



# General Terms and Conditions

**Effective Date:** 01 April 2026

**Company:** Digital Film Technology Corp., a California corporation ("Company")

## 1. Scope; Exclusivity

1.1 These General Terms and Conditions (these "Terms") govern all current and future quotations, offers, order confirmations, sales, deliveries, licenses, services, and other business transactions by Company with any customer ("Customer"), unless Company and Customer enter into a separate written agreement signed by both parties that expressly supersedes these Terms in whole or in part.

1.2 These Terms are the exclusive terms applicable to the parties' transactions. Any terms or conditions contained in any purchase order, vendor form, acknowledgment, portal entry, or other communication from Customer that are different from, inconsistent with, or additional to these Terms are rejected and will not become part of any agreement between the parties unless expressly accepted in a writing signed by an authorized representative of Company.

1.3 Company's commencement of performance, shipment, delivery, or invoicing will not be deemed acceptance of any differing or additional terms proposed by Customer.

## 2. Offers; Orders; Contract Formation

2.1 Unless expressly stated otherwise in writing, all quotations, proposals, pricing, and availability information issued by Company are non-binding and subject to change at any time before acceptance.

2.2 Customer's order constitutes an offer to purchase the goods and/or services identified in the order. No contract will be formed until the earliest of: (a) Company's written order confirmation; (b) Company's shipment of goods; (c) Company's commencement of services; or (d) Company's issuance of an invoice for the applicable order (the "Contract").

2.3 The scope of supply, specifications, quantity, commercial terms, and any delivery commitments are determined exclusively by Company's written order confirmation or, if none, by Company's invoice.

2.4 Clerical, typographical, and similar errors in catalogues, brochures, quotations, price lists, technical documents, or other sales materials may be corrected by Company at any time without liability.

2.5 References in these Terms to "written" or "in writing" include email unless mandatory law requires another form.

## 3. Prices; Taxes; Payment

3.1 Unless otherwise stated by Company in writing, all prices are exclusive of sales, use, excise, value-added, goods and services, withholding, or similar taxes, and exclusive of freight, insurance, duties, customs, packaging, installation, storage, and other ancillary charges. Customer shall pay all such amounts, other than taxes based on Company's net income.

3.2 If no price is expressly stated in Company's quotation or order confirmation, Company's price in effect at the time of acceptance will apply.

3.3 Unless otherwise stated in writing, invoices are due and payable in full, without setoff, deduction, or counterclaim, within ten (10) days from the invoice date.

3.4 Past-due amounts will bear interest at the lesser of one and one-half percent (1.5%) per month or the maximum rate permitted by applicable law, from the due date until paid. Customer shall reimburse Company for reasonable costs of collection, including attorneys' fees and court costs to the extent permitted by law.

3.5 If Customer fails to make any payment when due, Company may, in addition to any other rights or remedies: (a) suspend performance; (b) accelerate all outstanding amounts; (c) require advance payment or other security for future performance; and/or (d) cancel any unperformed portion of any order.

3.6 Customer may not set off or withhold payment unless the relevant claim has been finally adjudicated by a court of competent jurisdiction and is not subject to further appeal, or Company expressly agrees in writing.

3.7 If, after order confirmation and before full performance, Company experiences material increases in costs or material adverse changes in circumstances beyond Company's reasonable control, including increases in raw materials, labor, transportation, tariffs, duties, or energy costs, Company may equitably adjust prices upon notice to Customer.

## 4. Delivery; Shipment; Force Majeure

4.1 Delivery dates are estimates only unless expressly identified by Company in a writing signed by an authorized representative as fixed and binding. Time is not of the essence unless expressly agreed in such signed writing.

4.2 Company may make partial shipments or partial performance and may invoice each partial shipment or partial performance separately.

4.3 Unless otherwise agreed in writing, delivery terms are EXW Company's facility (Incoterms® 2020) for international sales, or FCA/FOB shipping point or another commercially equivalent shipment term designated by Company for domestic U.S. sales.

4.4 Delay in delivery or performance will not constitute a breach by Company if caused in whole or in part by any event beyond Company's reasonable control, including acts of God, flood, fire, earthquake, pandemic, epidemic, war, terrorism, civil unrest, cyber incident, labor shortage, strike, lockout, transportation delay, shortage of power or raw materials, governmental action, export or import restriction, embargo, tariff measure, supplier delay, or interruption of utilities or communications (each, a "Force Majeure Event").

4.5 During a Force Majeure Event, Company's time for performance will be extended for the duration of the event plus a reasonable restart period. If a Force Majeure Event continues for ninety (90) days or more, Company may cancel the affected order, in whole or in part, without liability other than refunding any prepayments for undelivered goods or unperformed services for which no corresponding value has been provided.

4.6 If Customer delays shipment, acceptance, installation, or other performance, Company may store the goods at Customer's risk and expense, and such goods will be deemed delivered for purposes of payment.

#### **5. Risk of Loss; Title; Security Interest**

5.1 Risk of loss and damage passes to Customer upon delivery by Company to the carrier at the shipping point or, if Customer is to collect the goods, when Company makes the goods available for pickup.

5.2 Title to goods transfers to Customer only upon Company's receipt of full payment for those goods and all related charges.

5.3 Until full payment, Customer grants Company a purchase money security interest and continuing security interest in the goods sold and all proceeds thereof and authorizes Company to file any financing statements or other documents reasonably necessary to perfect and protect that security interest under the Uniform Commercial Code or other applicable law.

5.4 Customer shall keep unpaid goods identifiable and free of liens, claims, and encumbrances of third parties. Upon Customer's default, Company may exercise all rights of a secured party under applicable law.

#### **6. Inspection; Nonconforming Goods**

6.1 Customer shall inspect goods promptly upon receipt.

6.2 Customer must notify Company in writing of any visible shortage, shipping damage, or other apparent nonconformity within seven (7) days after delivery. Any latent nonconformity must be reported in writing within fourteen (14) days after discovery and in no event later than one (1) year after delivery.

6.3 Failure to provide timely notice under this Section constitutes acceptance of the goods and waiver of the relevant claim to the fullest extent permitted by law.

6.4 If Customer timely establishes that goods failed to conform to the Contract at the time risk passed, Company shall, at its option, either: (a) repair the nonconforming goods; (b) replace the nonconforming goods; or (c) credit or refund the purchase price paid for the nonconforming goods upon return or other disposition as directed by Company. These remedies are Customer's exclusive remedies for nonconforming goods, except to the extent non-waivable law provides otherwise.

6.5 Company is not responsible for nonconformities resulting from normal wear and tear, misuse, neglect, improper storage, improper installation, improper maintenance, unauthorized modification, accident, operation outside specifications, or repairs performed by persons not authorized by Company.

6.6 Minor deviations in dimensions, color, design, weight, or performance that do not materially impair the ordinary use of the goods do not constitute a nonconformity.

#### **7. Services**

7.1 If Company provides installation, commissioning, consulting, maintenance, training, support, or other services, Customer shall provide timely access, suitable facilities, accurate information, and all reasonable cooperation necessary for performance.

7.2 Any services are performed using commercially reasonable care and skill. Unless expressly stated otherwise in a signed writing, services are provided during Company's normal business hours and on a time-and-materials basis if not covered by a fixed-price quotation.

7.3 Delays or additional costs caused by Customer, its personnel, site conditions, or third-party contractors may result in equitable schedule and price adjustments.

## **8. Limited Warranty; Disclaimer**

8.1 Company warrants that, for a period of twelve (12) months from delivery, goods manufactured by Company will materially conform to the written specifications expressly agreed in the Contract and will be free from material defects in workmanship.

8.2 For services performed by Company, Company warrants for ninety (90) days after performance that the services were performed in a professional and workmanlike manner.

8.3 The warranties in this Section do not apply to consumables, prototypes, trial items, third-party products, or any goods or components subject to abuse, misuse, neglect, accident, improper installation, improper storage, improper maintenance, unauthorized modification, or unauthorized repair.

8.4 TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, THE EXPRESS WARRANTIES SET FORTH IN THESE TERMS ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, AND NON-INFRINGEMENT.

8.5 Company does not warrant that operation of the goods or any software will be uninterrupted or error-free, or that all nonconformities can or will be corrected.

## **9. Limitation of Liability**

9.1 Nothing in these Terms excludes or limits liability that cannot lawfully be excluded or limited, including liability for fraud, willful misconduct, or death or personal injury caused by negligence to the extent such limitation is prohibited by law.

9.2 TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, COMPANY WILL NOT BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, EXEMPLARY, OR PUNITIVE DAMAGES, OR FOR ANY LOSS OF PROFITS, LOSS OF REVENUE, LOSS OF USE, LOSS OF DATA, LOSS OF BUSINESS OPPORTUNITY, OR COST OF SUBSTITUTE GOODS OR SERVICES, ARISING OUT OF OR RELATED TO ANY CONTRACT, WHETHER IN CONTRACT, TORT, STRICT LIABILITY, STATUTE, OR OTHERWISE, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

9.3 TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, COMPANY'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO ANY CONTRACT WILL NOT EXCEED THE AMOUNTS PAID TO COMPANY UNDER THE SPECIFIC ORDER GIVING RISE TO THE CLAIM DURING THE TWELVE (12) MONTHS PRECEDING THE EVENT GIVING RISE TO LIABILITY.

9.4 The limitations in this Section apply even if any limited remedy fails of its essential purpose.

## **10. Intellectual Property; Tools; Confidential Information**

10.1 All drawings, plans, specifications, software, firmware, models, samples, tooling, dies, molds, fixtures, processes, concepts, quotations, and other materials or information furnished by Company, or developed by Company in connection with any quotation, order, or performance, whether or not specifically created for Customer (collectively, "Company Materials"), remain the exclusive property of Company or its licensors unless expressly agreed otherwise in a signed writing.

10.2 No sale of goods or performance of services transfers to Customer any intellectual property rights, except for a limited non-exclusive right to use delivered goods for Customer's internal business purposes in accordance with the Contract.

10.3 Customer shall keep confidential and shall not disclose to any third party any non-public technical, commercial, or business information received from Company, including pricing, know-how, specifications, processes, and Company Materials ("Confidential Information"), except to employees and contractors with a need to know who are bound by written confidentiality obligations at least as protective as these Terms.

10.4 Customer shall use Confidential Information solely for purposes of the parties' business relationship and shall protect it using at least reasonable care. These obligations do not apply to information that Customer can demonstrate by written records: (a) was already lawfully known without restriction; (b) becomes publicly available through no breach by Customer; (c) is lawfully received from a third party without breach of duty; or (d) is independently developed without use of Company's Confidential Information.

10.5 Upon request or termination of the parties' relationship, Customer shall return or destroy Confidential Information, except to the extent retention is required by law or for routine backup systems maintained in the ordinary course.

## **11. Compliance; Export Control**

11.1 Customer shall comply with all applicable laws, rules, and regulations in connection with the purchase, resale, export, re-export, transfer, use, and disposal of the goods and services, including applicable U.S. export control, customs, economic sanctions, anti-boycott, and anti-corruption laws.

11.2 Customer shall not directly or indirectly export, re-export, transfer, or make available any goods, software, technology, or related documentation supplied by Company in violation of applicable export control or sanctions laws.

11.3 Company may suspend or cancel performance if Company reasonably determines that performance would violate applicable law or expose Company to sanctions, penalties, or licensing risk.

## **12. Termination; Cancellation**

12.1 Customer may not cancel or modify any accepted order except with Company's written consent and on terms that fully compensate Company for all costs, expenses, commitments, and lost margin resulting from such cancellation or modification.

12.2 Company may terminate or suspend any Contract immediately upon written notice if Customer: (a) breaches any material obligation and fails to cure within ten (10) days after notice; (b) becomes insolvent; (c) files or has filed against it a petition in bankruptcy or for similar relief; (d) makes an assignment for the benefit of creditors; or (e) ceases to do business in the ordinary course.

12.3 Termination or cancellation will not affect accrued payment obligations, rights to collect amounts due, confidentiality obligations, intellectual property rights, warranty disclaimers, limitations of liability, dispute resolution obligations, or any provision that by its nature should survive.

## **13. Dispute Resolution; Governing Law**

13.1 Unless otherwise agreed in writing, any dispute arising out of or relating to these Terms or any Contract will be brought exclusively in the state or federal courts located in Los Angeles, California, and each party irrevocably submits to the personal jurisdiction and venue of those courts.

13.2 The Contract and these Terms are governed by the laws of the State of California, without regard to its conflict of laws rules.

13.3 The United Nations Convention on Contracts for the International Sale of Goods (CISG) does not apply.

## **14. Miscellaneous**

14.1 Customer may not assign any Contract or any rights or obligations under it without Company's prior written consent. Any attempted assignment in violation of this Section is void, except that Company may assign these Terms or any Contract to an affiliate or in connection with a merger, sale of assets, or change of control.

14.2 No waiver by Company of any breach or default is a waiver of any later breach or default.

14.3 If any provision of these Terms is held unenforceable, the remaining provisions will remain in effect, and the unenforceable provision will be enforced to the maximum extent permitted by law.

14.4 These Terms, together with the applicable quotation, order confirmation, statement of work, and invoice, constitute the entire agreement between the parties for the relevant transaction and supersede prior or contemporaneous oral or written communications on the same subject matter.

14.5 No amendment or modification is binding unless in writing and signed by authorized representatives of both parties, except that Company may update these Terms prospectively for future transactions.

14.6 Notices under these Terms must be in writing and sent by personal delivery, nationally recognized overnight courier, certified U.S. mail, or email to the addresses designated by the parties.