

August 28, 2015

Cofan-USA, Inc. Non-Cancelable / Non-Returnable Agreement and Warranty Policy

When you submit a PO to us, we ask that you agree to our policy regarding non-cancelable / non-returnable (NCNR) products to avoid misunderstandings. The parts shall be considered as non-cancelable, non-returnable, and non-reschedulable. You assume full liability for any product that:

- A. Has been shipped to you.
- B. Is being held in inventory for you.
- C. Has been manufactured or ordered internally or by our supplier.
- D. Is work-in-process or pre-built internally or by our supplier.
- E. Parts that, in conjunction with the manufacturer, can't be moved out to a newly requested date.

Product may be returned in accordance with any applicable warranty. Any warranty that would ordinarily apply will not be affected by this agreement.

We will make every effort to accommodate changes in your delivery requirements, however once production has begun or product purchased, we may be unable to make changes. If changes can be made, you are responsible for any charges incurred internally.

COFAN USA INC warrants its products against defects in materials and workmanship under normal use for a period of 30 days from date of shipment ("Warranty Period"). Extended warranty (60~75 days) maybe granted if Cofan project manager approves depending on complexity of the issue.

If a defect arises and a valid claim is received within the warranty period, COFAN USA INC will, at its option and to the extent permitted by law, for any products that are returned and confirmed by COFAN USA INC to be non-conforming to the order specifications and/or the applicable quality and acceptability standards, either (I) replace the product at no charge or (II) issue a credit equal to the original purchase price of the product. When a product is exchanged, any replacement item becomes the customer's property and the replaced item becomes COFAN USA INC's property. When a refund is given, the product for which the refund is provided must be returned to COFAN USA INC and becomes COFAN USA INC's property.

COFAN USA INC will not accept liability for any cost in addition to the value of the parts including but not limited to components, labor, business interruptions and any other consequential damages or losses. COFAN USA INC disclaims any open-ended acceptance of liability for losses beyond the control of COFAN USA INC.

Sincerely,

Ivan Cho 

Cofan-USA Representative

8/28/2015

Date