or any other performance to Buyer for any risk deemed good and sufficient by INX.

4. SHIPMENT AND ACCEPTANCE.

4.1 Unless specific instructions to the contrary are provided by Buyer and agreed by INX, the Products shall be delivered EXWORKS (Incoterms® 2010) INX's plant to a carrier designated in writing by Buyer or, if Buyer fails to designate a carrier, to a carrier designated by INX. The Products will be scheduled for shipment in accordance with INX's applicable shipment sequence. INX reserves the right to make shipments in installments and will confirm in writing, and amend the shipment schedule as appropriate. INX will not assume any liability in connection with the shipment or constitute any carrier as its agent. If Buyer fails to take delivery of Products, then may deliver the Products in consignment at Buyer's cost. Under no circumstances shall INX be liable to Buyer for any delay either in shipment or in delivery.

4.2 All claims for shortages of the Products and damages to the Product must be made by Buyer within one (1) day and seven (7) days respectively of the delivery date. The Products shall be deemed accepted by Buyer Customer if Buyer doesn't make the claims within the said period.

5. WITHDRAWAL, CANCELLATION, RESCHEDULING AND RETURNS.

5.1 Except otherwise stated in the quotations, the prices offered in quotations are valid within thirty (30) days and may be adjusted by INX at any time prior to INX's receipt of Buyer's acceptance. Any request for order(s) cancellation, rescheduling, termination or modification must be made in writing and such action must be approved in writing by INX. INX, at its option, may accept or reject any such request by Buyer. Buyer shall not return any Products for any reason without the prior authorization of INX.

5.2 Buyer may cancel or terminate order(s) for the Products without liability only if Buyer obtains INX's written approved, except that Buyer shall pay to INX (i) the order price for all Products completed in accordance with the order, (ii) work in process, (iii) the actual costs incurred by INX to procure the materials for the Products uncompleted but specifically identified to the order, and (iv) other reasonable development fees.

5.3 In addition, Buyer agrees to pay for the remaining or excessive materials provided, consigned or designated by Buyer to the extent that such materials have been indicated by Buyer in the forecasts.

6. LIMITED WARRANTY.

6.1 INX warrants that the Products, within the warranty period as agreed upon by the parties, will be free of defects in materials or workmanship and will conform to the specifications written agreed by INX. INX' sole liability and responsibility under this warranty is to repair or replace any returned

Product which in INX's judgment does not conform to the warranty in accordance with INX's then-current return material authorization (RMA) policy.

6.2 EXCEPT AS PROVIDED HEREIN, INX DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NONINFRINGEMENT. LABELING ON PRODUCTS AND PACKAGING IS INTENDED SOLELY FOR COMPLIANCE WITH APPLICABLE LAW AND INX DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, THAT ARISE FROM SUCH LABELING OTHER THAN AS REQUIRED BY APPLICABLE LAW. IN NO EVENT SHALL INX BE RESPONSIBLE UNDER ITS WARRANTY FOR ANY DEFECT THAT IS CAUSED BY NEGLIGENCE OF BUYER OR A THIRD PARTY, STATIC DISCHARGE, MISUSE OF A PRODUCT OR MISTREATMENT OF A PRODUCT. INX SHALL HAVE NO RESPONSIBILITY FOR ANY PRODUCT THAT HAS BEEN ALTERED OR MODIFIED IN ANY WAY. INX SHALL HAVE NO RESPONSIBILITY TO THE EXTENT ANY DEFECT OR FAILURE IS CAUSED BY NONCOMPATIBILITY OF THE PRODUCTS WITH OTHER COMPONENTS USED BY BUYER. INX SHALL HAVE NO RESPONSIBILITY FOR NONSTANDARD PRODUCTS OR PRODUCTS PURCHASED THROUGH UNAUTHORIZED CHANNELS. THE WARRANTY OF REPLACEMENT PRODUCTS SHALL TERMINATE WITH THE WARRANTY OF THE PRODUCT.

7. LIMITATION OF LIABILITY.

7.1 INX shall not be liable for any loss or damage or claim resulting from causes beyond its reasonable control, including but not limited to, war, fire, earthquake, actions by any governmental authority (whether valid or invalid) delay caused by others, material shortage, force majeure, or labor conditions; and in the event of delay due to any such cause, time for delivery shall be extended for a period of time equal to the duration of such delay and the Buyer shall not be entitled to refuse delivery or otherwise be relieved of any obligations as a result of the delay.

7.2 INX'S EXPRESS WARRANTY TO BUYER AND THE INTELLECTUAL PROPERTY INDEMNITY DESCRIBED HEREIN CONSTITUTE INX'S SOLE LIABILITY AND THE BUYER'S SOLE REMEDY WITH RESPECT TO THE PRODUCTS AND ARE IN LIEU OF ALL OTHER WARRANTIES, INDEMNITIES, LIABILITIES AND REMEDIES. THE TOTAL LIABILITY OF INX TO BUYER AND/OR ANY THIRD PARTY FROM ANY LAWSUIT, CLAIM, WARRANTY OR INDEMNITY SHALL NOT EXCEED THE AGGREGATE AMOUNT ACTUALLY PAID BY BUYER TO INX FOR THE SPECIFIC PRODUCTS SOLD UNDER THE PRECEDING SIX (6) MONTHS' ORDER SHIPMENT AT ISSUE THAT GAVE RISE TO THE LAWSUIT, CLAIM, WARRANTY OR INDEMNITY. THE EXISTENCE OF MULTIPLE CLAIMS RELATED TO THE SAME PRODUCT AT ISSUE SHALL NOT ENLARGE OR EXTEND THIS LIMIT.

7.3 AS A SEPARATE LIMITATION, IN NO EVENT SHALL INX BE LIABLE FOR ANY LOST PROFITS, LOSS SAVINGS, LOSS OF REPUTATION, LOSS OF GOODWILL, SPECIAL, INDIRECT, INCIDENTAL, EXEMPLARY, CONSEQUENTIAL OR PUNITIVE DAMAGES ARISING OUT OF OR IN CONNECTION WITH THESE TERMS AND CONDITIONS OR THE SALE OF THE PRODUCTS OR SERVICES BY INX OR THE USE THEREOF WHETHER OR NOT SUCH DAMAGES ARE BASED ON CONTRACT, TORT, WARRANTY OR OTHER LEGAL THEORY-EVEN IF INX HAS BEEN ADVISED, OR IS AWARE, OF THE POSSIBILITY OF SUCH DAMAGES. NO SUIT OR ACTION SHALL BE BROUGHT AGAINST INX MORE THAN ONE YEAR AFTER THE RELATED CAUSE OF ACTION HAS ACCRUED.

8. INTELLECTUAL PROPERTY RIGHTS INDEMNITY.

8.1 Subject to a reasonable amount that is mutually agreed by both parties from a result of good faith negotiation, INX agrees to indemnify Buyer, to a reasonable extent, from all damage, liability, costs and expenses incurred by Buyer arising out of any suit at law against Buyer that the Products, which have been finally adjudicated by a competent court or administrative authorities, infringe any third party's patent, copyright, trademark or other intellectual property rights, provided that (i) Buyer shall notify of any such suit within five (5) business days after receiving a complaint and/or other similar document, (ii) upon the request by INX, Buyer shall give INX sole control of the defense and all related settlement negotiations and actions in court (including elect counsel, decide whether appear in court or appeal and etc.), (iii) Buyer shall not enter into any settlement which is binding on INX or affects INX's rights or interest without INX's prior written consent, and (iv) Buyer, at INX's request, shall provide INX with all reasonable assistance and information related to the defense against such suit.

INNOLUX ("INX") TERMS AND CONDITIONS FOR SALE

8.2 Notwithstanding the aforesaid, both parties agree that INX's indemnification obligations, whether express or implied by law, shall be excluded only for the portion of any infringement claim which would not otherwise have arisen but for a) any modification of the Products by Buyer and/or other party.; b) the combination or use of Products, with other materials, parts or accessories not provided or authorized by INX; c) any Buyer provided, consigned, or designated materials, parts or accessories which are incorporated or adopted in the Products by INX; d) INX's compliance with Buyer's designs, specifications or instructions; and/or e) patents and technologies asserted by claimant(s) for which INX has already obtained licenses, covering Products, from the right holder. In the event of (c) and (d) with any claims or actions initiated against INX, Buyer shall indemnify all loss of INX including but not limited to attorney fees in connection with such claims or actions.

8.3 THE ABOVE INDEMNITY STATES BUYER'S SOLE AND EXCLUSIVE REMEDY FOR INFRINGEMENT AND IS IN LIEU OF ALL EXPRESS, IMPLIED AND STATUTORY WARRANTIES WITH RESPECT TO INFRINGEMENT.

9. USE IN OTHER CRITICAL APPLICATIONS.

The Products are not intended or designed for use in nuclear, safety or other application where malfunction of the Products can reasonably be expected to result in personal injury, death or severe property damage or environmental harm. Buyer uses or sells the Products for use in such critical applications at Buyer's own risk and agrees to fully defend, indemnify and hold harmless INX from any and all damages, claims, suits or expenses resulting from such use.

10. CONFIDENTIALITY.

Buyer acknowledges that all technical, commercial and financial data disclosed to Buyer by INX is confidential information of INX and/ or its affiliates. Buyer shall not disclose any such confidential information to any third party and shall not use any such confidential information for any purpose other than as agreed by the parties and in conformance with the Product transaction contemplated herein.

11. PRODUCTS AND PRODUCTION CHANGE.

INX has the right to make Products and/or production changes after consulting with Buyer. In such case INX represents that the said changes will not negatively affect form, fit or function of the Products.

12. DISCONTINUATION OF PRODUCTS.

INX reserves the right at any time to discontinue manufacturing and selling the Products. In such case INX will notify Buyer of such discontinuance in advance and use its reasonable commercial efforts to accept last buy order for the discontinued Products pursuant and subject to INX's product discontinuation procedure.

13. INTELLECTUAL PROPERTY RIGHTS.

All intellectual property rights covering Products including without limitation any and all software and/or documentation or data included in, with or comprising Products, and all ownership rights in and to such intellectual property rights, software, documentation and data, shall remain solely and exclusively with INX or its third party suppliers, whether or not it was developed specifically for Buyer. No rights or licenses are granted, or implied by estoppel or otherwise, under any intellectual property rights of INX and/or its affiliates or any intellectual property residing in the Products, including without limitation, software and/or documentation or any data furnished by INX, except for the license under any of INX's and/or its affiliates' intellectual property rights to use and resell Products sold by INX to Buyer subject to the provisions set forth herein.

14. LEGAL COMPLIANCE.

14.1 Buyer agrees that it now and in future will comply with applicable laws and regulations concerning anti-corruption (including but not limited to the Foreign Corrupt Practices Act of the United States and the UK Bribery Act 2010), monopolies, unfair competition and restraints of trade and competition. Buyer's breach of this section shall be deemed a material breach of this Agreement entitling INX to (i) cancel any purchase order, without further obligation or liability to Buyer and (ii) any other remedies available at law or in equity. In addition, Buyer shall be responsible for and indemnify INX for any damages, claims, penalties or other losses (including attorneys' fees) that may be asserted against or incurred by INX as a result

of Buyer's breach of this section.

14.2 For the purpose of antitrust compliance, the Parties shall not (i) discuss or exchange any information related to other models or products that are not under business negotiation, including but not limited to past, current or future profits, prices, pricing policies, pricing mechanism, discount policy, capacity, capacity plan, utilization, market share, production, costs or any other information that could affect prices; (ii) discuss or exchange any matters relating to other customers or other competitors, including but not limited to customer information or transactional terms with any third party; (iii) have any cartel arrangements that will refrain competitions, including but not limited to price fixing for other models or products that are not under business negotiation or for prices sold to other third parties, adjust/allocate capacity or utilization, bid-rigging and/or allocation of customers or markets.

15. EXPORT.

Buyer understands that certain transactions of INX are subject to export control laws and regulations, including but not limited to the UN, EU and the USA export control laws and regulations ("Export Regulations"), which prohibit export or diversion of certain products and technology to certain countries. Buyer warrants that it will comply in all respects with the export, re-export and transfer restrictions set forth in such Export Regulations or in export licenses (if any) for every Product supplied to Buyer. Buyer accepts the responsibility to impose all export control restrictions to any third party if the items are transferred or re-exported to third parties. Buyer shall take all actions that may be reasonably necessary to ensure that no customer/purchaser or end-user contravenes such Export Regulations.

16. MISCELLANEOUS.

16.1 ASSIGNMENT AND AMENDMENT. Buyer shall not assign any rights or obligations without the prior written consent of INX. INX reserves the right at any time to make any amendments, modifications or changes to these Terms and Conditions. No revision, amendment, modification or change to the Terms and Conditions by Customer will be valid and effective without prior consent of INX.

16.2 GOVERNING FORM AND FORUM. These Terms and Conditions shall be governed by and construed in accordance with the laws of Taiwan R.O.C. without reference to its conflict laws principles and the United Nations Convention on Contracts for the International Sale of Goods shall not apply. The disputes between the parties in relation to these Terms and Conditions shall be finally submitted to and settled by the competent courts of the jurisdictions where INX registers for business or has subsidiaries and affiliates.

16.3 TERMINATION. Without prejudice to any rights or remedies INX may have under these Terms and Conditions or at law, INX may, by written notice to Buyer, terminate and/ or cancel any order with immediate effect without any liability whatsoever, if (a) Buyer violates or breaches any of the provisions of the Agreement; (b) any proceedings in insolvency, bankruptcy (including reorganization) liquidation or winding up are instituted against Buyer, whether filed or instituted by Buyer, voluntary or involuntary, a trustee or receiver is appointed over Buyer, or any assignment is made for the benefit of creditors of Buyer; or (c) the control or ownership of Buyer changes.

16.4 SURVIVAL. Sections 5, 6, 7, 8, 9, 10, 13, 14 and 16 shall survive any expiration or termination of the applicable agreements.

16.5 SEVERABILITY. Should any of these Terms and Conditions be held by a court of competent jurisdiction to be contrary to law, that term or condition will be enforced to the maximum extent permissible and the remaining terms and conditions will remain in full force and effect.

16.6 BASIS OF BARGAIN. THE PARTIES AGREE THAT THE LIMITED WARRANTY, THE LIMITATION OF LIABILITY AND EXCLUSIVE REMEDY PROVISIONS ARE MATERIAL, BARGAINED TERMS THAT ARE FUNDAMENTAL TO THESE TERMS AND CONDITIONS AND ARE REFLECTED IN THE CONSIDERATION TO BE GIVEN BY BOTH PARTIES UNDER THESE TERMS AND CONDITIONS AND IN THE DECISION BY BOTH PARTIES TO ACCEPT THESE TERMS AND CONDITIONS.