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## NEW PRODUCT DEVELOPMENT AGREEMENT (OVERVIEW))

Thank you for your interest in having your product developed by Maki Creations, Inc. Our objective is to initiate a mutually beneficial relationship with our customers for the common goal of creating quality personal care products.

Should you choose to have Maki Creations, Inc. develop a custom product for you, this document will outline the process, terms and conditions from beginning to end.

Minimum Development fee starts at \$1000.00 and will vary depending on complexity of the project. Development fees are due in full prior to start of project.

Please note: Development fees include one preliminary sample and two (2) revisions. Any requested changes should be clearly noted on sample evaluation form and addressed prior to each revision process. Should customer require additional revisions there will be a \$75.00 charge per revision. Additional revision costs do not apply to future orders.

Once a formula is tested and approved by customer, the cost of development can be reimbursed the following ways.

- 1- Ownership of the formula - This grants the customer the right to purchase the formula from Maki Creations, Inc. and creates intellectual value for the product line. Owning the formula gives your company exclusive rights to this product. The cost of formula ownership is calculated by our chemist once development is complete. Development fees can be applied toward the purchase of the formula. Ownership will include a full compounding record with detailed percentages and full manufacturing procedures; trade names for each raw material, ingredient vendor list as well as a certificate of ownership.
- 2- Development fees can also be recovered at a rate of 10% per each batch of developed product purchased. Development fees cannot be applied to any other service or product. Customer has one full year from completion of project to use the development credit on said batches, after which it will expire and no further discounts or credits will apply.

Customer acknowledges that without an exact formula and procedure, duplication of an existing product is not possible, and Maki Creations, Inc. will have full flexibility to revise the ingredient list to develop the closest duplicate possible.

If a customer provides their own exact formula with procedure, which is determined to be flawed in any way, and it becomes necessary for Maki Creations, Inc. to modify, revise or alter said

formula to achieve the desired product, the customer agrees that the revised formula, analysis findings, procedures and any technical data related to the product shall become property of Maki Creations, Inc. and all rights to exclusivity, implied or otherwise, become null and void.

The original, unaltered, customer provided formula will remain property of the customer as specified in a separate non-disclosure agreement.

Maki Creations, Inc. in no way assumes responsibility for duplicating fragrance. Development fees are exclusively to be used for developing unscented product. Customer assumes all responsibility for testing desired fragrances for compatibility issues that may arise, such as color change, separation or loss of viscosity. Maki Creations, Inc. also does not assume responsibility for components compatibility. This is the sole responsibility of customer.

Maki Creations, Inc. agrees to stability test this product prior to final release of formula. Recommended testing time is 2 months.

Customer agrees to the aforementioned terms and conditions and understands that once we have started development, we cannot cancel, credit or refund for this service.

Payment in full is required prior to start of development. Maki Creations, Inc. has up to 6 weeks to produce first sample, which is necessary to source and order raw material samples.

New development steps summarized:

- 1) Read and agree to this Development Overview.
- 2) Secure initial minimum development fee.
- 3) Read and sign Non-Disclosure Agreement.
- 4) Read and sign Full Manufacturing and Supply Agreement (Article MK-MA2014).

Once these terms and conditions are understood and have been agreed to via the signature below, an appointment with the chemist may be secured to discuss the details of your project.

Customer  
Signature\_\_\_\_\_

Print Name\_\_\_\_\_

Date\_\_\_\_\_