



HASM CO. LTD. STANDARD TERMS AND CONDITIONS OF SALE

1. Acceptance/Agreement

- 1.1 The following terms and conditions are an integral part of the offer as made on the face of this order acknowledgment. Acceptable deviations must be agreed to by HASM Co Ltd. (referred hereinafter as HASM) in writing. Any acceptance of this order acknowledgment form is limited to acceptance of the express terms on the face and back hereof. Any proposal for additional or different terms or any attempt by the buyer to vary in any degree any of the terms of this offer in buyer's acceptance is hereby objected to and rejected, but such proposals shall not operate as a rejection of this offer unless such variances are in the terms of the description, quantity, price or delivery schedule of the goods, but shall be deemed a material alteration thereof, and this offer shall be deemed accepted by the buyer without said additional or different terms. If this order acknowledgment form shall be deemed an acceptance of a prior offer by the buyer, such acceptance is limited to the express terms contained on the face and the back hereof. Additional or different terms or any attempt by the buyer to vary, in any degree, any of the terms of this order acknowledgment form shall be deemed material and are objected to or rejected, but this order acknowledgment form shall not operate as a rejection of the buyer's offer unless it contains variances in the terms of the description, quantity, price or delivery schedule of the goods. The terms, conditions and warranties of this order acknowledgment form extend to seller and buyer only and do not extend to any other party including but not limited to customers of the buyer.

2. Approval of credit

- 2.1 Shipments and deliveries are subject to credit approval by HASM. Terms of payment shall be effective from the date of invoice and/or as detailed on the face of this order acknowledgment.

3. Prices

- 3.1 Prices quoted are in US dollars unless stated otherwise. Prices do not include any taxes, insurance, import or export duties, tariffs or customs charges.

4. Payment terms / Interest on late payments

- 4.1 Unless otherwise agreed in writing, payment terms are Net 30 Days upon shipment.
- 4.2 HASM shall impose a finance charge of 1.5% per month on all unpaid balances beyond agreed terms.
- 4.3 HASM reserves the right to suspend or cancel further orders and/or deliveries and impose a lien in case an invoice remains unpaid after the due date.
- 4.4 For orders over \$50,000, an advance payment is required. 50% of the total order value will be invoiced after receipt of order and will be due Net 10 Days. The balance of the order will be invoiced upon shipment, due Net 30 Days.
- 4.5 HASM institutes a minimum order value of \$100.00 (excluding taxes) for all order placements.

5. Shipping Policy - F.O.B. Point

- 5.1 Unless otherwise specified on the face of this order acknowledgment, all goods are delivered F.O.B. South Korea (Incheon International Airport or the Port of Busan).

6. Cancellation of and/or changes to orders

- 6.1 Changes and corresponding cost impacts must be agreed in writing prior to execution.
- 6.2 If an order is cancelled, HASM reserves the right to charge for all costs incurred in the cancellation including, without limitation, charges applicable to material, labor, profit and overhead to date.
- 6.3 At the discretion of HASM, cancellation charges are as follows:
- | | |
|---|------|
| After order placement prior to drawing submittal: | 10% |
| After release to production: | 100% |
- 6.4 Orders that have already been shipped cannot be cancelled.

7. Warranty and Warranty Restrictions

- 7.1 Seller warrants that are products sold hereunder will, at the time of shipment, be free and clear of all liens and encumbrances and will be free from defects in material and workmanship and will conform to seller's applicable specifications, or, if appropriate, to buyer's specifications accepted by seller in writing. Seller shall not be charged with knowledge or acceptance of any specifications imposed upon buyer by any person other than buyer (including but not limited to the buyer's customer), unless such specifications are fully disclosed to seller in writing and accepted in writing by seller. THE FOREGOING WARRANTY IS IN LIEU OF AND EXCLUDES ALL OTHER WARRANTIES NOT EXPRESSLY SET FORTH HEREIN, WHETHER EXPRESSED OR IMPLIED BY OPERATION OF LAW OR OTHERWISE INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PURPOSE AND SELLER NEITHER ASSUMES NOR AUTHORIZES ANY OTHER PERSON TO ASSUME FOR SELLER ANY OTHER LIABILITY IN CONNECTION WITH THE SALE OF SELLER'S PRODUCTS. THE FOREGOING WARRANTY ALSO EXCLUDES ALL WARRANTIES THAT SELLER'S PRODUCTS MEET ANY SPECIFICATIONS IMPOSED UPON BUYER BY ANY PERSON OTHER THAN BUYER (INCLUDING BUT NOT LIMITED TO THE BUYER'S CUSTOMER), WHETHER EXPRESSED OR IMPLIED INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR PURPOSE. No representation or warranty, express or implied, made by any sales representative or other agent or representative of the seller which

is not specifically set forth herein shall be binding upon the seller. Seller shall not be liable for any incidental or consequential damages, losses or expenses directly or indirectly arising from the sale, handling or use of the goods or from any other cause relating thereto and seller's liability hereunder, in any case, is expressly limited to the repair or replacement (at seller's option) of goods not complying with this agreement or, at seller's election, to the repayment or crediting of buyer with an amount equal to the purchase price of such goods whether such claims are for breach of warranty or negligence. This warranty extends only to the direct customers of the seller and does not include customers of the buyer. Warranty claims by HASM shall not affect the customer's duty to pay HASM in accordance with the terms of this agreement.

8. Limitations of Liability; Claims/Notice of Defects

- 8.1 In the event the material to be furnished hereunder is claimed to be defective, the material shall be returned prepaid to the seller for the inspection. The seller shall be liable only to replace defective products or to allow credit, not to exceed the purchase price, at the seller's option. Seller shall not be liable for special, indirect, incidental or consequential damages. Since the terms, conditions and warranties of this order acknowledgment form extend only to seller and buyer, seller shall not be liable for any suits, claims, actions, damages or proceedings by any third parties, including but not limited to buyer's customers. The remedies of the buyer and the liability of seller with respect to any contract of sale or anything done in connection therewith, whether in contract, in tort, under any warranty, or otherwise are as set forth herein and are exclusive. All materials shall be furnished subject to the seller's standard manufacturing and commercial variations and practice. Any claim must be made in writing within 30 days after receipt of the materials shipped hereunder. Buyer shall set aside, protect and hold such goods without further processing until seller has an opportunity to inspect and advise of the disposition, if any, to be made of such goods. In no event shall any goods be returned, reworked, or scrapped by the buyer without the express written authorization of the seller.

9. Return Rights and Procedures.

- 9.1 All sales are final and the product and services are not returnable unless expressly permitted under the Warranty and Warranty Restrictions. You must obtain a Return Material Authorization (RMA) number from seller, prior to returning a defective product. You will be responsible for all return shipping costs to seller's manufacturing facility in Korea. Replacement products will be covered under new warranty like the original product.

10. Force Majeure Clause

- 10.1 Fulfillment of this order is contingent upon the availability of materials. Seller shall not be liable for any delay in delivery or for nondelivery in whole or in part caused by the occurrence of any contingency beyond the control of either the seller or suppliers to the seller including but not limited to war, sabotage, acts of civil disobedience, failure or delay in transportation, act of any government or agency or subdivision thereof, judicial action, labor dispute, fire, accident, explosion, epidemic, quarantine, restrictions, storm, flood, earthquake or acts of God, shortage of labor, fuel, raw material or machinery or technical failure where seller has exercised ordinary care in the prevention thereof. If any contingency occurs, seller may allocate production and deliveries among seller's customers.
- 10.2 If the seller, in its sole discretion, determines that seller's performance hereunder would result in a loss to seller on this sale, as computed under seller's normal accounting procedures, because of causes beyond the seller's control, then the seller may terminate this agreement in whole or in part without liability for any delay in the delivery of or failure to deliver the goods sold hereunder.

11. Confidential Information

- 11.1 All drawings, diagrams, specifications and other materials furnished by the seller and identified as confidential relating to the use and service of articles furnished hereunder and the information therein, are proprietary to the seller. Such materials have been developed at great expense, and they contain trade secrets of the seller. Buyer may not reproduce or distribute such materials except to buyer's employees who may use the articles as part of their duties. All such materials relating to the article supplied directly by seller (except information as may be established to be in the public domain or disclosed pursuant to judicial government action) shall be received in confidence, and buyer shall exercise reasonable care to hold such information in confidence.
- 11.2 All information received by the seller from the buyer shall be deemed not to be confidential and not to involve any trade secrets unless such information is clearly identified as confidential/trade secret information by the buyer and a responsible officer of the seller has specifically signed a confidentiality agreement relating to such information.

12. Risk of Loss

- 12.1 Delivery shall occur and risk of loss shall pass to the buyer upon delivery of the material to the carrier at the point of shipment. Transportation shall be at buyer's sole risk and expense, and any claim for loss or damage in transit shall be against the carrier only.

13. General Provisions

- 13.1 Any cause of action arising from this agreement, or breach of it, must be commenced within one year after the cause of action occurs. Seller has the right to correct any stenographical or clerical errors in any of the writings issued by it. The terms and conditions of sale and any description on the face of the seller's order acknowledgment form constitute a complete and exclusive statement of the terms and conditions of the state of the goods by seller to buyer. There are no other promises, conditions, understandings, representations or warranties. This agreement may be modified only in a writing signed by the seller. No waiver of any right will be effective against seller unless supported by consideration and expressly stated in the writing signed by the seller. The failure of seller to enforce any right will not be construed as a waiver of seller's right to performance in the future. Buyer may not assign any rights to, or delegate any performance owned under, the agreement without the written consent of seller. Seller shall have the right to credit toward the payment of any monies that may become due seller hereunder and any sums which may now or hereafter be owed to buyer by seller.

14. Governing law

- 14.1 Disputes arising in connection with this agreement or its performance shall be governed by the substantive laws of the Province of Gyeonggi-do, South Korea.