

Your order is subject to the Terms and Conditions of Sale set forth below. Please carefully review the Terms and Conditions of Sale and ensure that you understand the provisions as they apply to your order. Acceptance of any Products shall constitute acceptance of the Terms and Conditions of Sale.

TERMS AND CONDITIONS OF SALE

Except as otherwise agreed in writing, the following terms and conditions apply to all orders received and all services, articles, materials, goods or other products (collectively "Products") sold or provided by OK International, Inc. and its related entities (collectively the "Company").

These terms and conditions apply to all Products set forth in the order acknowledgement (the "Acknowledgement") previously provided to you ("you" or "Customer"). If your order has not been previously acknowledged, receipt of these terms and conditions shall constitute the Acknowledgment.

1. Acceptance of Customer's order is expressly made conditional on assent to the terms and conditions set forth herein, which shall constitute the complete agreement between the parties. These terms and conditions may not be varied, or Customer's order terminated in any manner, unless accompanied by legal consideration and by a written agreement subsequently signed by an authorized officer of the Company. Other representatives of the Company are not authorized to vary the conditions set forth herein. Failure to specifically dissent to these terms and conditions within a reasonable time or Customer's acceptance of any Products covered in the Acknowledgement shall constitute acceptance of these terms and conditions and they shall be controlling in every case.
2. Unless stated to the contrary in the Acknowledgement or in the invoice or packaging documents accompanying the Products, all Products will be shipped F.O.B. point of shipment, and title in and the right of possession to such Products will pass to Customer upon the Company's delivery to the carrier at the point of shipment.
3. Prices on the Products covered by the Acknowledgement are firm for thirty (30) days from the date of the Acknowledgement. Any Products that Customer requires to be shipped later than thirty (30) days from the date of the Acknowledgement are subject to price changes made after the date of the Acknowledgement to the date of shipment.
4. Tooling, set-up, fitting up, drawings, design information and partial preparation charges, when invoiced, cover only part of the cost thereof to the Company. Customer does not acquire any right title or interest in any tooling, set-up, fitting up, drawings, design information or inventions resulting therefrom.
5. All shipping dates are tentative. The Company will not be responsible for delays or non-performance directly, or indirectly caused by governmental regulations or requirements, natural disasters, acts of God, war, terrorist activities, unavailability of energy, materials or supplies, work stoppages, slow downs, boycotts, and other causes beyond the Company's reasonable control, whether or not similar in nature to any cause specified above.

6. The Company's extensive line of products requires close coordination of Customer's requirements with the Company's production schedules to avoid possible delays in shipments. Accordingly, the Company reserves the right to ship in advance of the shipping date.

7. THERE IS NO WARRANTY BY THE COMPANY THAT THE PRODUCTS SHALL BE DELIVERED free from any claim of any third person by way of infringement. There is no undertaking by the Company with respect to patent or trademark infringement.

8. WARRANTY AND DISCLAIMER OF LIABILITY.

THE COMPANY WARRANTS THAT THE PRODUCTS DELIVERED HEREUNDER SHALL BE FREE FROM DEFECTS IN MATERIALS, WORKMANSHIP AND FABRICATION. THIS WARRANTY IS APPLICABLE FOR A PERIOD OF NINETY (90) DAYS (UNLESS OTHERWISE REFERENCED), AFTER THE DATE OF DELIVERY OF SUCH PRODUCTS TO THE CUSTOMER. THE COMPANY MAKES NO WARRANTIES, EXPRESSED OR IMPLIED (INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY AND FITNESS FOR INTENDED PURPOSE) OR STATUTORY, OTHER THAN THE FOREGOING EXPRESS WARRANTY. THE FAILURE OF CUSTOMER TO SUBMIT A CLAIM WITHIN NINETY (90) DAYS (UNLESS OTHERWISE REFERENCED), AFTER RECEIPT OF SUCH PRODUCTS SHALL CONSTITUTE AN ADMISSION BY THE CUSTOMER AND CONCLUSIVE PROOF THAT THE PRODUCTS ARE IN EVERY RESPECT AS WARRANTED. SUCH FAILURE TO SUBMIT A CLAIM WITHIN NINETY (90) DAYS (UNLESS OTHERWISE REFERENCED), SHALL ALSO RELEASE THE COMPANY FROM ANY AND ALL CLAIMS FOR DAMAGES OR LOSS SUSTAINED BY THE CUSTOMER AND ANYONE ELSE CLAIMING THROUGH THE CUSTOMER.

If Customer submits a claim for breach of warranty within ninety (90) days (unless otherwise referenced), after the date of delivery of the Products to Customer, it is agreed and understood that Customer's sole and exclusive remedy shall be the repair or replacement of the Products or a refund of the price of the defective Products. IN NO EVENT SHALL THE COMPANY BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES.

A. It is further understood that the above-stated express warranty shall not apply if Customer in any way modifies, alters or misuses any Products. Misuse of Products shall include, but not be limited to, any exposure to temperature extremes, chemicals or solvents, use of Products beyond the recommended shelf life, use of Products beyond recommended torque specifications, or any other use inconsistent with usage

recommendations provided with such Products or inconsistent with best industry practices. The Company also reserves its right to seek full indemnification from Customer in any third-party actions brought against the Company by individuals or companies who claim to have suffered injuries or property damage as a result of the modification, alteration or misuse of any Products.

9. Factory service by personnel from the United States for loaned or purchased items, if required, is available at a charge. Contact the Company for applicable fees. Spare and replacement parts for the tool(s), machine(s) or power source equipment can be purchased from the Company.

10. The Company shall have the right to suspend or cancel these terms and conditions or terminate the term for machine(s) or power source equipment at any time upon Customer making an assignment for the benefit of creditors or becoming bankrupt or insolvent, or upon a petition being filed in a court of competent jurisdiction proposing the appointment of a receiver or that Customer be adjudicated bankrupt or insolvent or reorganized under the provisions of any applicable bankruptcy or insolvency act.

11. The Company represents that with respect to the production and provision of the Products it has fully complied with all of the applicable provisions of the Fair Labor Standards Act of 1938, as amended, including sections 6, 7 and 12, regulations under section 14, and all other applicable Administrative Regulations.

12. In connection with the production and provision of the Products, the Company agrees to comply with all provisions, including specifically paragraphs (1) through (7), of Sec. 202 of Executive Order No. 11245 of September 24, 1965, as amended, and rules, regulations and orders pertaining thereto.

13. In addition to the rights and remedies reserved herein, the Company shall have all rights and remedies conferred by law and shall not be required to proceed with performance of the contract arising herefrom if Customer is in default to the Company under this or any other contract. This agreement shall be construed in accordance with the laws of the State of California, U.S.A.

14. Orders accepted by the Company cannot be countermanded or shipments deferred or Products returned except with the Company's consent and upon terms that will indemnify the Company against all loss, including the profit on any part of the order that is canceled. When return of Products is authorized by the Company, shipping charges on such returned Products are to be prepaid unless otherwise noted by the Company in its authorization to return.

15. Customer hereby acknowledges that the Products are subject to control on export and re-export under the laws and regulations of the United States. Customer will not re-export, transfer or divert any Products to any other destination or end-user except in accordance with all such United States export control laws and regulations.

16. Unless specifically noted hereon, qualification tests and any test data are not included in the selling price. Qualification tests may be performed by the Company and test data supplied at the specific request and expense of Customer.

17. The prices set forth for the Products do not include federal, state or local taxes applicable to the Products. All such taxes shall be paid by Customer unless Customer provides the Company with evidence satisfactory to the Company of exemption from such taxes. When the Company is required by law or regulation to collect such taxes, the Company will add such taxes to the sales price of the Products.

18. This agreement and all shipments made hereunder shall at all times be subject to the approval by the Company of Customer's financial condition. If the financial condition of Customer at any time becomes unsatisfactory to the Company or if Customer fails to make any payment when due, in addition to any other rights the Company may have, the Company may defer or decline to make any shipment or may condition any shipment upon receipt of satisfactory security or cash payments in advance.

19. Except as otherwise expressly stated herein, the Company shall invoice Customer at the time of shipment of each installment on payment terms of cash on delivery, except where open account credit is established and maintained to the Company's satisfaction, in which case payment terms shall be net thirty (30) days from date of shipment. Customer shall make all payments without regard to whether Customer has made or may make any inspection or use of the Products delivered hereunder. Any invoiced amount which is not paid when due shall bear interest at the rate of one and one half percent (1-1/2%) per month or the highest rate then permitted by law, whichever is less.

20. As used herein, the term, "Proprietary Information" includes any information of a confidential or proprietary nature obtained from the Company and any information obtained from the Company which is not readily available to the Company's competitors and which, if known by a competitor of the Company, might lessen any competitive advantage of the Company or give such competitor a competitive advantage, as well as any other information regarding the Company that is not publicly-available or that a reasonable person in like circumstances would regard as being confidential or of proprietary value to the Company. The Company retains ownership of all Proprietary Information and all documentation that contains Proprietary Information. Customer shall not disclose, duplicate, or reproduce any Proprietary Information nor shall Customer use any Proprietary Information other than in the course of performing its obligations hereunder. Customer shall take all reasonable steps to prevent the disclosure, duplication, or reproduction of any Proprietary Information. Notwithstanding the foregoing, Customer shall not be required to refrain from disclosing or using any Proprietary Information which has become known to Customer if, as shown by written documentation, the original source of such Proprietary Information was not the Company or any person or party affiliated with the Company or having a relationship of confidentiality with the Company.

21. Except as otherwise expressly stated herein, Customer shall have no right to enter the Company's premises to conduct source or other inspections. If the Company permits any such inspection, all agents of Customer entering the Company's premises shall be subject to the

Company's usual security requirements, including, without limitation, the execution and delivery of appropriate non-disclosure agreements.

22. In the event of any dispute between the Company and Customer with respect to any matter relating to the Products or arising under these Terms and Conditions of Sale or any related terms and conditions set forth in any invoice or other exchange between the Company and Customer, the parties shall attempt to resolve such dispute through amicable means. In the event the dispute cannot be resolved through good faith negotiations, the parties shall refer the dispute to binding arbitration. The Company and Customer each irrevocably and unconditionally waive, to the fullest extent permitted by applicable law, any and all rights to trial by jury in connection with any such dispute. The arbitration proceeding shall be held in Orange County, California, U.S.A., in accordance with the Arbitration Rules of the American Arbitration Association. The arbitration proceeding shall be conducted in the English language, before an arbitral tribunal composed of three (3) arbitrators, one of which shall be selected by each of the parties, and the third of which, who shall be the chair of the arbitral tribunal, shall be selected by the other two arbitrators. The decision and award of the arbitral tribunal shall be in writing, shall be final and binding on the parties, and may be enforced in any court of competent jurisdiction. Notwithstanding the foregoing, the Company may seek any interim or preliminary injunctive relief that may be necessary to protect any Proprietary Information, pending the establishment of the arbitral tribunal or pending the tribunal's determination of the merits of the dispute.