

## TERMS AND CONDITIONS OF SALES

The transaction reflected on this invoice is made on the terms and conditions appearing on the quote and invoices hereof as well as those following;

**PARTIES:** KUROIWA STAINLESS IND. INC. is referred to herein as Seller, the purchaser of any of seller's goods is referred to herein as Buyer.

**PRICE POLICY:** Orders are accepted at prices in either Japanese Yen or US Dollar which ever stated on the other terms shown on Seller's acknowledgement and invoice. All prices are FOB shipping unless otherwise stated. No salesman or any other person has authority to alter or vary Seller's prices or terms without direct written approval signed by an officer of Seller.

**TAXES:** Prices shown do not include any local taxes which Seller may be authorized or required to collect from Buyer; all application taxes shall be added to prices shown and Buyer agrees to pay the same. If the amount said taxes is not included in the invoices for the applicable goods, such amount may be invoiced separately at a later time. Tax exemption certificates, as required by local laws or regulations, must accompany all orders to which same apply or be on file with Seller.

**DUTIES:** Prices shown do not include any duties, customs costs, or other charges which may be applicable to foreign shipments. It shall be Buyer's responsibility to pay or reimburse Seller for same.

**TERMS:** Terms of payment are subject at all times to approval of Seller. Buyer agrees to make prompt payment of invoices due in accordance with the terms shown thereon and on Seller's Acknowledgment form whether for complete or partial shipment.

**DELINQUENCY, COLLECTION:** In the event Buyer fails to pay for any one shipment when same becomes due, or should Buyer's account become otherwise delinquent, Seller may, at its option (i) terminate any existing sales contract (ii) refuse to ship or deliver goods under this or any other until such delinquency is cured or (iii) extend the payment date for this or any other order. Should Buyer's financial condition become unsatisfactory to Seller or should other grounds for insecurity warrant such action, Seller may request, and Buyer must provide, immediate cash payment, security satisfactory to Seller, or other adequate assurance satisfactory to Seller or other adequate assurance satisfactory to Seller for future deliveries and/or for goods therefore delivered. Buyer agrees to pay all costs of collection, including reasonable attorney's fee.

**FINANCE CHARGE:** A late payment service charge equal to 10% per a month of the month of the maximum charge allow to all amounts not paid when due.

**DELIVERIES:** Dates of delivery are estimated to the best of Seller's ability and are made in good faith, but are not guaranteed. Length of the time specified for delivery commences after receipt of complete order information, credit approval and shipping release.

**DELAYS:** Seller may suspend delivery hereinunder whether any such event makes impracticable the manufacturer, transportation, acceptance or use of shipment of the goods or any material upon which the manufacture of the goods is dependent. Seller shall not be liable for any failure of or delay in performance of order or contracts directly or indirectly occasion by beyond Seller's control, including but not limited to government action, or failure of the government to act where such action is required, strike or other labor problems, fire, flood, accident, riot, war, priorities, embargo, epidemic, unusually severe weather condition, shortage of labor, material, fuel or power, or act of God or the public enemy.

**CLAIMS BY BUYER:** Seller's responsibility to Buyer ceases upon receipt by Seller from carrier of bill of landing or other receipt for goods. All goods are shipped by buyer's risk unless otherwise arranged by Seller; all claim for damage or shortage in transit must be filed by Buyer against carrier and prosecution of such claims to be Buyer's sole responsibility. Buyer agrees to examine and inspect each shipment of goods for any damage, defect, or shortage promptly upon receipt of such shipment; all claims for damage, defect, or shortage prior to shipment must be made in writing and must be received by Seller at its principal business location in Chiba, Japan within 15days after receipt of goods by Buyer specifically describing Buyer's claim and referring to Seller's bill of landing and other number. Failure of Seller to receive said written notice of any such claim within the above time period shall be deemed an unqualified acceptance of the goods by Buyer and an absolute and unconditional waiver by Buyer of any such claim.

**PRODUCT CHANGES:** Seller reserves the right to change its own specification and/or product descriptions without incurring obligation to Buyer or any other party. Should Buyer and Seller agree to any change in specifications relating to this order, Seller reserves the right to change prices and deliveries necessary to reflecting changes.

**REPRESENTATION OF SOLVENCY:** In any sales on credit or on account, Buyer specifically warrants and represents that, as of the date hereof, and (unless Buyer notifies Seller to the contrary in writing) through the date of any delivery of any goods from Seller to Buyer, Buyer is not insolvent, is solvent, and is able to pay its indebtedness as it becomes due.

## TERMS AND CONDITIONS OF SALES

**CANCELLATION, RETURNS:** Buyer order may not be cancelled by Buyer except upon written notice and agreement of Buyer to pay for all expenses, direct or indirect, incurred by Seller regarding the goods ordered plus a reasonable projection for profit thereon all as reasonably determined by Seller. Seller shall have the right to cancel Buyer's orders in the event of Buyer's delinquency in payment as aforesaid, for any acts or omission of Buyer that delay Seller's performance hereunder. Or in the event of Buyer's bankruptcy or insolvency. Seller's shall not be required to accept return of any goods unless Buyer has first received Seller's written authorization to return such goods to Seller. Seller's acceptance of returned goods shall be subject to Seller's inspection of such goods. All returns will be refused unless shipped prepaid. Buyer will be assessed handling and restocking charge equal to 50% of the original purchase price on all returned goods.

**CONFIDENTIAL INFORMATION:** In the event Buyer's personnel visit Seller's facility or otherwise receive any proprietary or confidential information from Seller, said information shall be retained as confidential by Buyer and shall not be disclosed to any other third party without written consent of Seller. Seller retains all rights to any invention, discovery, improvement, or patent relating to the goods delivered pursuant hereto.

**NOTICE OF CLAIMS, SUITS:** In the event that claim is made against Buyer or if Buyer shall be a party to any lawsuit pertaining to any loss, damage, or injury for which Seller is or may be liable, Buyer shall give Seller immediate written notice to the existence of such claim or suit. After such notice, Seller may at its option take over the handling of or enter the defense of any such claim or lawsuit at its expense; If Seller elects to take over such claim or lawsuit, Buyer shall assist Seller in and shall permit Seller to control completely the defense or compromise of same.

**DISCLAIMER OF WARRANTY:** SELLER MAKES NO WARRANTY, EXPENSE OR IMPLIED, AS TO DESCRIPTION, QUALITY, MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, OR ANY OTHER MATTER, OF ANY GOODS SOLD HEREUNDER, UNDER NO CIRCUMSTANCES WILL SELLER BE LIABLE FOR SPECIAL, INCIDENTAL, TO OR LOSS OF OTHER PROPERTY OR EQUIPMENT, LOSS OF TIME, LOSS OF USE, LOSS OF PROFIT, OR EVENUE, CLAIMS OF CUSTOMERS OF BUYER, OR COSTS AND EXPENSES OF USE. TESTING OR ACEMENT OF THE GOODS WHETHER SUCH DAMAGES ARE SOUGHT IN CONTRACT, IN TORT (INCLUDING BUT NOT LIMITED TO NEGLIGENCE AND STRICT LIABILITY) OR OTHERWISE, AND SELLER'S LIABILITY SHALL IN NO EVENT EXCEED THE PURCHASE PRICE OF THE GOODS OR PARTY OF SUCH GOODS ON WHICH SUCH LIABILITY IS BASED.

**HOLD HARMLESS AGREEMENT:** Buyer hereby agrees to defend , indemnify, and hold Seller and/or fees(including reasonable attorney's fees) arising out of, resulting in any way from, or in any way related to (i) any claim against Seller of alleged patent infringement by reason of Buyer's use of the goods or of Seller's use of specification supplied by Buyer, and (ii) or injury to persons or property of Buyer and/or others arising out of use or possession of the goods or arising out of any act or omission of Buyer, its agents, employees, or subcontractors in connection with the goods.

**SUCCESSORS, ASSIGNABILITY:** The responsibilities and rights created herein shall be binding upon and inure to the benefit of parties and their respective heirs and personal representatives, if applicable, and successors and assigns; its rights or delegate its responsibilities hereunder without the prior written consent of Seller, and any such attempted assignment without such written consent shall be void.

**MISCELLANEOUS:** These Terms of Conditions of Sales and any other terms incorporated herein by written reference constitute the full understanding of the parties, a complete allocation of risks between them, the entire and only agreement between them concerning the sales of goods, and complete and exclusive statement of the terms and conditions of said agreement, said agreement shall be deemed Commercial Law of Japan, the validity, interpretation, and performance of which and any dispute connected with which shall be governed and construed in accordance with Japanese Law. The parties consent and agree that; for all claims and causes of action arising in connection with goods shipped hereunder, venue shall tie in Japan. No change or modification of any term or condition contained herein shall be effected unless made in writing and signed by a duly authorized agent of Seller. Any additional or different terms contained in Buyer's purchase order or other commercial forms are hereby objected to and rejected. Such additional or different terms shall be deemed to be material alternation hereof, and any contract for sale between Seller and Buyer shall be governed exclusively by the conditions contained herein.