MANUFACTURING AGREEMENT TERMS AND CONDITIONS

1. Definitions. The term “QMS” means Quality Manufacturing Services, Inc. Buyer. This term “Buyer” means the individual, corporation, or other legal entity submitting an order to QMS as identified on the Sales Order Acknowledgement. The term “Terms” means these Terms and Conditions. The term “Goods” means all of the products, materials, and related services that the Buyer desires to purchase from QMS. The term “Kit” means any group of materials, and other ancillary documentation required to enter the domestic market. The term “Brokered” means any commodity, components or materials not sourced from original equipment manufacturer. The term “Blanket Purchase Order” means a multiple delivery scheduled purchase order for more than 30 days. The term “Kit” means that Buyer has provided some or all of the materials required in connection with the Order and the term “Termination” means that QMS shall purchase all materials to Buyer’s specifications or bill of materials (BOM) as agreed upon.

2. Acceptance. These Terms and the Sales Order Acknowledgement are the only terms which govern the sale of the Goods. Each Party’s acquiescence or consent to terms, including without limitation, terms which supersede or vary the marketing, trade or otherwise.

3. Price. Unless otherwise specified in a written agreement, any increase in costs, taxes, duties, or other any material lead time, or complete Kit receipt, for initial shipment. Delivery will require an approximate manufacturing period after receipt of the longest delivery. All Purchase Orders delivery shall not be delayed by more than 30 days. The term “Kit” means that QMS has the option of requesting the Buyer issue a new unique purchase order with a ±3% delivery variance. QMS may increase the quantity and make adjustments in regard to delivery. All Purchase Orders delivery shall not be delayed by more than 30 days. Invoices within the 30 day period. Unpaid amounts beyond 90 days from invoice date shall be charged interest granted under this provision constitutes a purchase money security interest granted for the benefit of the national or any local government, restrictions imposed by national or local legislation or regulations, or any cause, whether written or oral, to purchase Goods from QMS. The term “Goods” means all of the products, materials, and related services that the Buyer desires to purchase from QMS. The term “Kit” means any group of materials, and other ancillary documentation required to enter the domestic market. The term “Brokered” means any commodity, components or materials not sourced from original equipment manufacturer. The term “Blanket Purchase Order” means a multiple delivery scheduled purchase order for more than 30 days. The term “Kit” means that Buyer has provided some or all of the materials required in connection with the Order and the term “Termination” means that QMS shall purchase all materials to Buyer’s specifications or bill of materials (BOM) as agreed upon.

4. Force Majeure. QMS will not be liable for delays in filling this Order or failure in the performance of any of its obligations caused by accidents, labor disputes, inability to obtain materials, for acts of God, strikes, fires, floods or other acts of God, acts or omissions of Buyer, priorities requested, or granted for the benefit of the national or any local government, restrictions imposed by national or local legislation or regulations, or any cause, whether written or oral, to purchase Goods from QMS. The term “Goods” means all of the products, materials, and related services that the Buyer desires to purchase from QMS. The term “Kit” means any group of materials, and other ancillary documentation required to enter the domestic market. The term “Brokered” means any commodity, components or materials not sourced from original equipment manufacturer. The term “Blanket Purchase Order” means a multiple delivery scheduled purchase order for more than 30 days. The term “Kit” means that Buyer has provided some or all of the materials required in connection with the Order and the term “Termination” means that QMS shall purchase all materials to Buyer’s specifications or bill of materials (BOM) as agreed upon.

5. Delivery Schedule. From date of Sales Order Acknowledgement, QMS will require an approximate manufacturing period after receipt of the longest lead time, or complete Kit receipt, for initial shipment. Delivery schedules remain established on a 90 day basis. Buyer SHALL NOT be allowed to delay scheduled delivery dates for any reason. If the established date agreed in the Sales Order Acknowledgement or 30 days from delivery of the longest lead item. In the event the Buyer requests delaying the scheduled delivery dates beyond QMS’ power, QMS makes no warranties related to Brokered components, based on the component manufacturer’s warranty, for any defective components. QMS will replace or repair, free of charge, any defective Goods due to workmanship, or issue a credit note. QMS shall have no other liability for any warranty regarding parts or components supplied by Buyer in connection with Kit assemblies and QMS makes no warranties related to Brokered components. QMS will not be liable for any warranty regarding parts or components supplied by Buyer in connection with Kit assemblies and QMS makes no warranties related to Brokered components. QMS will not be liable for any warranty regarding parts or components supplied by Buyer in connection with Kit assemblies and QMS makes no warranties related to Brokered components.

6. Warranty. Goods are warranted free from workmanship defect(s) for a period of 90 days from the date of invoice. Buyer agrees that Goods shall not be characterized as defective if operated within the intended parameters of application and design. Any electrical or physical alteration of Goods beyond the parameters as agreed upon in QMS written certification agreement to such alteration in the Sales Order Acknowledgement shall cause the warranty to become null and void. For Turnkey assemblies, QMS offers a period of 90 days from the date of invoice. Buyer agrees to pay a percentage of the Landed Cost in final pricing.

7. Indemnity. Buyer agrees to defend, indemnify and hold QMS harmless from and against any and all claims, losses, suits, and costs resulting from the design, manufacture, sale, or use of the Goods by Buyer or any third party, including without limitation liability for negligence or strict liability) claims, losses, suits and costs resulting from the design of Goods supplied under the Sales Order Acknowledgement. QMS will only guarantee for the benefit of the national or any local government, restrictions imposed by national or local legislation or regulations, or any cause, whether written or oral, to purchase Goods from QMS. The term “Goods” means all of the products, materials, and related services that the Buyer desires to purchase from QMS. The term “Kit” means any group of materials, and other ancillary documentation required to enter the domestic market. The term “Brokered” means any commodity, components or materials not sourced from original equipment manufacturer. The term “Blanket Purchase Order” means a multiple delivery scheduled purchase order for more than 30 days. The term “Kit” means that Buyer has provided some or all of the materials required in connection with the Order and the term “Termination” means that QMS shall purchase all materials to Buyer’s specifications or bill of materials (BOM) as agreed upon.

8. Limitation of Liability. Buyer agrees to pay amount shown on invoices for goods purchased by Buyer from QMS. Buyer agrees that Goods shall not be characterized as defective if operated within the intended parameters of application and design. Any electrical or physical alteration of Goods beyond the parameters as agreed upon in QMS written certification agreement to such alteration in the Sales Order Acknowledgement shall cause the warranty to become null and void. For Turnkey assemblies, QMS offers a period of 90 days from the date of invoice. Buyer agrees to pay a percentage of the Landed Cost in final pricing.
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(ii) has not otherwise performed or complied with any of these Terms, in whole or in part; or (ii) becomes insolvent, files a petition for bankruptcy or commences against it proceedings relating to bankruptcy, receivership, reorganization or assignment for the benefit of creditors.

Unless otherwise provided under this Sales Order Acknowledgement, Buyer may not terminate the Sales Order Acknowledgement without written consent from Seller, and Seller shall not be responsible for such termination, reasonable termination charges, computed by QMS, will be assessed in connection with such termination. For the avoidance of doubt, QMS termination charges, but not limited to, applicable labor costs.

14. Restriction of Hazardous Substances (RoHS). Purchase Order commodities requiring conformance to RoHS standards shall be the Buyer's sole liability including but not limited to component selection/identification, performance capabilities, design standards, and application reliability. The Seller shall manufacture Goods in accordance with Buyer's specification and packaging requirements to fulfill RoHS status.

15. Nondisclosure. In consideration of the disclosure of Proprietary and Confidential information by the the parties to each other, both parties agree that the information relating to requirements, processes, specifications, schedules, materials, financial data and pricing exchanged between parties is hereby designated as Proprietary and Confidential whether disclosed orally or disclosed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential" in connection with this Sales and may not be disclosed or copied unless authorized in advance by the parties in writing. Upon request, each party shall promptly return all Proprietary and Confidential materials received from the other party.Either party shall be entitled to injunctive relief for any violation of this Section. This Section does not apply to information that is: (a) in the public domain; (b) known to the other party at the time of disclosure; or (c) rightfully obtained by the other party on a non-confidential basis from a third party.

16. Inspection and Rejection of Nonconforming Goods. Buyer shall inspect the Goods within fifteen (15) days of receipt ("Inspection Period.") Buyer will be deemed to have accepted the Goods unless it notifies Seller in writing of any Nonconforming Goods during the Inspection Period and furnishes such written evidence or other documentation as reasonably required by Seller. "Nonconforming Goods" means only the following: (i) product shipped is different than identified in the Sales Order Acknowledgment; or (ii) product's label or packaging incorrectly identifies its contents. If Buyer timely notifies Seller of any Nonconforming Goods, Seller shall, in its sole discretion, (i) replace such Nonconforming Goods with conforming Goods, or (ii) credit or refund the Price for such Nonconforming Goods, together with any reasonable shipping and handling expenses incurred by Buyer in connection therewith. Buyer shall ship, at its expense and risk of loss, the Nonconforming Goods to Seller's facility located at Lake Mary, Florida. If Seller exercises its option to replace Nonconforming Goods, Seller shall deliver the Goods from Buyer at Buyer's expense and risk of loss, the replaced Goods at the Delivery Point. Buyer acknowledges and agrees that the remedies set forth in this section are Buyer's exclusive remedies for the delivery of Nonconforming Goods.

17. Government Contracts. Buyer shall not resell Goods to any Governmental Authority or its respective agencies without Seller's prior written approval. Unless otherwise separately agreed in writing between Seller and Buyer, no provisions required in any US government contract or subcontract related thereto shall be a part of this Agreement or imposed upon or binding upon Seller, and this Agreement shall not be deemed an acceptance of any government provisions that may be included or referenced in Buyer's request for quotation, Purchase Order or any other document.

18. Compliance with Law. Buyer shall comply with all applicable laws, regulations and ordinances. Buyer shall maintain in effect all the licenses, permissions, authorizations, consents and permits that it needs to carry out its obligations under this Agreement.

19. Relationship of the Parties. The relationship between the parties is that of independent contractors. Nothing contained in this Sales Order shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever.

20. No Third-Party Beneficiaries. This Sales Order is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of these Terms.

21. Governing Law. All matters arising out of or relating to this Sales Order is governed by and construed in accordance with the internal laws of the State of Florida without giving effect to any choice or conflict of law provision or rule (whether of the State of Florida or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the State of Florida.

22. Submission to Jurisdiction. Any legal suit, action or proceeding arising out of or relating to this Sales Order shall be instituted in the federal courts of the United States of America or state courts in Orange County, Florida, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

23. Notices. All notices, request, consents, claims, demands, waivers and other communications hereunder (each, a "Notice") shall be in writing and addressed to the parties at the addresses set forth in the Sales Order Acknowledgement or to such other address that may be designated by the receiving party in writing. All Notices shall be delivered by personal delivery, nationally recognized overnight courier (with all fees pre-paid), facsimile (with confirmation of transmission) or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Sales Order, a Notice is effective only (a) upon receipt of the receiving party, and (b) if the party giving the Notice has complied with the requirements of this Section.

24. Severability. If any term or provision of this Sales Order is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Sales Order or invalidate or render unenforceable such term or provision in any other jurisdiction.