

OK INTERNATIONAL LTD

CONDITIONS OF SALE

Unless otherwise stated in writing the following conditions shall apply exclusively to each transaction for the supply of goods and/or services by OK International Limited to the Purchaser:

1 Quotations and Acceptance

- (a) Quotations are valid for thirty (30) days and represent no obligation until OK International Limited accepts the Purchaser's Order.
- (b) OK International Limited conditions shall apply to the entire exclusion of those of the Purchaser and no variation thereof shall be binding upon OK International Limited unless and until accepted in writing by a duly authorised person on behalf of OK International Limited.
- (c) Telephoned orders will be accepted only with the Purchaser's official order number. Any written confirmation of such orders must contain the confirmation reference given by OK International Limited at the time of order failing which any duplication of delivery must be accepted and paid for by the Purchaser.

2 Price, Delivery and Performance

- (a) Prices do not include VAT.
- (b) Delivery will be ex-works and goods will be packed to OK International Limited normal specification in non-returnable packing. Carriage will be arranged at the Purchaser's request and expense. Any applicable cash on delivery ("C.O.D") charges will be added to the price of the goods.
- (c) Release documentation and Certificates of Conformity for goods supplied from bonded stock will normally be provided free of charge.
- (d) Any delivery period quoted is an estimate only and commences from OK International Limited acknowledgement of the Purchaser's order. Provided OK International Limited takes all reasonable steps to deliver the goods and/or perform the services at the time stated, OK International Limited shall be under no liability for any delay or failure in delivery or performance.
- (e) OK International Limited reserves the right to deliver in more than one consignment and to invoice each consignment separately. Call-off arrangements or scheduled deliveries can only be accepted if the price of each shipment exceeds £200.
- (f) Purchasers outside the UK are responsible at their own expense for obtaining any import licence required in the country of destination. OK International Limited is responsible for seeking any necessary licence to export from the UK unless the Purchaser's office issuing the order is located in the UK
- (g) All contracts for export from the UK shall be in accordance with the relevant provisions of INCOTERMS 2000 Edition or any amendment or republication thereof for the time being in force at the date of the contract.
- (h) Where the purchaser requires OK International Limited to provide services, in addition to the actual value of the services, OK International Limited will also charge the purchaser, at cost, for any reasonable travel or accommodation expenses or other costs and disbursements reasonably incurred by OK International Limited in the performance of the services.

3 Title and Risk

- (a) Legal title to the goods shall remain with OK International Limited until such time as OK International Limited has received payment of the full price of the goods and of the full price of any other goods or services previously or subsequently supplied by OK International Limited to the Purchaser whereupon such title shall pass to the Purchaser. Insofar as the goods may be delivered to the Purchaser prior to the time when title thereto passes to the Purchaser shall until such time hold the goods as the fiduciary agent and bailee of OK International Limited and shall accordingly remain liable to account to OK International Limited for the goods or, if the same shall be sold by the Purchaser (which the Purchaser shall be entitled to do as the fiduciary agent of OK International Limited but, as between the Purchaser and the Purchaser's customer, only as principal and without creating any relationship, disclosed or undisclosed, between OK

International Limited and such customer), for all the proceeds, tangible and intangible (and including without limitation insurance proceeds and proceeds of proceeds), thereof. The Purchaser shall, as trustee for OK International Limited, pay such proceeds into a bank account separate from all other bank accounts and other monies and assets of the Purchaser and of third parties. The Purchaser shall not remove any identifying marks placed on the goods by OK International Limited.

- (b) Notwithstanding the retention by OK International Limited of legal title to the goods (i) risk in the goods shall pass to the Purchaser on delivery to the Purchaser's delivery address and the Purchaser shall arrange for OK International Limited interest in the same to be noted on all relevant insurance policies, and
 - (ii) OK International Limited shall be entitled to maintain an action against the Purchaser for the full price of the goods or any part thereof.
- (c) The Purchaser may exercise its right to sell the goods as the fiduciary agent of OK International Limited in the usual course of the Purchaser's business but such right:
 - (i) may be revoked at any time by OK International Limited giving notice to that effect if the Purchase is in default for longer than seven days in the payment of any sum whatsoever due to OK International Limited (whether in respect of the goods or services supplied at any time by OK International Limited to the Purchaser or for any reason whatsoever) or if OK International Limited has bona fide doubts as to the solvency of the Purchaser, and (ii) shall automatically cease if a receiver, manager or administrator is appointed over the assets, undertaking or property of the Purchaser, or a winding-up or administration order against the Purchaser is made or petitioned, or any petition or order in bankruptcy against (otherwise than for the purposes of reconstruction or amalgamation while solvent) or calls a meeting of or makes arrangements or compositions with creditors.
- (d) Upon determination of the Purchaser's rights of sale under Condition (c) or (c) (ii) above, the Purchaser shall place the goods at the disposal of OK International Limited (who shall be entitled to enter any premises of the Purchaser for the purpose of removing the goods and to remove the goods from the said premises) and/or, as the case may be, pay to OK International Limited in accordance with Condition 3(a).

4 Payment and Set Off

- (a) Payment for UK deliveries shall be due 30 days from date of invoice except where OK International Limited stipulates cash with order or C.O.D. terms. OK International Limited reserves the right to charge interest at 2% per month on any sum outstanding after the due date until the date payment is made in full. Such interest shall accrue on a daily basis and may be compounded monthly.
- (b) Payments for exports from the UK shall be made in the UK through an irrevocable Letter of Credit issued or confirmed in favour of OK International Limited by a London Clearing bank. The Letter of Credit shall (i) have initial validity equal to the delivery periods plus one month, (ii) permit part shipments and (iii) provide for the release on each shipment of 100% of the contract value thereof. No liability to deliver goods shall arise before OK International Limited receives such a Letter of Credit.
- (c) Any discounts specified by OK International Limited shall apply only where payment is received as indicated above. Payment shall not be withheld on account of any claim by the Purchaser against OK International Limited. OK International Limited reserves the right to suspend deliveries where payment for any order, related or otherwise, has not been made by the due date and remains outstanding.
- (d) If at any time any sum of money becomes payable by OK International Limited to the Purchaser under or in connection with the contract or any breach thereof by OK International Limited, OK International Limited shall be entitled, in addition to any other rights of set-off conferred by law, to set-off against such sum any amount then due, or which may be any time thereafter become due, to OK International Limited Group of Companies under the contract or any other contract, order or transaction between OK International Limited (or any such other company) and the Purchaser.

5 Description and Data

- (a) Where OK International Limited is the manufacturer, goods will be supplied substantially as described but the right is reserved to make design changes which do not lower their performance, affect their mechanical interchangeability or increase their price. Where OK International Limited is not the manufacturer, goods will be supplied to the manufacturer's current specification and finish.
- (b) OK International Limited makes every effort to ensure the accuracy of technical data or literature relating to the goods, but OK International Limited (so far as permitted by law) accepts no liability in contract, tort or otherwise for any damage or injury arising directly from any error or omission in such technical data or literature.

6 Guarantee and Warranty

- (a) Subject to 7(a), OK International Limited guarantees at its discretion to refund the price of, or to repair or replace free of charge, any of the goods found to its satisfaction to be defective within 12 months of the date of delivery owing to faulty design, materials or workmanship provided that the goods have not been modified or repaired other than by OK International Limited and have been operated, stored and maintained with OK International Limited recommendations for use. In the case of goods repaired or replaced by OK International Limited the guarantee shall terminate at the end of the original guarantee period.
- (b) Goods returned under the guarantee must be delivered to OK International Limited premises at the Purchaser's expense accompanied by OK International Limited original packing note and a statement of the reason for the return.
- (c) OK International Limited liability under conditions 6(a) and 7(a) is the sole liability of OK International Limited as regards the quality, fitness, description or correspondence with sample of the goods. All other representations, warranties, conditions, terms and statements in such regard, express or implied, statutory or otherwise, are excluded save where not capable of exclusion at law.
- (d) Goods shall not be considered defective for the purpose of these Conditions unless (i) they are not in accordance with any specification of the Purchaser accepted in writing by OK International Limited, or (ii) if there is no such specification or to the extent that such specification is silent as to any aspect of the design, function, performance, tolerances, quality or characteristics of the goods, the goods do not conform to OK International Limited published information (if any) or otherwise to the standards which OK International Limited considers normal or usual for products of the kind sold at a similar price; OK International Limited is not in a position to ensure that the Purchaser's specification is correct and/or sufficient for the purposes intended by the Purchaser and the Purchaser is solely responsible therefore.
- (e) OK International Limited warrants that the services will be performed with reasonable skill and care. All other warranties, conditions or other terms implied by statute or common law, in relation to the services, are excluded to the fullest extent permitted by law. Where any valid warranty claim is made in respect of any services, OK International Limited can choose either to re-perform the services to the extent necessary to make good any defect free of charge or to grant credit to or refund to the Purchaser the price (or a proportionate part of the price) for the services at OK International Limited's absolute discretion but OK International Limited will have no further liability to the Purchaser under the warranty.

7 Goods not manufactured by OK International Limited

- (a) Goods not manufactured by OK International Limited and all software are supplied on condition that OK International Limited liability in contract, tort or otherwise shall in no circumstances extend beyond the liability to OK International Limited of the Manufacturer or supplier of such, goods or software. In particular, but without limitation, the benefits of the supplier/manufacturer's guarantee or warranty attaching to the goods or software shall be made available to the Purchaser and Condition 6(a) shall not apply.
- (b) By ordering goods or software the Purchaser agrees to (i) comply with the terms of any licence granted to OK International Limited and keep it indemnified against any claim made by the relevant licensor against OK International Limited as a result of any act or omission on the part of the Purchaser.

- (c) Details of the aforementioned guarantee, warranty and licence (if applicable) are available on request from OK International Limited.

8 Force Majeure

- (a) OK International Limited shall have no liability in respect of failure or delay in delivery or in performance of any obligations under the contract due to any cause outside OK International Limited control including but not limited to act of God, fire, floods, war, civil disturbances, riot, act of Government, currency restriction, industrial disputes, unavailability or failure of supplier, carrier or sub-contractor to deliver on time.

9 Price Variation

- (a) OK International Limited reserves the right to increase the price of goods in proportion to any increase of costs to OK International Limited between the date of acceptance of the order and the date of delivery (including without limitation costs relating to exchange rates, labour, materials, transport and taxes) or where the increase is due to any act or default of the Purchaser, including without limitation the cancellation by the Purchaser of part of any order or non-adherence to agreed call-off or scheduled delivery arrangements.

10 Storage

- (a) When delivery is delayed for reasons attributable to the Purchaser or its agents, (a) storage and other additional costs will be charged to the Purchaser, (b) the goods will at the Purchaser's own risk, from the date of commencement of such delay, (c) the original intended delivery date shall be the date of commencement of the guarantee and (d) OK International Limited may invoice the price on the original intended delivery date.

11 Intellectual Property Rights

- (a) The sale of goods and the publication of any information or technical data relating thereto does not imply, and OK International Limited gives no warranty as to freedom from the patent, copyright, registered design or other industrial or intellectual property rights ("IPR") of third parties (whether arising or created before or after the date of delivery of the goods) in respect of the goods or any particular application thereof any method in which the goods are used or disposed of or any combination of the goods with or into other product (whether or not supplied by OK International Limited), whether or not that application, method or combination is the only application, method or combination in which the goods can be disposed of or used.
- (b) The Purchaser warrants that any design and specifications supplied or specified by it to OK International Limited will not involve the infringement of any IPR in the manufacture and sale of the goods by OK International Limited.
- (c) The Purchaser undertakes to indemnify and keep indemnified OK International Limited against all royalties, claims, actions, demands, proceedings, losses and costs in connection with the matters described in paragraph (a) and/or(b) above.

12 U.S. Export Control Regulations

- (a) OK International Limited shall in no circumstances be liable for damage, loss or claim howsoever occasioned by any act or omission on the part of the Purchaser in contravention of any regulations issued by the United States Government concerning the export of goods, services or technology.
- (b) Any goods supplied by OK International Limited whose export from the United Kingdom is restricted by any aforementioned regulations shall not be exported by the Purchaser without the prior approval of the relevant authorities concerned with the administration of such regulations.

13 Purchaser's Items

Items supplied by the Purchaser for the contract shall be of suitable quality and shall be provided free of charge in the quantities and at the times required by OK International Limited. Any defect in such items shall not entitle the Purchaser to rescind the contract, reject the goods, make a claim under the guarantee or warranty in Condition 6, make deductions from the contract price or claim damages in respect of such defect and the Purchaser shall indemnify and keep indemnified OK International Limited from and against all actions, demands, claims, proceedings, losses or costs arising from the supply of defective items by the Purchaser.

14 Limitations of Liability

- (a) Save in the case of OK International Limited's fraud or personal injury or death caused by the negligence of OK International Limited and other than as approved in Conditions 6 and 7, OK

International Limited shall not be liable in contract, tort, breach of statutory duty or otherwise for any loss, injury, destruction or damage suffered by the Purchaser whatsoever or howsoever arising out of or in connection with the supply of goods or services by OK International Limited.

- (b) If for any reason the provisions of Conditions 6(c), 11 and 14(a) are of no effect in respect of a claim against OK International Limited, OK International Limited liability in respect of that claim shall in any event not exceed the price paid for the relevant goods or services by the Purchaser.
- (c) OK International Limited accepts no liability, whether through breach of contract, breach of a legal duty or otherwise, for indirect, special or consequential loss or damage, nor for loss of profit, business, contracts, opportunity, goodwill or other similar loss.

15 Cancellations and Returned Goods

- (a) Cancellations will not be accepted for non-catalogued items. If OK International Limited agrees to accept cancellation or part cancellation of an order for catalogued items a charge of 20% of total order price will be made.
- (b) Except as provided in Condition 6 no returns are permitted without agreement by OK International Limited. Any returns goods authorisation number quoted by OK International Limited must be marked on the outside of the packaging.
- (c) Agreed returns other than under Condition 6 and 7 must be at the Purchaser's expense in original condition and, if tested by OK International Limited, will be subject to a minimum charge of 15% of invoice price plus VAT.

16 Termination

- (a) If the Purchaser commits any breach of the terms and conditions of the contract or suffers distress or execution or becomes insolvent or commits an act of bankruptcy or enters into any arrangement or composition with his creditors or goes or is put into liquidation (other than solely for amalgamation or reconstruction while solvent) or if a receiver or administrator is appointed over any part of the Purchaser's business, OK International Limited may without prejudice to any rights which may have accrued or which may accrue to it terminate the contract summarily by written notice.

17 Law

- (a) Any questions relating to any quotation or any contract subject to these conditions or agreed amendment of these conditions shall be determined in all respects by the laws of England. The parties hereby submit to the non-exclusive jurisdiction of the English Courts in respect of claims brought by OK International Limited against the Purchaser and the exclusive jurisdiction of the English courts in respect of claims brought by the Purchaser against OK International Limited.