

Terms and Conditions of Sales and Delivery
For products and services from Carven Circuits Limited

1.0 Purpose

- 1.1 All sales made by Carven Circuits Limited (CCL) to its customers (buyer) are subject to these terms and conditions. Buyer's acceptance of these terms and conditions shall be made by either (i) Buyer providing a purchase order number to CCL or (ii) Buyer's acceptance of any Product from CCL, whichever occurs first. These terms and conditions shall apply to sales of all products of CCL. Exceptions of these Terms and Conditions shall only be effective if confirmed by CCL in writing or otherwise new contract/ agreement applied under the consent of CCL. In case of conflict among Buyers agreement, this document will take precedence.

2.0 Deliveries and quantities

- 2.1 Terms of delivery are agreed in writing between CCL and the buyer.
- 2.2 The order quantities in release/ schedule/ purchase order must be satisfied with agreed Minimum Order Quantity (MOQ), unless otherwise agreed in writing, or MOQ charge will be imposed.
- 2.3 Stated delivery date is valid from the receipt of completed and approved release/ schedule/ purchase order with satisfied lead time requirement as per quotation or mutual agreement and until the products are delivered to the agreed shipping destination. CCL reserves the right to alter delivery date after order confirmation when technical questions are pending for further buyer clarification during the pre-production stage.
- 2.4 For last order of consigned good, CCL reserves the right to ship -5% of that order quantity. For non-consigned good, CCL reserves the right to deliver -0/ +5% of the order quantity, unless otherwise agreed in writing.
- 2.5 Consignment Agreement will only be effective after price alternation and signed between CCL and buyer of Consigned Goods.

3.0 Quality Standard

- 3.1 Printed Circuit Boards are delivered according to IPC-specifications class 2, unless otherwise agreed in writing.

4.0 Reschedule, hold and cancellation

- 4.1 For pull-in reschedule, the notification shall be defined by the Parties on a case-by-case basis according to the unique circumstances of a product. For push-out reschedule, the period shall not exceed 12 (twelve) weeks upon the order/ release confirmation.
- 4.2 The holding period in WIP (Work-In-Progress) production shall not exceed 6 (six) weeks. The disposition of the WIP must be made after the said period. WIP validation cost is subject to charge to the buyer.
- 4.3 Order cancellation will only be accepted at a minimum of 8 (eight) weeks prior to the confirmed delivery date. If cancellation is made after the said window, buyers are obliged to pay for related WIP/ finished goods cost, which has been completed at that time.

5.0 Price

- 5.1 All prices are exclusive of any existing or future public tax and other costs beyond the CCL's control. In the event of substantial changes in raw material prices based on documented changes in the exchange rate or market conditions, price adjustments may occur
- 5.2 If currency rate between RMB and currency quoted changes +/-5% between day of quotation and day of invoicing, CCL reserve the right to change the price accordingly.

6.0 Payment terms

- 6.1 Payment terms are with respect to the latest quotation. Overdue payment will be incurred at 2 % per month of that amount commencing the beginning of each month. For payment overdue more than 90 days, CCL reserves the right to shorten the payment terms and/or credit hold of goods. Delivered products are property of CCL until full payment has been received.

7.0 Validity of quotation

- 7.1 Quotations are valid for 30 days or as per the terms in quotation.

8.0 Complaint, return and rework

- 8.1 For products with visual defect that can be revealed at the buyer's incoming inspection should be informed within 14 (fourteen) days from the date receipt by post/ fax/ email. Otherwise, no claim will be entertained. Complaint details must associate with photos or samples with defect symptom clearly illustrated.
- 8.2 Complaint for PCBA or loaded boards must be proved that the defects have been formed before bare board Ex-CCL. Complaint for PCBA or loaded boards have to be made within 14 (fourteen) days after reveal of defect by post/ fax/ email.
- 8.3 If the symptom is not mentioned in the specification/ drawing/ Gerber or not in compliance with IPC standard, the complaint cannot be accepted. The symptom must verify against the acceptance criteria under mutual agreement.
- 8.4 If a complaint is proved valid and CCL accepts the responsibility, CCL will be liable for sorting and/ or rework. If sorting/ rework is proceeded by buyer, all related costs must be consented by CCL prior to taking action.
- 8.5 Return of bare PCB/ PCBA must be consented by CCL in writing/ email with official RMA number issued by CCL. Bare boards returned to CCL must be treated as impeccable and must be packed as received.

9.0 Liability for defects and compensation

- 9.1 Supplied printed circuit boards are warranted for 12 months. Defective products will be replaced or repaired if caused by defects in materials or if work is not carried out as prescribed in the specification agreed upon. The Buyer shall not be entitled to demand reduction in the purchase price or cancel the purchase.
- 9.2 If a complaint is valid and CCL accepts responsibility for bare PCB, defective bare boards will be replaced with new bare board of the same type on one to one exchange basis and debit note is not accepted.
- 9.3 If a complaint is valid and CCL accepts responsibility for the PCBA, a financial compensation will be agreed on situations, normally at a portion of the defected PCBA value, but no more than 4 times of PCB unit cost, whichever is less. A financial compensation will be in form of a credit note towards new orders from buyer.
- 9.4 Compensation must not include any setup/ administration/ handling/ VAT/ costs due to change rate or any other soft costs. Extra freight cost due to late delivery/ replacement must be consented by CCL and at a reasonable range. Other costs are not accepted if not consented in writing as a part of a purchasing contract between CCL and the buyer. CCL reserves the right to investigate complaints in CCL's own quality laboratory and will not accept any cost for external investigations, unless otherwise agreed in writing.
- 9.5 For line stopping, CCL could only accept maximum 4 times of PCB cost that traceable from the average consumption of last 4 (four) weeks or maximum 1 (one) week consumption, whichever is less.
- 9.6 A detail description of all charges in a list must be included, with official RMA no. issued by CCL as support for the return/ scrap/ sorting as disposition of the defected boards.

10.0 Packaging material liability clause

- 10.1 Buyer agrees to properly disposal of packaging material at their own risk.
- 10.2 Buyer should identify, for any injury, damage, expense, cost, loss, liability and legal obligation arising out of, resulting from, or in any way related to, in whole or in part, the respiration, inhalation or breathing in of dust or particulate matter. Dust or particulate matter may include, but not limited to: dust, particulate matter, repairable dust, dirt, fibers, grit, sand, silicates, or silica, that may arise from the packaging materials or supplementary packaging materials.

11.0 Force Majeure Clause

- 11.1 CCL shall not be liable in damages or have the right to terminate this Agreement, purchasing orders or agreed delivery commitments for any delay or default in performing hereunder if such delay or default is caused by conditions beyond its control including, but not limited to Acts of God (including fire, flood, earthquake, storm, hurricane or other natural disaster), Government restrictions (including the denial or cancellation of any export or other necessary license), wars, insurrections, strikes and/or any other cause beyond the reasonable control of CCL whose performance is affected.

12.0 Revision Control

- 12.1 CCL reserves the right to amend its Terms and Conditions of Sales and Delivery any time. Buyers and users are responsible for checking it regularly and having the latest valid version available with date control. Terms and Conditions are also published on CCL website at www.carvencircuits.com.hk.