

## Sales Terms & Conditions

**1. Acceptance** The terms and conditions contained herein constitute the entire agreement between RFHIC Corporation ("RFHIC") and Buyer. RFHIC may subcontract any portion of the work on any item subject to the terms herein, but RFHIC's obligations and rights hereunder shall not thereby be limited or affected. RFHIC will not be bound by any terms of Buyer's order that are inconsistent with the terms herein. All Buyer's orders must be indicated on a written order submitted by Buyer and accepted by RFHIC.

**2. Orders and Prices** All Quotations and Offers issued or made by RFHIC are valid for 30 calendar days from the date of its issue unless otherwise specified or agreed. All Purchase Orders accepted will be final. However, RFHIC will work with the customer to change up to 1 month of delivery shift with customer request. Orders canceled within 30 days of scheduled ship date will be invoiced in full value. All prices do not include freight and handling charges, export or import duties, brokerage fees or any other fees imposed by a third party for handling of the shipment. RFHIC may change its pricing at any time without prior notice to customer, but such changes shall not affect any accepted orders.

**3. Payment terms** Unless otherwise specified, the terms of payment are Cash In Advance (CIA). RFHIC reserves the right to require alternative payment terms, including letter of credit, or Net thirty (30) days. In the event Buyer does not pay all amounts due and owing within allowed payment terms, RFHIC shall have the right to withhold further shipments until acceptable payment is made or to cancel any unshipped order. Small Lot Fees apply to all orders under a certain value. A late fee of 1% of the total invoice amount will be applied for every two weeks of delays on payment. Partial payment and shipments made under any order shall be treated as a separate transaction and payment thereof shall be made accordingly.

**4. Delivery** Unless otherwise specified, delivery will be Ex-factory RFHIC's place of manufacture. Title and risk of loss, with respect to the products shall pass to Buyer at the point of dispatch regardless of whether RFHIC will install or supervise the installment of the products. Delay in delivery by RFHIC for any shipment shall not relieve Buyer of its obligation to accept remaining installment deliveries. Buyer must make claims for shortages or other errors in delivery in writing to RFHIC within thirty (30) days after Buyer's receipt of shipment and failure to give such written notice shall constitute unqualified acceptance and a waiver of all such claims. Under no circumstances shall RFHIC assume liability of delays resulting from accidents or acts of terrorism, natural disaster, strikes, fires, floods, freight embargoes or transportation delays; shortages of labor, inability to secure fuel, goods, supplies or power at current prices or on account of shortages thereof, any existing or future laws, acts, regulations, orders or decrees of any government body or agency affecting the conduct of RFHIC's business and with which RFHIC in its judgment and discretion deems it advisable to comply. In any such event, the delivery date will be deemed extended for a period equal to the delay.

**5. Returns** The Products may not be returned to RFHIC without first obtaining RFHIC's written consent. The request for return and credit must be filed with RFHIC and shall include purchase order number, approximate date shipped and any and all other identifying numbers (such as invoice number, date of invoice, etc.). Each request for return of Products for credit should state the type and quantity of goods, the part numbers and the reasons for the return. If return authorization is granted, Products shall be returned in a clean, well packaged condition.

**6. Warranties and Return Material Authorization (RMA)** RFHIC warrants the Products to perform in the manner and under the conditions as specified in RFHIC's warranty for the individual Product, or for twelve (12) months from shipment if a warranty for an individual Product is not specified. RFHIC's liability under, for breach of, or arising out of this agreement and/or sale will be limited to repair or replacement of any defective products or a refund of the purchase price of the products, at RFHIC's sole option. Buyer's failure to give notice within thirty (30) days upon discovery of any alleged defect or specification inconsistency shall constitute a waiver by Buyer of all claims with respect thereto. In the event RFHIC accepts Buyer's repair request after the expiry of one-year warranty, RFHIC reserves right to charge Buyer for repair service. Acceptance of such request and the amount of repair service charge shall be decided in accordance with required resources including materials and time by RFHIC in its discretion. Notwithstanding the foregoing warranties and remedies, RFHIC shall have no obligation hereunder if the warranty seal is broken or once the lid or any belonging of Products is detached from its body after Buyer's receipt of the Products or if Products become defective in whole or in part as a result of improper use, alteration, neglect or abuse after having been delivered to Buyer, or for damage resulting from fire, flood or natural disaster. Buyer agrees to indemnify RFHIC against all claims arising out of or resulting

from the operation or use of Buyer goods or products that include the Products. RFHIC reserves the right to make changes to any products or to discontinue any product at any time without notice. RFHIC does not assume any liability for the suitability of its products for any particular purpose, and disclaims any and all liability, including without limitation consequential or incidental damages. The product specifications have been carefully checked and are assumed to be reliable. However, RFHIC disclaims liability for inaccuracies and strongly urges buyers to verify that the information they are using is current before placing purchase orders. RFHIC products are not intended for use in life support equipment or application where malfunction of the product can be expected to result in personal injury or death. Buyer uses or sells such products for any such unintended or unauthorized application, buyer shall indemnify, protect and hold RFHIC and its directors, officers, stockholders, employees, representatives and distributors harmless against any and all claims arising out of such use. A RMA process may impose fee including, but not limited to handling, shipping, and aging cost regardless of repair. In the case of unrepairable due to carelessness of the client company and in the case of Non-Trouble Found (NTF), the inspection fee is added regardless of the warranty period, which may include at least 10% of product's price at the one-unit pricing, aging and shipping costs. RMA costs increase in proportion to the period.

**7. Substitutions and modifications** RFHIC will have the right to make substitutions and modifications at the specifications of Products sold by RFHIC, provided that such substitutions or modifications will not materially affect overall Product performance.

**8. Entire agreement and Amendments** The terms and conditions herein, constitute the entire agreement between the parties and supersede all previous communications, whether oral or written. Any changes to this Agreement may be made only upon mutual agreement of the parties in writing.

**9. Jurisdiction and Venue** The validity, interpretation and performance of this agreement shall be governed by and construed under the applicable laws of the Republic of Korea. All disputes with respect to this Agreement shall be brought and heard in the Suwon District Court.

**10. Additional Services** RFHIC can provide technical support for the use of product and installation of equipment upon request. Service fee shall be considered including, but not limited to engineering support and travel expenses to the field.

**11. Limitation of Liability** In no event shall RFHIC be liable for anticipated or actual lost profits, for damages on account of negligence, or for incidental, special or consequential damages. RFHIC's liability under or arising out of damages, claims of whatsoever kind and nature which RFHIC products could cause shall be limited in amount to the net purchase price of the products sold to buyer by RFHIC. RFHIC's aggregate liability for any claim of any kind for any loss or damage shall in no case exceed the price paid for the products that give rise to the claim. buyer must make all claims within one year after the cause of action has accrued with respect to any products provided hereunder.