

Purchase orders are subject to the following terms & conditions:

Terms & Conditions of Purchase

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

TERMS AND CONDITIONS: These Terms and Conditions govern any sale by MFI Global, Inc. ("MFI Global"). Customer's issuance of a purchase order means that it has reviewed these Terms and Conditions and agrees that they are part of any contract between MFI Global and the Customer and that in case of an inconsistency between the terms of the Customer's purchase order and these Terms and Conditions, these Terms and Conditions govern and control. Notwithstanding anything to the contrary: (a) no contract between MFI Global and Customer is formed until MFI Global accepts Customer's purchase order in writing; (b) if NRE and Setup is required before production can commence a contract for production is not formed until MFI Global accepts the Production Order in writing.

Non-Recurring Engineering ("NRE") & Setup Charges: If NRE and Setup is needed, NRE & Setup Charges means all costs associated with one-time tooling, setup, and/or engineering charges related to the production of the ordered product(s). Those costs may include, but are not limited to, setting up, designing, engineering, and preparation of fixtures, molds, and soft or hard tooling. Payment for NRE & Setup Charges are due to MFI Global in full upon Customer's delivery of a Purchase Order that does not contain sufficient specifications, design and other details for immediate production. Lead times for NRE will not commence until payment for NRE & Setup Charges has been received in full 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 remain the property of MFI Global unless otherwise agreed to in writing.

QUOTATION PRICING: MFI Global's prices are for the stated quantities in this Quotation and expire within 10 days from the issue date as shown on the Quotation. If lower quantities are requested than what were initially quoted, the unit price may increase as a result, but MFI Global's acceptance of a purchase order for lesser quantities will not occur until it communicates in writing that it is willing to supply Customer with the lesser quantities. All pricing is FOB MFI Global's warehouse in Los Angeles, CA; as such, Customer is responsible for any and all shipping costs to final destination and the risk of loss passes to Customer upon MFI Global's delivery of the ordered goods to the common carrier for shipment to Customer or a destination specified by Customer in its purchase order. Customer is also responsible for any assessed tariffs prior to shipment of parts.

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, are Memorial Day, Independence Day, Labor Day, Thanksgiving, Day-After-Thanksgiving Day, Christmas Eve, Christmas Day, New Year's Eve, New Year's Day, and any other day other than a Saturday or Sunday on which United States mail is not delivered are excluded from stated lead times. Lead Times are reasonable estimates and are not 100% guaranteed. Changes in Lead Times can result due to Customer's failure to provide accurate drawings, mutually agreed-upon changes made to drawings, modifications to samples, delays in receiving material, shipping carrier delays, and/or other external events that are outside of MFI Global's reasonable control, including any other event or occurrence constituting a *Force Majeure*. Lead Times will typically vary depending on process (castings and forgings require 50 to 55 days lead time) and further steps/operations as heat treat, finish and plating. Stamping and CNC machining remain 30 to 40 days. Lead Time does not include transit.

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 those charges. Subsequent shipments will not occur until payment for prior shipments, including both payment for products and their shipment has been made in full by Customer.

SAMPLE/PROTOTYPE FEE, SAMPLE PARTS AND SAMPLE DELIVERY LEAD TIME: The Sample/Prototype Fee is a non-refundable fee for MFI Global to manufacture a physical sample of a single unit of the production part. Sample/Prototype Delivery Lead Time begins after MFI Global receives all of the following deliverables from Customer: (1) signed confirmation of MFI Global's formal quotation, (2) a signed Purchase Order issued by Customer, (3) written acceptance by MFI Global of Customer's Purchase Order; (4) receipt of payment for NRE and Setup Charges, and (5) receipt of payment of Sample/Prototype Fee. If prints and/or 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. MFI Global's manufacturing facilities are proprietary and may not be visited by Customer. Material certifications and Quality Control reports will be provided by MFI Global along with Samples/Prototypes. Additionally, Production Parts Approval Process ("PPAP") reports can be provided upon Customer request (additional charges may apply).

PRODUCTION PARTS AND PRODUCTION LEAD TIMES: Customer agrees to pay 50% of the total Production Parts cost upon issuance of a Purchase Order for Production (the "Production Order"), which payment shall be non-refundable. Lead Times for Production Delivery of products after the delivery of the sample unit commences after written sample approval of sample parts from customer, along with 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 must be paid by Customer per the terms of the formal Quotation issued. Customer understands that a 10% to 15% overage in parts may occur during the manufacturing of short-run production parts, namely, manufacturing runs that are less than or equal to 5,000 pieces. Any overages will be added to the final invoice at the time of shipment and Customer agrees to pay for such overages.

PURCHASE ORDERS: Purchase Orders and Production Orders, if separate orders are needed, once accepted by MFI Global in writing, form a legally binding contract or contracts, as the case may be 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 prevail.

NO RETURNS; NO REFUNDS: Customer acknowledges that all payments toward orders are non-refundable. 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 is not obligated to refund any amounts paid by Customer. MFI Global has no obligation to accept returns of Production Parts unless the Production Parts are defective prior to receipt by Customer and Customer can prove that the defect was not the result of an event, occurrence or negligence that occurred during shipment.

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 are waived. MFI Global and Customer also waive any and all claims for consequential, punitive, special, exemplary, or indirect damages. All claims and disputes between MFI Global and Customer shall be subject to mediation as a condition precedent to binding dispute resolution by arbitration. The mediation will be administered by JAMS and take place in Orange County, California and the mediation proceedings will commence upon a written request for mediation delivered to the other party and the Orange County office of JAMS. 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 administered by JAMS in accordance with its rules and will take place in Orange County, California before a single-member tribunal appointed in accordance with JAMS's applicable rules, but the arbitrator will not have the authority or power to award consequential, punitive, special, exemplary or indirect damages. The mediation will be deemed to be at impasse if the dispute is not resolved during the first session of the mediation unless both MFI Global and Customer agree to participate in a subsequent mediation session. The parties will 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. 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. **MFI GLOBAL AND CUSTOMER UNDERSTAND AND AGREE THAT REQUIRING DISPUTES TO BE RESOLVED BY ARBITRATION RESULTS IN A WAIVER OF THEIR RESPECTIVE RIGHT TO HAVE DISPUTES RESOLVED BY A JURY AND EACH WAIVES THE RIGHT TO TRIAL BY JURY.**

APPLICABLE LAW: The laws of the State of California govern the formation, performance 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. In that regard MFI Global and Customer waive any right to rely upon a rule of law that enforces an oral modification of a contract if supported by consideration.

AGREEMENT BY CUSTOMER: Issuance of a Purchase Order by Customer implies that Customer has read, understands, and agrees to these Terms and Conditions.