

TERMS & CONDITIONS OF PURCHASE

ALL PURCHASE ORDERS TO MFI GLOBAL ARE SUBJECT TO THE FOLLOWING TERMS & CONDITIONS:

NRE & Setup Charges: "NRE" means non-recurring engineering, which is a one-time cost to research, develop, design and test the Production Parts (i.e., the ordered products). "NRE & Setup Charges" means all costs associated with NRE and preparing for production of the ordered product(s), which includes but is not necessarily limited to costs for the steps necessary to prepare, setup and engineer fixtures, molds and tooling for the Production Parts. Payment for NRE & Setup Charges is due to MFI Global in full upon Customer's delivery of a Purchase Order. NRE will not begin until payment for NRE & Setup Charges has been received by MFI Global. All payments for NRE & Setup Charges are non-refundable. Any research, designs, tests, tooling or molds conducted or produced as part of NRE shall remain the property of MFI Global.

QUOTATION PRICING: MFI Global's prices are for the stated quantities in this Quotation. If lower quantities are requested, the unit price will increase and a new quotation will be issued by MFI Global prior to approval of any Purchase Order. All pricing is FOB warehouse in Los Angeles, CA. Customer is responsible for any assessed tariffs prior to shipment of parts, as well as shipping costs to final destination.

LEAD TIMES: Lead Times refer to production lead time and do not include shipping time. Lead times also are calculated in terms of business/working days, not calendar days. Holidays and non-working days, including but not limited to Memorial Day, Independence Day, Labor Day, Thanksgiving, Day-After-Thanksgiving Day, Christmas Eve, Christmas Day, New Year's Eve, and New Year's Day, are excluded from stated lead times. Lead Times are best estimates and are not 100% guaranteed. Changes in lead times can result from changes made to drawings, modifications to samples, delays in receiving material, shipping carrier delays, and other events that are outside of MFI Global's reasonable control.

SHIPPING CHARGES: MFI Global will bill, and Customer agrees to pay, for applicable shipping and handling charges (including but not necessarily limited to the cost of boxes and packaging supplies) for each shipment made to Customer. Unless specified by Customer, MFI Global will send shipments via ground delivery using the carrier of MFI Global's choice. Payments for shipping and handling charges are due within 15 days of Customer's receipt of MFI Global's invoices for such charges. Subsequent shipments will not occur until payment for earlier shipments have been made in full by Customer.

SAMPLE/PROTOTYPE FEE, SAMPLE PARTS & SAMPLE DELIVERY LEAD TIME: The "Sample/Prototype Fee" is the non-refundable fee for MFI Global to manufacture up to three samples of each Production Parts. If more than three Samples/Prototypes are requested by Customer, MFI Global will bill, and Customer agrees to pay MFI Global, at a rate of \$150 per hour for engineering and manufacturing of each additional Sample/Prototype. Sample/Prototype Delivery Lead Time begins after MFI receives all of the following from Customer: (1) signed confirmation of this Quotation, (2) a Purchase Order by Customer, (3) payment for NRE & Setup Charges, and (4) payment of Sample/Prototype Fee. If prints/drawings are not provided by Customer, MFI Global will create them and will bill at the rate of \$150 per hour, which Customer agrees to pay. Lead Times may be longer if Customer does not supply documents, drawings, models or other items as specified. Revised samples will take a minimum of 2-3 weeks. MFI Global's manufacturing facilities may be visited by Customer once Non-Disclosure and Non-Circumvent Agreements in a form acceptable to MFI Global are received from Customer (MFI Global can provide these documents to Customer upon request). Material certifications and Quality Control reports will be provided by MFI Global along with Samples/Prototypes. PPAP reports can be provided upon Customer request (additional charges will apply).

PRODUCTION PARTS & PRODUCTION LEAD TIMES: Customer agrees to pay 50% of the total Production Parts cost within 15 days of Sample/Prototype approval, which payment shall be non-refundable. Lead Times for Production Delivery begin after written sample approval and written confirmation by MFI Global of receipt of 50% of the total Production Parts cost. MFI Global shall notify Customer when manufacturing of the Production Parts is completed. The remaining 50% of the total Production Parts cost shall be paid by Customer within 15 days thereof and the Production Parts shall not be shipped until MFI Global receives such payment. A 10% to 15% overage in parts may occur due to minimum order requirements when purchasing material. Overages will be added to the final invoice at the time of shipment and Customer agrees to pay for such overages.

PURCHASE ORDERS: Accepted Purchase Orders form a legally binding contract between MFI Global and Customer. All Purchase Orders must list the HTS Code (U.S. Harmonized Tariff Schedule), along with a description of the use of the part(s). Customer agrees that any Purchase Order for the Production Parts identified in this Quotation shall be deemed to include all terms set forth in this Quotation and Customer shall be bound by all terms and conditions set forth herein. To the extent any Purchase Order issued by Customer contains any terms that are inconsistent with this Quotation, Customer agrees that the terms of this Quotation shall control.

NO RETURNS; NO REFUNDS: Customer acknowledges that all payments toward order are non-refundable, including tooling/setup/engineering charges, sample charges, and charges for production parts. Furthermore, customer acknowledges that production parts are custom-made solely for Customer's use and therefore MFI Global would be unable to sell the Production Parts to any other customers if Customer canceled its order or tried to return any Production Parts. Accordingly, Customer acknowledges and agrees that MFI Global shall not refund any amounts paid by Customer. MFI Global has no obligation to accept returns of Production Parts unless the Production Parts are defective and/or damaged prior to receipt by Customer.

LATE FEES/INTEREST: Customer agrees that interest shall be charged at 10% per annum on all amounts due to MFI Global if not timely paid per the terms of this Quotation.

CLAIMS AND DISPUTES; BINDING ARBITRATION: Claims for any defective and/or damaged parts must be made in writing and delivered to MFI Global at its corporate office no later than 30 days after receipt of the parts by Customer. Any claims for any defective and/or damaged parts not made by Customer within 30 days after receipt of parts by Customer shall be deemed waived. MFI Global and Customer also waive any and all claims for consequential damages. All claims and disputes between MFI Global and Customer shall be subject to mediation as a condition precedent to binding dispute resolution. The parties shall endeavor to resolve claims, disputes and other matters in question between them by mediation which, unless the parties mutually agree otherwise, shall be administered by JAMS and take place in Orange County, California. A request for mediation shall be made in writing and delivered to the other party. The parties shall pay the mediator's fee equally. If the parties do not resolve a dispute through mediation, any claims and disputes shall be resolved through binding arbitration with a retired judge or justice and shall take place in Orange County, California. The parties shall share equally in the arbitrator's fees. The parties shall each pay their own attorneys' fees and costs. The arbitration shall be conducted in accordance with the California Arbitration Act (California Code of Civil Procedure § 1280, et seq.), which all parties acknowledge they have the ability to review before executing this agreement. If the parties are unable to agree on a retired judge or justice, each party will name one retired judge or justice and the two named persons will select a neutral judge or justice who will act as the sole arbitrator. In the event of an arbitration, the parties shall be entitled to discovery in accordance with the provisions of the California Code of Civil Procedure, but either party may request that the arbitrator limit the amount, duration or scope of such discovery, and in determining whether to do so, the arbitrator shall balance the need for the discovery against the parties' mutual desire to resolve disputes expeditiously and inexpensively. In arbitration, the parties acknowledge and agree there is no right to a trial by jury and the arbitrator's legal and factual determinations are generally not subject to appellate review.

APPLICABLE LAW: The laws of the State of California shall govern the construction and interpretation of this agreement.

ENTIRE AGREEMENT: This agreement, together with any Purchase Order issued for the Production Parts identified in this Quotation, represents the entire agreement between MFI and Customer and supersedes any previous discussions, negotiations or agreements on the same subject. Any revisions or modifications of this agreement must be made in writing and signed by MFI Global and Customer.

AGREEMENT BY CUSTOMER: Issuance of a Purchase Order by Customer implies that Customer has read, understands, and agrees to the terms and conditions herein.