

1 Definitions

- 1.1 "Customer" means the person, firm or company placing the order with Mutech;
- 1.2 "Customer's agents" means the Customer, its employees, agents or other representatives of the Customer;
- 1.3 "Mutech" means Mutech Limited, UK company registration number 2114412;
- 1.4 "In writing" or "written" includes writing on paper or text transmitted electronically by facsimile or email.
- 1.5 "These terms" means the terms and conditions of sale contained herein.
- 1.6 "The contract" means the contract for the sale and purchase of goods or supply and acquisition of services as determined by the Customer's purchase order and Mutech's acknowledgement of order.

2 Formation of Contract

- 2.1 There shall be no binding contract between the Customer and Mutech until the Customer's order has been received and accepted by Mutech. Verbal orders are not normally accepted, even if order numbers are quoted. Mutech will, upon request or at their discretion, supply the Customer with written acknowledgment of the acceptance of the order (the "order acknowledgment").
- 2.2 All orders are accepted subject to these terms, except where noted in writing on the order acknowledgment.
- 2.3 Any terms and conditions put forward by the Customer shall only be deemed part of the contract if so acknowledged on the order acknowledgment.
- 2.4 These terms shall take precedence over any terms and conditions put forward by the Customer should there be a conflict between the two sets of terms.
- 2.5 In the case of an order for manufacturing, the order acknowledgment will indicate which documents constitute the design of the goods to be manufactured.
- 2.6 In the case of an order for design, the order acknowledgment will indicate which documents constitute the specification for the design.

3 Cancellation of contract

- 3.1 Cancellation by Mutech
 - 3.1.1 Mutech may cancel the contract at any time and the Customer shall have no recourse to any financial claim against Mutech for such cancellation. However, Mutech undertakes not to make any such cancellation unless continuation of the contract is either deemed impossible due to circumstances beyond Mutech's control, or because continuation with the contract is likely to cause Mutech severe financial difficulties, or for reasons stated in clause 12.7.
 - 3.1.2 Where Mutech makes such a cancellation, there shall be no further charge made against the Customer in respect of the contract. All such cancellations will be notified to the Customer in writing.
- 3.2 Cancellation by the Customer
 - 3.2.1 The Customer may cancel the order at any time provided that they notify Mutech in writing and provided that they agree to pay the final invoice submitted by Mutech as defined in clause 3.2.3. Mutech will, on request, provide an estimate of such final invoice prior to cancellation.
 - 3.2.2 Cancellation of the contract shall be deemed to take place upon receipt by Mutech of the Customer's notification of cancellation.
 - 3.2.3 Upon receipt by Mutech of the notice of cancellation by the Customer, Mutech will submit a final invoice to the Customer. This invoice will be for the full amount of the contract less:
 - any amount already invoiced under the contract;
 - any savings that can be made by Mutech by halting work on the contract;
 - any savings that can be made through cancellation of orders on Mutech's suppliers;
 - a proportion (as determined by Mutech) of the cost of any parts purchased for the contract which Mutech deem they might reasonably be able to make use;
 - any portion of the expected profit in the contract that Mutech deems reasonable under the circumstances.
 - 3.2.4 Where the Customer wishes to be supplied upon cancellation with any components already purchased, tooling already undertaken (subject to clause 9.1), or design files as they stand, they must indicate so on their request for cancellation so that the cost of purchase, collection and shipment of such components and design files, plus the writing of any documentation deemed necessary to make sense of the design files, can be included in the final invoice. Without such a request, all components purchased shall remain the property of Mutech. Mutech reserves the right to withhold such components, tooling and design files until all outstanding invoices are paid in full.
- 3.3 On cancellation of the contract, any free-issue components, tooling and test jigs supplied to Mutech by

the Customer's agents shall be made available to the Customer, or delivered to the Customer where the Customer agrees to pay delivery charges, although Mutech reserves the right to withhold such components and tooling until all outstanding invoices are paid in full.

- 3.4 Any up-front, interim or stage payments made by the Customer will normally be refunded once a deduction has been made for costs and liabilities incurred by Mutech plus a proportion of profit on the order: Mutech will supply a justification to the Customer for any deductions made.

4 Free Issue Parts

- 4.1 Parts free issued by the Customer shall remain the property of the Customer at all times.
- 4.2 The Customer agrees to supply a scrap allowance of 1 piece per type minimum except for parts with a value of more than £5. For parts supplied for assembly by pick and place machine, a tape lead of 14cm is required; where no tape lead is supplied, parts may be scrapped to cover that distance. Mutech will endeavour to maintain the highest percentage successful usage but some loss is inevitable when reloading reels to feeders, machine setup, mis-placement etc.
- 4.3 Where sufficient parts are not available Mutech will inform the customer as soon as possible. Following consultation with the Customer, Mutech may deliver short that batch, or deliver PCBs with parts missing. The batch will be invoiced according to the amount of work done which may include assembly on incomplete circuits.
- 4.4 Batch production cannot usually start until all the parts for that batch are delivered. If a part batch is requested due to parts shortages another batch setup cost may be incurred.
- 4.5 Mutech accepts responsibility for the replacement value of free issued parts whilst they are on Mutech premises from the time that they arrive at Mutech's premises until collection by or delivery to the Customer, provided that the total value of such parts does not exceed £10,000 or the value of any individual component is not more than £25, unless notified to Mutech in writing prior to delivery to Mutech.
- 4.6 If any resolution to wind up Mutech's business is passed or presented or a receiver appointed or it ceases trading for any reason, free issued parts shall be made available for collection by the Customer.
- 4.7 Where the Customer wishes to charge Mutech for supplying components instead of free issue then any invoice submitted by the Customer for the supply of such components will be added to the sale price of the completed goods and this may then be offset against the sale price of the completed goods at the time that the completed goods are paid for. In any other circumstances Mutech does not accept liability for payment for these goods, and the goods remain the property of the Customer at all times.

5 Parts Purchased by Mutech

- 5.1 Parts cost and delivery times may vary adversely according to supplier prices and import costs at time of order. Mutech undertake to hold quoted parts price where variation is <3%. Mutech will advise the Customer of any substantial variation of price or delivery time: where the revised price or delivery time is not acceptable to the Customer, parts must either be free issued to Mutech by the Customer, or the goods shipped by Mutech with the parts missing and any relevant testing not performed. In either case the unit cost from Mutech will be reduced by Mutech's original budgetary price for the part.
- 5.2 Mutech will not pay premium prices for expedited delivery unless already budgeted for in the quotation. Where such options exist, they will be offered to the Customer on the basis that the Customer will be charged for the price premium over the original budgetary price.
- 5.3 If any resolution to wind up Mutech's business is passed or presented or a receiver appointed or it ceases trading for any reason, parts purchased for the fulfilment of the contract shall remain the property of Mutech and where a receiver is appointed, such parts will be subject to liquidation by the receiver and the Customer shall have no absolute claim on them.
- 5.4 Unless otherwise stated on a specification, items will be purchased to the commercial temperature range for the parts which for semiconductors is usually 0/C to 70/C.

6 Contracts for Design

- 6.1 Unless specifically stated in the contract, Mutech is not responsible for obtaining any product approval, statutory or otherwise. Whilst Mutech will undertake to make reasonable efforts to produce designs that meet approvals, Mutech accepts no liability for design modifications necessary to obtain approvals.
- 6.2 Mutech undertakes to correct any defective design with reasonable expediency without additional charge. However, Mutech does not accept any liability for costs incurred as a result of design errors. Modifying or replacing any manufactured goods or any consequential damage caused by such goods is beyond the scope of Mutech's liability for design.
- 6.3 Any ambiguities or mis-interpretation of the specification shall be deemed as a failure in the specification and instructions given to Mutech, and Mutech reserve the right to charge the Customer for

correcting such ambiguities or mis-interpretations.

7 Manufacture to a Mutech design

- 7.1 Where Mutech is manufacturing to a Mutech design, reasonable efforts will be made to correct production goods without charge to the Customer when such a correction is required due to faulty design on the part of Mutech. However, where such a correction incurs significant cost, Mutech reserved the right to pass on to the Customer part or all of the cost of implementing the design modifications to production goods.
- 7.2 Where Mutech is manufacturing to a Mutech design, but a design change is requested by the Customer following commencement of manufacture, Mutech reserved the right to pass on any costs incurred to implement the design modification to production goods.

8 Manufacturing to a non-Mutech design

- 8.1 Where such failure is caused by a design flaw where Mutech was not responsible for that part of the design, Mutech accepts no responsibility for:
- 8.1.1 failure of the goods to perform their intended function; or
- 8.1.2 failure of the goods to meet any agreed test specification or manufacturing standard where such failure is caused by shortcomings in the design.
- The cost of correcting any such failures shall be borne by the Customer.

9 Tooling and Setup Charges

- 9.1 Unless otherwise requested by the Customer and stated on the acknowledgment of order, ownership of physical tooling supplied by Mutech remains the property of Mutech at all times, although the intellectual property rights contained in such tooling remains with the Customer at all times. This clause is necessary as tools (particularly PCB panel artworks and solder paste stencils) sometimes contain designs from more than one customer.
- 9.2 Where the Customer has requested to retain ownership of tooling, such tooling held by Mutech will be handed over on request. Where tooling is retained by a supplier to Mutech (as is usually the case for PCB tooling), Mutech will, upon request by the Customer, send a written request to the supplier to release the tooling to the Customer.
- 9.3 Where the Customer has paid for production setup, Mutech will, on request from the Customer, supply to them in electronic format with all relevant data.
- 9.4 Mutech accepts no responsibility for the suitability of any tooling or production files for use by anyone else.
- 9.5 Mutech undertakes to maintain the confidentiality contained in all tooling and production information held by them and to ensure that they are not used for any purpose which would infringe the Customer's confidentiality or intellectual property rights.
- 9.6 Mutech reserves the right to charge to the Customer any re-tooling or re-setup required as a result of modifications to a design howsoever the requirement for the change arises, though the Customer will be informed before any additional costs are incurred.
- 9.7 Tooling supplied on loan by the Customer remains the property of the Customer at all times.

10 Delivery

- 10.1 Delivery dates quoted are our best estimate at time of quotation. Actual delivery dates are dependant on parts and labour availability at time of receipt of order. Mutech will endeavor to meet delivery dates as quoted, but will not accept financial penalty or liability for costs incurred by the Customer for failure to meet any date quoted or agreed.
- 10.2 If special handling is required (excluding standard anti-static protection) then suitable containers for transport must be free issued to Mutech unless the contract includes provision for Mutech to supply such packaging.
- 10.3 Delivery, unless otherwise stated or requested, is UK next day at £10.95 per shipment regardless of the number of shipments made and number of days overdue from the original target delivery date.
- 10.4 Mutech reserve the right to deliver short where production yield has been less than anticipated and without any recourse from the Customer. Mutech will normally attempt to build additional units where the yield is not expected to be 100%, but this is not always possible, particularly where parts are supplied in packs which exactly match the ordered quantity.
- 10.5 The date of invoice is normally the date of despatch. Therefore any items ordered for delivery on 1st working day of a month will normally be invoiced in the previous month and hence due for payment a month earlier. To be sure of obtaining maximum credit period, goods should be ordered for delivery on the 2nd working day of a calendar month.

11 Return of goods

- 11.1 Mutech will accept liability for defective goods provided that:
- 11.1.1 the defect is caused by faulty workmanship on the part of Mutech, or faulty components supplied by Mutech; and
 - 11.1.2 the goods are returned to Mutech at the Customer's expense within 12 months of the date of original despatch; and
 - 11.1.3 no further use is made of the goods once a defect has been detected until they have been repaired or replaced by Mutech.
- 11.2 Mutech will not be liable for defective goods where:
- 11.2.1 the defect is due to a design flaw where the design has been approved for manufacture by the Customer (although note clause 7.1); or
 - 11.2.2 the defect is caused by incorrect operation or handling by the Customer's agents or any third party; or
 - 11.2.3 the defect is with or caused by defects in parts supplied by the Customer or its agents, whether free issued or not; or
 - 11.2.4 the defect is with or caused by the Customer's instructions.
- 11.3 If Mutech is of the opinion that the goods are defective, Mutech may at its discretion:
- 11.3.1 replace the goods; or
 - 11.3.2 take such steps as Mutech deems necessary to bring the goods into a state where they are free from defects; or
 - 11.3.3 issue a refund or credit note for the appropriate portion of the purchase cost, provided that Mutech's liability shall not exceed the purchase price of the goods.
- 11.4 Where Mutech has accepted liability for defective goods they will undertake replacement or repair as soon as reasonably possible. Mutech will not normally pay premium prices for expedited delivery, but where such options exist they will be offered to the Customer on the basis that the Customer will be charged for the price premium over the un-expedited price.

12 Payment

- 12.1 Unless stated otherwise on the quotation or order acknowledgment, payment terms are strictly 30 days from date of invoice, except for the conditions stated in 12.7.
- 12.2 If the Customer fails to fully pay any invoice within the required time, Mutech may suspend all work on the contract and withhold supply of goods or services on all outstanding contracts with the Customer. Such a suspension does not constitute a termination of the contract nor does it relieve the Customer of any liability to Mutech. Work on the contract will resume as soon as payment for all overdue invoices has been received by Mutech.
- 12.3 A credit limit is maintained whereby shipment of goods will be suspended until invoicing of such a shipment will not cause the credit limit to be exceeded. Mutech will inform the Customer of their credit limit on request. Operation of the credit limit does not affect acceptance of orders.
- 12.4 Where production is suspended due to a problem with free issued parts, Mutech reserves the right to invoice prior to delivery for any costs and liabilities incurred by Mutech.
- 12.5 Setup and engineering charges will normally be invoiced with the first delivery, but Mutech reserves the right to invoice such costs when they have been incurred.
- 12.6 Mutech may perform in installments and no failure or delay in any installment nor any defect in the content thereof will entitle the Customer to withhold any payment on invoices relating to other contracts or other installments, nor to treat the contract as repudiated with regard to any future installment.
- 12.7 If the Customer makes any serious breach of its obligations or if the Customer has a resolution to wind up its business passed or presented or a receiver appointed or it ceases trading for any reason, Mutech has the right to terminate the contract and the Customer will become liable for all costs and liabilities incurred by Mutech, and payment of such costs and liabilities will become due for payment immediately.
- 12.8 The Customer will notify Mutech immediately on the occurrence of the passing of any resolution for winding up or the appointment of a receiver.

13 Intellectual Property Rights

- 13.1 The Customer warrants that any instruction or design or other information given by their agents to Mutech will not in any way cause the Customer or Mutech to infringe any patent, trademark, service mark, registered design, copyright or other intellectual property right, and agrees to indemnify Mutech against all royalties, cost, claims, damages or other monies payable by Mutech as a result of such infringement, alleged infringement or any claim for passing off.
- 13.2 All parts lists, circuit diagrams and other proprietary information or drawings submitted by the Customer

to Mutech will be treated as confidential and will be used by Mutech only for the purpose of carrying out quotations and contracts for the Customer. Such confidential information will only be passed on to third parties where strictly necessary to carry out the service, and only on the basis that confidentiality is maintained.

14 Limits of Liability

- 14.1 Save where the same cannot be excluded by English law:
 - 14.1.1 Mutech will be under no liability for errors due to inaccurate, incomplete or ambiguous specifications or other information supplied by the Customer;
 - 14.1.2 Mutech will be under no liability for any costs or liabilities incurred by the Customer or any third party due to the additional time required to make good any defective work or replacement of damaged components;
 - 14.1.3 Mutech will be under no liability for any loss or damage howsoever caused which arises in respect of indirect or consequential loss or damage or any of the Customer's liability to a third party;
 - 14.1.4 Mutech's liability to the Customer shall under no circumstances extend beyond the purchase price of goods or services supplied by Mutech.
- 14.2 Mutech's responsibility for goods ceases on delivery to the Customer or collected by the Customer from Mutech's premises.
- 14.3 Mutech undertakes to maintain product and public liability insurance to cover for statutory liabilities for £2,000,000.
- 14.4 Mutech's rights and remedies will not be prejudiced by any indulgence or forbearance to the Customer, and no waiver by Mutech of any breach by the Customer will operate as a waiver of any subsequent breach.
- 14.5 The unenforceability of any part of any clause or subclause of these terms will not affect the enforceability or validity of the remainder of these terms.
- 14.6 The construction, validity and performance of the contract will be governed by the law of England and the parties hereby submit to the non-exclusive jurisdiction of the English Courts.
- 14.7 The paragraph headings of these terms are aids to reference and do not affect the construction of these terms.

