

## M / DO-17 General Terms and Conditions of Sale

### 1. General

In the following terms and conditions the ordering party is designated as "Customer" and Varioprint AG as "Supplier".

These General Terms and Conditions of Sale shall apply in as much as and so far as the parties have made no other agreements in individual cases. The contract shall be effective only upon receipt of the Supplier's written confirmation of order.

### 2. Priority Ruling

In the event of missing information in the customer's documents and/or contradictions, the following order shall apply:

1. General Terms and Conditions of Sale of Supplier
2. Order from Customer
3. Data from Customer
4. Drawings from Customer
5. Customer specific agreements
6. Technical delivery terms of the Customer
7. IPC-standards

These General Terms and Conditions of Sale supersede any other agreement, which could be in contradiction.

### 3. Intellectual property rights and technical documentation

3.1. All trademark, patent, design or other intellectual property rights remain in the exclusive ownership of the Supplier. The use of such rights without the Supplier's explicit approval shall be prohibited.

3.2. All technical documents, drawings, plans, layouts etc. remain the Supplier's intellectual property and shall not be used by the Customer nor be disclosed to third parties. On the other hand, all documents delivered by the Customer remain his intellectual property and will not be disclosed by the Supplier.

### 4. Cancellation

The cancellation of orders shall depend on the Supplier's written consent. The Customer shall be liable to cover all costs accrued, or accept price increases caused by his reduction of the order.

### 5. Production

Without any other instruction the Supplier manufactures the printed circuit boards according to the international IPC-standards, class 2. The acceptance guidelines are assessed according to IPC-A-600 (latest issue), class 2.

## 6. Markings

To warrant traceability each printed circuit board or panel carries the manufacturer's logo (VP), the delivery date (week/year) and the last five digits of the production order. In case of space shortage only the number of the production order will be displayed on the PCB or another solution will be found in accordance with the Customer.

An UL-marking is only made if required by the Customer. You will find our UL-listing under: [www.ul.com/database](http://www.ul.com/database).

## 7. Process changing

The obligation to inform does not apply if the Supplier, after careful consideration, can exclude negative consequences for the quality of the printed circuit board.

## 8. Prices

8.1. All prices shall be deemed to be net, ex works, without any deduction whatsoever.

8.2. Any and all additional charges, such as but not limited to, freight charges, insurance premiums, fees for export, transit, import and other permits, as well as for certifications, shall be borne by the Customer.

8.3. Likewise, the Customer shall bear all value-added taxes, sales taxes, profit taxes, income taxes, social contributions, registration fees, as well as all other kinds of taxes, fees, levies, custom duties and the like which are levied against the Supplier, its related companies, its factories or its personnel in connection with the contract.

## 9. Terms of payment

9.1. According to the confirmation of order. The agreed dates of payment shall also be met by the Customer even if transport, delivery or taking over is delayed or prevented due to reasons beyond the control of the Supplier. The retention of payments or the setting-off against any counter-claims shall be excluded.

9.2. If the Customer is overdue with an agreed payment, the Supplier, without prejudice to its legal rights, shall be entitled to suspend the further execution of the contract, to stop the fabrication or to retain the deliveries, which are ready for dispatch.

9.3. With effect from the agreed due date, the Customer shall pay interest on the outstanding amount at a rate of 4 % over the 12-months-LIBOR for the contractual reference currency valid at the due date. If the Customer is overdue with a payment or the establishment of an agreed security for more than two weeks, the entire balance of payment shall be due immediately.

## 10. Retention of title

10.1. The Supplier remains the owner of the entire supplies until the complete receipt of the agreed payments.

10.2. In case the supplies are processed, assembled or mixed with other goods, the Supplier shall be entitled to a joint property of the new object, his share reflecting the value of his supplies.

10.3. The Customer authorises the Supplier to enter the reservation of title in public registers or records, and shall be obliged to give any signatures requested.

## 11. Delivery time

11.1. The delivery time shall start as soon as the contract is entered into, the necessary technical documents of the Customer have arrived completely at the Supplier, the agreed payments and securities are given, and the required official permits are granted. The delivery time shall be deemed to be completed when the delivery is ready for dispatch at the factory within such time.

11.2. The delivery time shall be reasonably extended if conditions such as epidemics, acts of God, mobilisation, war, revolution, labour conflicts, energy or raw material shortage, boycotts, accidents, serious breakdown in the plant or official actions prevent the compliance with the delivery date.

11.3. The delivery time shall be extended if the Customer changes the original order or the technical documents, or is overdue with his contractual obligations, especially if the Customer has delayed the delivery of the necessary documents/data, has delayed the agreed payments and securities or is overdue with the work to be carried out by him.

## 12. Permissible Quantity Deviation

The actual quantities delivered may deviate up to 10% from the order. The invoice will be based on the actual quantities delivered.

## 13. Defects PCBs in lot panel

In the panel only a maximum of 50% of single PCBs can be X-out. The defective fraction of the lot can only amount to a maximum of 10%. For visualization the defect PCBs are X-out with a waterproof pen (Edding 3000) and packed separately.

## 14. Packing

The circuit boards are sealed in ESD shrink film. The number of PCBs per packaging unit depends on the dimensions. As a benchmark units of ten pieces (PCBs or panels) are chosen.

## 15. Storage and drying at the EMS (electronic manufacturing service)

To ensure optimum processing the recommendations of the Association of PCB Industries (VdL) "Storage conditions for unpopulated PCBs" and "Drying of PCBs before soldering" must be applied. These recommendations are attached to these conditions. In case of warranty the Customer is obligated to prove the compliance with these recommendations.

## 16. Free Consultation

Any free of charge technical consultation shall be outside of any pre-contractual or contractual obligations. The Supplier shall not be liable for free consultations, especially with respect to the correctness of the contents of the consultation.

## 17. Liability and insurance

17.1. The benefit and the risk of the supplies shall pass to the Customer with the readiness for dispatch at works. If dispatch is delayed for reasons beyond the control of the Supplier, the supplies are stored and insured at the expense and the risk of the Customer.

17.2. Transport shall be executed at the expense and risk of the Customer. The Customer shall be responsible for taking insurance of the supplies against risks of any kind.

## 18. Place of performance

Unless otherwise agreed, place of performance for all contractual obligations is Heiden/Switzerland.

## 19. Inspection and Taking-over

19.1. Immediately after receipt the Customer shall examine the delivery for completeness and transport damages. In case of damages he shall notify the Supplier accordingly. The Customer shall accept supplies with obvious transport damages only with reservation. The Customer shall ask the common carrier to issue a damage-protocol and to send it immediately to the Supplier.

19.2. The Customer shall immediately examine the delivery for its functionality for use. The Supplier shall immediately be informed of defects – if any – latest within eight (8) days since the receipt of the delivery. Notification shall be in writing and shall describe the discovered defect.

19.3. Defects, which could not – even with careful examination – be discovered within eight days after receipt of the delivery (hidden defects), must immediately upon their discovery be notified to the Supplier in writing and with detailed description.

## 20. Warranty and liability for defects

20.1. The Supplier accepts warranty and liability for defects of delivered products only if the recommended storage and drying conditions mentioned in article 15 were respected.

20.2. The general warranty period is 12 months after production date. The warranty is subject to the timely fulfilment of the agreed payment conditions by the Customer.

20.3. The Supplier guarantees the solderability over 12 months for chemical Ni/Au, Ni/Pd/Au and Hot Air Levelling.

For all other surface treatments the solderability is guaranteed only with a maximum of 6 months.

20.4. For Flex- and Rigid-Flex circuit boards the Supplier guarantees only for 6 months of processing after the Supplier's production date.

20.5. The Supplier shall be responsible to repair or replace any parts, which, before the expiry of the warranty period, are proven to be unusable due to bad materials, faulty built-up or poor workmanship. The right to cancel the contract or reduce the purchase price as well as the right to sue for damages shall be excluded. If a supply is still defective, despite a replacement or repair, the Supplier is entitled to take back the defective supply against reimbursement of the received payments.

20.6. Excluded from the Supplier's warranty and liability are all deficiencies beyond the control of the Supplier, especially if resulting from normal wear and tear, false information from the Customer, unsuitable consumable material, failure to observe the operating instructions, inappropriate manipulation or external force.

20.7. Explicitly excluded from the Supplier's warranty and liability are damages to the Customer's property resulting from the use, processing, assembling, mixing or fitting of the delivery (e.g. components mounted on the delivery).

20.8. The notification of defects shall not alter the Customer's obligation to pay the contractual price. Any retention or reduction of payments shall depend on the Supplier's explicit approval.

## 21. Consequential damages

The warranty and liability claims of the Customer are exhaustively covered by these conditions. As long as there are no specific mandatory laws to the contrary, in no case whatsoever shall the Customer be entitled to contractual or tort claims for damages resulting from, but not limited to, loss of production, loss of use, loss of orders, loss of profit and other direct or indirect or consequential damage. The Supplier is only liable to compensate the Customer for the costs of remedying defects in the supply itself.

## 22. Hold Harmless

The Customer shall indemnify and hold harmless the Supplier from and against any claims, which are directly or indirectly attributable to any act, omission or breach of any contract's provision of the Customer.

## 23. Severability

Should any term or clause of these General Conditions in whole or in part be found to be unenforceable or void, all other provisions shall remain in full force and effect and the unenforceable or void provision shall be replaced by a valid provision, which comes closest to the original intention of the unenforceable or invalid provision.

## 24. Jurisdiction and applicable law

For any dispute resulting from this contract, including the validity of this contract or these general terms and conditions, the exclusive place of jurisdiction for both parties shall be the place of incorporation of the defendant party. The contract shall be governed exclusively by Swiss material law.

**VARIOPRINT AG**

9410 Heiden  
Switzerland

Annexes:

- Recommendation for "Storage conditions for unpopulated PCBs"
- Recommendation for "Drying of PCBs before soldering"