

BESTAR Steel Limited - TERMS AND CONDITIONS OF SALE

All orders are subject to the terms appearing heron, including but not limited to the warranty information in paragraph 8 and purchaser agrees to be bound thereby. No modifications or additions thereto shall be binding upon BESTAR-STEEL, Ltd, its subsidiaries or parents (hereafter referred to as "BESTAR") unless expressly consented to in writing.

1. Prices are subject to change without notice. Prices prevailing at time of shipment will apply.
2. Delivery of goods to common carrier or licensed transportation company shall constitute delivery to Purchaser and all risk of loss or damage in transit shall be borne by Purchaser.
3. BESTAR reserves the right to make delivery in installments. All such installments may be separately invoiced and paid for when due, without regard to subsequent deliveries. Delay in delivery of any installment shall not relieve Purchaser of it's obligation to accept remaining deliveries.
4. BESTAR reserves the right at any time to revoke any credit extended to Purchaser's failure to pay for any goods when due for any other reason deemed good and sufficient by BESTAR.
5. BESTAR does not accept any responsibility for loss or damage caused by common carrier. If there exists any evidence of damage to materials or packaging material, or of loss, the receipt to carrier should so state, and claim should be made against the carrier without delay.
6. Orders shall not be cancelable by the Purchaser for delays in delivery or other cause until ten days after written notice of such intention shall have been actually received by BESTAR, and Purchasers shall be obligated to accept any portions of the goods shipped or delivered by BESTAR during such period. Orders for custom made material may not be cancelled after BESTAR has begun production unless BESTAR agrees in writing.
7. **IMPORTANT WARRANTY INFORMATION:** BESTAR warrants that all goods manufactured and delivered by BESTAR will be of the kind and quality described on order confirmation or invoice. Should any failure to conform to this warranty appear, Purchaser must make a claim in writing to seller within ten (10) days from date Purchaser received its allegedly defective shipment. Any such claim shall be deemed waived unless Purchaser's written claim is delivered to BESTAR within ten days after receipt of goods by Purchaser. BESTAR, upon timely notification and substantiation that the goods have been stored and maintained in accordance with BESTAR's recommendations and standard industry practice, will correct nonconformities at its options, either by repairing any defect or by supplying replacement goods F.O.B. In no event shall BESTAR be liable in contract or in tort for any special, indirect, incidental or consequential damages, such as but not limited to Purchaser's loss of profits, revenue, good will, or claims of customers of purchaser for any loss. The remedies of the Purchaser set forth herein are exclusive, and the liability of BESTAR with respect to any contract, or anything done in connection therewith such as the performance of breach thereof, or from the manufacture, sale, delivery, resale, technical direction, repair or replacement of any goods whether in contract, in tort, or otherwise shall not exceed the price of the defective goods repaired or replaced.

The sole purpose of the stipulated remedy shall be to provide Purchaser with free repair or replacement of defective goods, latent or otherwise in the manner provided herein. This exclusive remedy shall not be deemed to have failed of its essential purpose so long as BESTAR is willing and able to repair or replace defective goods in the manner prescribed. **THE FORGOING WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES OF QUALITY WHETHER WRITTEN, ORAL, OR IMPLIED, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE.**

8. **THE REMEDIES PROVIDED ABOVE IN PARAGRAPH 8 SHALL BE THE SOLE REMEDIES OF THE PURCHASER AND PURCHASER'S CUSTOMERS WHETHER CLAIMS BY THE PURCHASER OR PURCHASER'S CUSTOMERS ARE BASED IN CONTRACT OR IN TORT (INCLUDING BUT NOT LIMITED TO NEGLIGENCE AND STRICT LIABILITY).**
9. Any controversy or claim arising but of relating to orders or the breach thereof shall be governed and construed in accordance with the laws of Hong Kong, S.A.R. and Hong Kong, S.A.R. shall be the exclusive forum for purposes of jurisdiction over any such controversy or claim.
10. BESTAR reserves the right to cancel or renegotiate price, if merchandise is not invoiced and paid for within 360 days of order date.
11. Unless otherwise agreed to in writing "Blanket Orders" placed with BESTAR are valid for the period of maximum 365 days from date of order. Releases from "Blanket Orders" must be made in no less than 25 per cent of the ordered quantity per line item per 3 months.
12. Purchaser agrees to make all payments promptly when due. Purchaser further agrees to pay 1-1/2% per month service charge on all unpaid invoices past due 30 days together with all costs incidental to collection including reasonable attorneys fees.
13. In the event of Purchaser's cancellation of the order without fault on the part of BESTAR, Purchaser agrees to pay a cancellation charge of 25%.
14. Purchaser understands and agrees that custom made material may not be returned. No material may be returned without written authorization by BESTAR and Purchaser further understands and agrees that all authorized returns may be subject to minimum restocking charge of 25%.
15. BESTAR shall not be liable for any delays, due to fires, strikes, disputes with workmen, war, civil commotion, epidemic floods, accidents, delays in transportation. Delays in procuring materials, breakdown of equipment, shortage of vehicles, shortage of fuel or other material, shortage of labor, acts demands or requirements of the Government of the United States, or any other State of Government, or to any other causes beyond the reasonable control of BESTAR, or BESTAR's supplier notwithstanding such causes of delay shall justify the suspension of manufacture and shall extend the time of performance on the part of BESTAR to such extent as may be necessary to enable it to make delivery in the exercise of reasonable diligence after the cause of delay have been removed, and the manufacture of delivery of the goods is still prevented or hindered at the end of a reasonable period, BESTAR may terminate any deliveries not made by giving notice to the Purchaser and

BESTAR shall have no liability whatsoever to the Purchaser in connection with any such deliveries not made.

16. BESTAR will make every effort to ship exact quantities required, but reserves the right to overship or undership by 10%.
17. Terms of payment are described on each individual invoice issued. BESTAR will accept payments by check, cash and wire transfers to any of BESTAR's bank accounts.
18. **SOLE TERMS:** All orders are expressly conditioned upon Purchaser's acceptance to forgoing terms. Purchaser is hereby put on notice that no terms additional to or deviating from the forgoing terms shall become part of any order unless and until telex or letter acceptance of such additional or deviating terms, signed by an officer of BESTAR, has been issued to purchaser. Purchaser's acceptance of any goods supplied by or on behalf of BESTAR shall without limitation, constitute acceptance of BESTAR's forgoing terms. If Purchaser retain possession of the goods for a period of ten (10) days or longer after the receipt of their shipment or makes use of the goods at any time after their receipt, Purchaser shall be deemed to have **expressly assented** to BESTAR's forgoing terms without condition or qualification, and in so doing **Purchaser shall have confirmed its express intention to waive any conditions or qualifications on Purchaser's acceptance of BESTAR's offer.**
19. The forgoing terms represent and constitute the entire agreement between the parties. Any provisions of the Agreement which is found to be unenforceable shall be ineffective to the extent of such unenforceability without invalidating the remaining provisions hereof. Seller's failure at any time to require strict performance of any of the provisions hereof shall not waive or diminish its right thereafter to demand strict compliance therewith or any other provisions.

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