

TERMS AND CONDITIONS OF SALES AND DELIVERY
For products and services from Weller Technology
Valid from November 2008

1. General

- 1.1. Weller reserves the right to amend these Terms and Conditions of Sales and Delivery (the "Terms and Conditions") at any time. Customers and users are responsible for checking the Terms and Conditions regularly and to have the latest valid version available. Orders shall be subject to the Terms and Conditions applicable at the time of placing the order. The Terms and Conditions are published on Weller Technology's web site.
- 1.2. Exceptions to these Terms and Conditions shall only be effective if confirmed by Weller Technology in writing.
- 1.3. Should any individual term or individual terms of these Terms and Conditions be invalid or unenforceable due to provisions of national law, this shall not affect, in any respect, the validity or enforceability of other terms and conditions of the Terms and Conditions.

2. Technical Documents and Technical Information

- 2.1. All drawings and other technical documents regarding the products or their manufacture submitted by one party to the other party, prior or subsequent to the sale of the products, shall remain the property of the submitting party.
- 2.2. Drawings, technical documents or other technical information received by one party shall not, without the consent of the other party, be used for any other purpose than for which they were submitted. They may not without the consent of the other party be copied, reproduced, transmitted or otherwise communicated to a third party. Weller Technology are however without consent from other party entitled to submit documents to, by Weller Technology selected, production partner.

3. Validity of quotations

- 3.1. Quotations are valid for 30 days unless otherwise agreed in writing.

4. Acceptance of orders

- 4.1. An order placed by a customer shall become binding on customer when placed by customer to Weller Technology. Such an order shall become binding on Weller Technology only after Weller Technology's written confirmation of the order or upon delivery of the ordered products by Weller Technology to the customer.

5. Delivery etc

- 5.1. Terms of delivery are agreed in writing between Weller Technology and the customer. Where a trade term has been agreed, it shall be construed in accordance with the INCOTERMS in force at the time of formation of the contract. If no trade term is agreed, the delivery shall be Ex Works (EXW).
- 5.2. If Weller Technology finds that Weller Technology will not be able to deliver products in accordance with the agreed delivery time or if delay on Weller Technology's part seems likely, Weller Technology shall without undue delay notify the customer thereof in writing, stating the reason for the delay and if possible the time when delivery can be expected.
- 5.3. If delivery is delayed due to force majeure (section 11) or due to any actions or circumstances attributable to the customer, the time of delivery shall be extended by a period which is reasonable with regard to the circumstances. In no event shall Weller Technology be liable for delay or failure to deliver due to force majeure or circumstances attributable to the customer.
- 5.4. In the event of a delay, the customer may by written notice to Weller Technology set a final delivery date, which may not be less than ten (10) working days from the date of the notice. If delivery is not

made on or before the final delivery date, and this is not due to circumstances set out in section 5.3, the customer has the right to terminate the contract.

- 5.5. The customer shall in no event be entitled to indirect, consequential or special damages arising or resulting from the delay.

6. Clarification to IPC Standard

- 6.1. Weller Technology follows IPC standard, except from the verification part in IPC standards IPC 6012, IPC 6013, IPC 6016 where the following applies for “Structural Integrity Verification (Microsection)” part in Table 4-3.

- 6.1.1. IPC class 1 and class 2: Verification shall be done by verifying two panels per production lot, one (1) microsection from each panel.

For IPC class 3, Weller Technology need to confirm with customer which items in class 3 should be applied.

7. Prices and rate of exchange adjustment

- 7.1. The price of the product is in accordance with the price notified in Weller Technology’s written and valid offer to the customer.
- 7.2. The applied currency to the sale of the products is the currency notified in the written and valid offer or otherwise notified by Weller Technology in writing.
- 7.3. Prices not quoted in USD are connected to an exchange rate specified in the written offer. If the exchange rate changes after conclusion of the contract, Weller Technology reserves the right to alter the price accordingly or change the price in accordance with the written offer from Weller Technology.

8. Terms of payment

- 8.1. Terms of payment are TT in advance, payment before delivery or net 30 days (depends on the agreement with customer in quotation sheet or agreement on any commercial document), unless otherwise agreed in writing. Weller Technology shall be entitled to interest from the due date with an interest rate of two (2) % per month. An administration charge will be added for payment remark invoice.
- 8.2. The products shall remain the property of Weller Technology until paid in for full.

9. Product Quality and Liabilities for Defects

- 9.1. The product shall be free of defects in material and workmanship at the date of delivery from Weller Technology to the customer.
- 9.2. The customer shall upon delivery inspect the delivered products. Complaints and remarks must be received by Weller Technology in written form, within fourteen (14) days from the day the defect became known or should have become known to the customer. If a complaint is not made within the aforesaid time, the right to make a complaint is lost.
- 9.3. Complaints cannot be handled without receiving pictures of the defect or receiving the defect products in return with a clearly marked problem.
- 9.4. Weller Technology’s liability is limited in all respects to defects which appear within a period of 6 (six) months from the date of the delivery of the products to the customer. For products with Hot Air Solder Leveling (HASL), Lead Free HASL and Electroless Nickel Immersion Gold (ENIG) surface treatment, Weller Technology liability is extended to 12 months. An absolute requirement for the liability under this section is that the customer has in all respects handled and stored the products in accordance with due care.
- 9.5. Complaints due to errors or lack of information in production files/documentation or design defects in the construction cannot be accepted.

- 9.6. Return of products must be accepted by Weller Technology in writing. Products returned to Weller Technology must be packed as received.
- 9.7. Weller Technology reserves the right to make destructive analysis of assembled boards returned to us for investigation.
- 9.8. **For PCB assembly:** As potential hidden risk (or failure) cannot be detected by normal inspection unless basic electrical test performed; so we (WELLER) strongly suggest the customer to provide us the available test procedures along with its related document for any PCB assembly order with its value more than 3000usd. Or else, generally WELLER would not take the responsibility to any failures due to customer's refusal to our request for test.

10. Compensation

- 10.1. If a complaint is valid and Weller Technology accepts responsibility for the complaint, Weller Technology reserves the right to, in reasonable time, provide the customer with new products of the same type, revision and in the same quantity as the defect products, or if possible, repair the defect products. Weller Technology's liability in case of defects is limited to the repair or replacement of the defective products.
- 10.2. Compensation for assembled components, re-programming machines or other cost for rework or repair are not accepted for more than an amount twice the contract value of the defect board price, unless otherwise agreed in writing. Weller Technology reserves the right to investigate complaints in its own quality laboratories and will not accept costs for external investigations, unless otherwise agreed in writing.
- 10.3. All transport in connection with repair or replacement of defect products shall be at Weller Technology's risk and expense. The customer shall follow Weller Technology's instructions regarding how the transport shall be carried out.

11. Limitation of liability

- 11.1. Weller Technology shall not in any event be liable for any special, indirect, incidental or consequential damages, including but not limited to loss of sales or business, loss of profit, loss of use or goodwill, incurred by the customer or any direct or indirect customer of the customer.
- 11.2. Weller Technology's liability under this agreement is under all circumstances limited to USD15,000.

12. Force Majeure

- 12.1. Either party shall be entitled to suspend performance of its obligations under a contract to the extent that such performance is materially impeded or made unreasonably onerous by circumstances beyond the control of the parties such as (but not limited to) fire, war, industrial disputes, restrictions in the use of power and defects or delays in deliveries by sub-contractors caused by any such circumstance. A circumstance beyond the control of the parties, whether occurring prior to or after the formation of the contract, shall give a right to suspension only if its effect on the performance of the contract could not reasonably have been foreseen at the time of the formation of the contract.

13. Applicable law

- 13.1. Contracts concluded under these Terms and Conditions shall be governed by the laws of China.