



Customer and Pricing Management Rule

Objective: To prevent the conflicts between distributors induced by competition, MDT defines this rule to ask all distributors to follow. If the distributor does not follow this rule, MDT may terminate its right of distribution.

1. Every distributor shall submit a “Customer Management Form” to MDT on MDT’s web site by the 25th of every month. This report shall follow the format that provided by MDT.
2. Upon our receiving of “Customer Management Form”, we will then present it to our sales executives for review.
3. The management report should be clearly written, or MDT has the right to reject or to modify it. If distributor denied cooperate, MDT will terminate its right of distribution.
4. Distributors shall classify its customers into classes A, B, and C. The definitions are listed as below:

Class A: A customer who already issued a P/O to the distributor and there are repeat orders within every six month can be qualified as class A but some important customers may also be qualified as class A if MDT agrees to that. There should be a long-term business relationship between the customer and distributor. Do not put the unqualified customer into the Class A, otherwise MDT may terminate shipping.

Class B: A customer who already designed in with MDT’s device can be qualified as Class B. A P/O should be got within 3 months, or it will be removed from Class B. (The design date shall be noted in the report and the deadline will be counted from then)

Class C: A customer whom the MDT devices are promoted to will be qualified as Class C. These customers will not be secured for the distributor, but still need to be reported to MDT for future follow-up.

5. The MASK code will be secured seriously. Unless the original distributor agreed, the other distributor should not accept the same MASK code P/O. MDT's sales representatives are also have the responsibility to keep the rule. If there is any careless about this by MDT's sales representatives , distributors can file a claim to MDT's CEO and MDT we will penalize them accordingly.
6. To effectively manage our customers regarding pricing, each distributor shall provide MDT its selling price for maintaining the stability of market pricing. Especially for the Class A customers, MDT has the right to know whether the price is suitable or reasonable.
7. For pricing, distributors have the responsibility and are mandatory to cooperate with MDT in marketing strategy to expand the market share. There is no any excuse for the distributors to refuse to cooperate with MDT. Otherwise, MDT has the right to terminate the distribution.
8. MDT will do its best in protecting the basic rights of each distributor. But the distributors are also responsible for the terms and restrictions described in this rule, and cannot, in any reason, refuse to cooperate in any decision made by MDT.
9. Enclosed is the "Customer Management Form". Please go over it, fill it up, and follow the terms and restrictions hereby described.
10. For anything else missed, or not described here, MDT will draft amendments and notify relative parties in the future.