

1. Delivery time:

A. Tetro order confirmation target delivery date will generally be **90** days after the latest of:

- 1) All specifications and samples confirmed with customer's signature (including packaging),
- 2) Receipt of our order confirmation signed by customer, and
- 3) Receipt of agreed deposit by T/T.

B. If more than **10** SKUs are ordered at one time, target delivery date will generally be **1** day later for each additional SKU. (SKU=each color, each style)

C. Sometimes, due to special problems with your order requirements or our production schedule, the target delivery date will be more than **90** days. If the lead time includes the period around Chinese New Year, we will generally add about **21** days. Actual target delivery will be agreed order by order.

D. If requested, we will always do our best to ship earlier than the order confirmation target delivery date. With mutual preplanning where you commit in advance to certain production capacity and we jointly insure raw material availability, we can reduce the normal lead time.

E. Late shipment penalty: if FOB dates are delayed more than **14** days, from the **15th** day onwards Tetro will pay **0.5%** per week penalty for the delayed portion of the shipments. This provision will not apply if customer contributed to the shipment delay by late changes or excessive delay in approving samples. This provision will not apply to the first 3 shipments after the development was finished.

F. Delivery times above do not apply for hardware components that normally have long lead time, for instance electronics, lockers that come from other suppliers. In that case we may have to agree on buying sufficient stock of such items in order to have the flexibility to make the product in the above schedule.

G. Tetro will be happy to discuss shorter delivery times when customer agree to obligate to purchase long lead time materials to be ready in Tetro W/H.

2. Price Quotations:

A. unless otherwise specified, Tetro quotes should be considered generally valid for 90 days but subject to final confirmation.

B. All prices are in RMB.

C. Price change will be announced if the price change will be more or than 3% of the BOM price. In that case any order comes after the price change announcement will be sent with the new price.

D. BOM price – Tetro allow the customer to see the detailed BOM of the product. Any commercial price will only lean on the BOM price.

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E. BOM price Data base – is the data the BOM price is taking the numbers from. The information related to the actual material buying price, cycle times of molds assembly time and all other processes parameters. The data base annexes will be part of the future commercial agreement which both sides will have to respect. Updated annexes will replace the old annexes when price change was announced.

F. Tetro prices are X-Factory Prices for local sales and FOB prices for Export sales.

G. Tetro will charge the client FOB fees as they are in reality in that given time. For example, if shipments were to be made on August 20, 2014, prices would have been as follow:

Shipment type	Pcs	XF to FOB USD (for example)
LCL	TBD	\$706
20ft	TBD	\$799
40ft and 40HQ	TBD	\$933

3. Minimum Order Quantity and others

A. Minimum quantity for full product ____ (TBD) pcs

B. In case customer orders between__ (TBD) products, they will need to pay __ (TBD) RMB setup fee.

C. For above minimums, you may combine orders to different destinations providing the order is received at the same time.

D. Any number less than 500 treated as samples. All samples including development samples, photography samples or small quantity sales samples will be invoiced at 2 times quoted price plus ____ USD set up cost.

E. Final sample approval as golden sample from customer is required in writing in order to begin production. Tetro is not liable for any mistakes related to late changes by customer after final sample approval, but Tetro will make every possible effort to accommodate late changes.

F. Customer is responsible to perform final inspection at factory prior to shipment. Once shipment is accepted, or in the event customer waives right to perform this inspection, then Tetro will not be responsible for subsequently discovered defects.

G. If requested, Tetro staff will provide projected information about products and shipments such as weight, physical dimensions and volume. While our staff will endeavor to provide information that is correct to the best of our knowledge and belief, such information must be verified by the customer before relying on it. Tetro will not be responsible for damages due to mistakes in such information unless specifically agreed in writing by a Tetro director.

H. Tetro makes no claim to have expertise on health, safety and other requirements in all the markets where our products are sold. Customer must take full responsibility to check and test any product Tetro develops or manufactures to insure that it satisfies all requirements in market where it will be sold. Customer indemnifies Tetro for any product liability claims and if Customer's products are deemed to have significant liability risk then Customer's product liability insurance should protect Tetro against any claims.

4. Products/ Materials hazardous chemical and safety testing policy

Customer is responsible for specifying all relevant finished products or raw material testing required (safety, flammability, colorfastness etc.) at time order is placed. All testing costs incurred beyond Tetro normal IQC and internal laboratory procedures will be at customer's expense. TETRO will send products or raw material samples to a qualified lab according to customer written instructions.

The customer must specify any testing requirements during the development stage.

For agreed external lab tests, customer will pay for tests but only if the result is "PASS". If the result is "FAIL" then TETRO or TETRO'S supplier will pay for the testing cost.

TETRO will advise customer in advance in case any supplier cannot guarantee that their material will pass the required test. In such case the customer should pay the testing cost even if the result is "FAIL". TETRO is responsible to follow customer's testing requirements and to not to substitute unapproved materials. However, TETRO will not be responsible in case products fail to comply with any standards in spite of following the agreed testing requirements.

The customer will decide and inform TETRO in writing in which stage and how often the tests should be performed (e.g. once a year or season, every order, every lot of materials delivered).

5. Consigned Materials and Property

A. Subject to customs and other restrictions, Tetro may agree to accept materials consigned by customer for production. Tetro will exercise reasonable care for the custody of customer property, the same level of care exercised for Tetro's own property. Where possible, customer property will be covered under Tetro's insurance policies. In case property is lost or stolen, compensation will be subject to insurance company recoveries. Consigned materials and property include materials, equipment, tooling etc whether provided directly by customer or purchased by Tetro on behalf of customer at customer's expense.

B. Tetro's responsibility will continue for the following periods:

1. Raw materials - for one year after original intended use

2. Tooling or equipment with value below \$1,000 for any specific identifiable item - for 2 years after last significant use

C. Tooling or equipment with value above \$1,000 for any specific identifiable item - for 3 years after last significant use Thereafter, Tetro will not accept any responsibility for the custody of customer property.

D. Tetro will return customer property upon request at customer's expense and subject to any applicable customs compliance.

6. Molds and tools

Tetro has a strong know how in Tools and can make the tools to optimize the production efficiency. In some cases customer like to make the molds by his sources which under some agreed conditions Tetro can accept. Normally molds done by Tetro have a life guarantee and the Tetro will take full responsibility for such molds and tools. Some of the molds will be done using Tetro know how especially in related to slides and mechanical items, cooling and dimension control and some special injection processes. This will not be disclosed at any stage. Therefore, only general 2D assembly mold design will be shared with the customer. Tetro invite the customer to discuss the mold concept design and give his comments.

When mold done by the customer than the customer has full responsibility for the quality if the molds, performance and life of the molds. Product dimensions are also a full responsibility of the customer.

7. Payment terms

A. Tetro requires 30% deposit and balance at time of shipment; payment by RMB or USD checks drawn on a bank in USA or Hong Kong, or by telegraphic transfer (T/T).

B. In case client causes a delay in production, asks to stop production or neglects to pick up goods, remaining balance of payment will be paid on the date on which the goods were supposed to leave Tetro Ware house as if production was running as planned.

Check or T/T Payments

Deposit: Minimum 50% deposit to be received prior to commencing production.

Balance payment: Must be received before shipment. By prior agreement, goods may be shipped by sea prior to receipt of final payment, and copies of shipping documents can be faxed to customer, but negotiable bill of lading cannot be delivered to customer until full payment is received.

Beneficiary: Tetro Limited

Address: Unit 4B, 12 Shipyard Lane, Quarry Bay, Hong Kong

Bank details: Standard Chartered Bank (Hong Kong) Limited

Payment Center

15th Floor Standard Chartered Tower

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Approved by:

388 Kwun Tong Road

Kwun Tong, Hong Kong

Swift Code: SCBLHKHHXXX

USD A/C No: 003-251-1-017072-6

EUR A/C No: 003-251-1-017242-7

Instruction to Bank: Send direct to Standard Chartered Bank (HK) Limited, not through a correspondent bank. Tele advice to Standard Chartered Bank (HK) Limited by message type MT103.

Bank Charges: Remittance amount should be received by Tetro's bank in full. Tetro will absorb charges from Tetro's bank (Standard Chartered Bank HK) and customer must pay charges to its bank including charges from any correspondent bank. There should be no correspondent bank charges if above instructions are followed (direct payment with MT103) but if customer's bank makes payment through a correspondent bank, then there will be charges from the correspondent bank which must be borne by the customer. Note that customer's bank may choose Standard Chartered Bank NY as their correspondent and if so Standard Chartered NY is acting on behalf of customer's bank; for this purpose, Standard Chartered NY has no relationship to our bank, Standard Chartered HK and their correspondent bank charges must be borne by the customer.

8. R&D Expenses

R&D and engineering services will be quoted and agreed in separate, and are not part of this agreement.

9. Storage

A. Tetro will store any quantity of ready goods for up to 14 days after agreed delivery date free of charge.

B. Tetro will store up to 10CBM Free of charge

C. Any quantity above 10CBM will be charged USD12 per month per CBM and that is in case there is sufficient space for the quantity.

D. Tetro does not take any responsibility for quantity stored, nor is there insurance for it (although a reasonably priced insurance might be offered).

E. Any quantity stored above 14 days should be paid for in full.

Best regards,
Tetro LTD.

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Customer signature:

Customer authorized Entity name:

Date:

Tetro signature:

Customer authorized Entity name:

Date: