

Chengdu AINFO Inc.
Terms and Conditions of Sale

The Terms and Conditions of Sale contained herein (the “agreement”) constitute the entire agreement between Chengdu AINFO Inc. (“ Seller” or “ AINFO”) and the party which places a purchase order with AINFO (“Buyer”) and shall control all purchases of products (as hereinafter defined) by Buyer from Seller. The seller will not be bound by any terms of Buyer’s purchase order unless expressly agreed to in the writing by the seller. No form of acceptance except AINFO’s written or electronic acknowledgment provided to Buyer or Seller’s commencement of performance shall constitute valid acceptance of Buyer’s purchase order; any such acceptances expressly conditioned on Buyer’s assent to the terms hereof and the exclusion of all additional or different terms except as may be set forth in a written agreement expressly superseding these terms. Buyer shall be deemed to have assented to the terms hereof, whether or not previously received, upon accepting delivery of anything shipped by the Seller. If tender of these terms is deemed an offer, acceptance is expressly limited to the terms hereof and the Seller hereby gives notice of its objection to any additional or different terms proposed by Buyer in its purchase order or any other documents.

1. PRODUCTS

1.1 “Product(s)” shall mean any products identified on (a) Seller’s proposals or quotations or (b) Seller’s acknowledgments of a purchase order. In the event of any inconsistency between (1) the proposal or quotation and the acknowledgment or (2) the purchase order and the acknowledgment, the acknowledgment shall control.

2. ORDER

2.1 Buyer shall purchase products by issuing a written purchase order (the “order”), indicating specific products, quantity, unit price, total purchase price, payment term, currency, shipping instructions, requested delivery dates, bill-to and ship-to address, if applicable, any other special instructions. Seller will accept or reject orders according to its then-current procedures. All orders are subject to acceptance in writing by seller.

2.2 Any notice or instruction from Buyer received subsequent to Seller’s acknowledgment which has effect of changing the specifications, scope of work, or other terms will be effective only upon an appropriate adjustment in the price and / or delivery date, and the written acceptance of any such change by seller.

3. PAYMENT AND RISK OF LOSS

3.1 In all cases, unless indicated on Seller’s quotation, acknowledgment or invoice or otherwise agreed to in writing by the Seller, the payment terms shall be Advance Payment and payment shall be made either in US Dollars or Euro.

3.2 In all cases, unless otherwise agreed to in writing by Seller, title and risk of loss for the Product(s) shall pass from Seller to Buyer, “FOB Seller’s location”, Suite #10-2-301, #1 TongZiLin East Road, Chengdu, China, 610041.

3.3 In all cases, unless otherwise agreed to in writing by Seller, Buyer shall be responsible for insuring the products at and after the time it assumes the risk of loss.

3.4 If at any time Buyer is delinquent in the payment of any invoice or is otherwise in breach of any obligation to Seller, Seller may, at its discretion, and without prejudice to its other rights, withhold shipment (including partial shipments) of any order or may, at its option, require Buyer to prepay for further shipment. Late charges of one and one half percent (1.5%) per month on any sum not paid by Buyer when shall be due and payable at the option of Seller.

4. SHIPPING AND DELIVERY

4.1 Shipping dates will be established by Seller upon its receipt and acceptance of an order from Buyer.

4.2 Unless Seller receives and acknowledges written shipping instructions from Buyer regarding shipment prior to the delivery date, Seller may select and engage on Buyer’s behalf third parties, including domestic and

international forwarders and carriers, for the handling transportation, clearance and delivery of the Products. Seller shall use reasonable care in making such selection but shall have no liability by the means, route, and procedure to be followed by such third parties. The selection by Seller of a particular company shall not mean that Seller warrants or represents that the company will properly perform such services and Seller shall not be responsible for any delays or damages caused by such third parties, nor shall such third parties be considered to be an agent of Seller. In the event Seller pays or is required to pay or prepay any fees or charges related to these services, Buyer shall include the shipping & handling charges in their purchase order payment.

5. CANCELLATION

5.1 In the event that either party defaults in any of the terms, conditions, obligations, undertakings or liabilities set forth herein, the other party shall give the defaulting party written notice of such default. If the defaulting party does not remedy such default within ninety (90) days following receipt of written notice thereof, the party giving notice may cancel the Order by providing the defaulting party with a written notice of cancellation.

5.2 Except as provided in paragraph 5.1, Orders accepted by Seller can only be cancelled by Buyer with the mutual agreement of Buyer and Seller. In the event an Order is agreed to be cancelled, Buyer will be liable for no less than the sum of (1) the sales price of all finished goods, (2) the total cost of all work in process and all raw materials purchased for the Product, including long lead time and / or bulk material, (3) a reasonable profit with respect to unfinished goods and (4) any other obligations, liabilities, expenses and / or costs incurred by the Seller in connection with the Order (including, but not limited to, any administrative, freight and restocking costs and expenses). In no event will Buyer's liability under this section exceed the total value of the cancelled portion of the Order.

6. LIMITED WARRANTY

6.1 Notwithstanding any other provision hereof, Seller's sole and exclusive obligations and Buyer's sole and exclusive remedy for the Products sold hereunder are set forth in the Seller's warranty which can also be found on www.ainfoinc.com.

7. LIMITATION OF LIABILITY; LIMITATION ON BRINGING ACTION

7.1 The aggregate cumulative total liability for which seller is obligated to pay buyer hereunder, whether for breach of warranty or contract, indemnification herein, tort (including negligence), or otherwise, shall not exceed the payment made to seller in connection with those products purchased under the order which gave rise to such liability.

7.2 No action shall be brought by buyer for any breach by seller more than one (1) year after the occurrence of the cause of action therefore.

8. FORCE MAJEURE

8.1 Seller shall be excused from any liability, loss or damage to Buyer or any other person or party for failure to manufacture or deliver, or any delay in delivery, arising from any events beyond Seller's control regardless of whether or not they were foreseeable by either party when the products were ordered. Such uncontrollable events include, but are in no way limited to, acts of God, war, riot, embargoes, acts of civil or military authorities, fires, floods, accidents, Government priorities or regulations, quarantine restrictions, acts of Buyer, strikes, labor disputes, differences with workman decrees, delays in transportation, and shortage of cars, fuel, labor or materials.