



WELCO CO., LTD.

3-3-1, Sumiyoshi-cho, Fuchu-shi Tokyo 183-0034, Japan

Tel +81-42-333-7320 Fax +81-42-333-7313

<https://www.welco.net>

General Terms and Conditions

1. Purchase Order and Acceptance

- 1.1 Purchaser shall place a written purchase order by fax, mail or e-mail stating the order numbers, model numbers, unit prices, total amount, and required date of shipment addressed to WELCO Co., Ltd. (the "WELCO"). The date of shipment shall mean the date Products are delivered to the carrier, freight forwarder or other third party hired for purposes of delivery at the WELCO's designated factory (the "Shipping Date"). Within five days after the receipt of individual orders from Purchaser, WELCO shall notify Purchaser whether WELCO accepts the order or not by fax, mail or e-mail.
- 1.2 WELCO is not obliged to accept purchase order under this Agreement. WELCO is not liable for any expenses or losses incurred by Purchaser as a result of the refusal of purchase order.
- 1.3 The parties agree that each individual agreement becomes effective on the day of the receipt by Purchaser of notification of acceptance issued by WELCO.

2. Cancellation and Change

After receipt of order confirmation from WELCO, any cancellation or change order is not acceptable due to made by order condition.

3. Pricing and Payment

- 3.1 The prices for all Products and payment terms shall be as set forth in the WELCO order acceptance.
- 3.2 The payment for Products shall be made by Purchaser in US Dollars or any other currency designated by WELCO by means of telegraphic transfer (T/T) remittance to the bank account designated by WELCO at the time when notification of order acceptance is issued by WELCO.

4. Packing and Shipment

- 4.1 The packing of Products shall be done in accordance with WELCO's standard procedure for export.
- 4.2 All Products shall be delivered Ex Works (EXW) as defined in INCOTERMS2020 from WELCO's designated factory. Risk of and title to Products shall pass from Seller to Purchaser upon Products are delivered to the carrier, freight forwarder or other third party hired for purposes of delivery at the WELCO's designated factory. In no event shall WELCO be liable for any delay in the shipment.
- 4.3 In the event that the Shipping Date is postponed or delayed for reasons not attributable to WELCO, Purchaser shall pay WELCO for any and all storage costs (the "Storage Costs") resulting therefrom, unless WELCO agrees not to make a claim for the Storage Costs. The Storage Costs shall be the amount of 0.50 US dollars multiplied by the volumetric weight (kg) of Products (the "Monthly Storage Costs"), multiplied by the number of months (the "Postponed Months") Shipping Date Postponed or Delayed; provided, however, that the minimum Monthly Storage Costs shall be 46.00 US Dollars. The Postponed Months shall be deemed to be one (1) month at the time when the Shipping Date is postponed or delayed and shall be added by one (1) month for every thirty (30) days after the Shipping Date . In no event shall WELCO be liable for any refund of the Storage Costs.
- 4.4 In the event that WELCO arranges for the transportation of Products at the request of Purchaser, Purchaser shall pay WELCO the freight costs upon making the payment for Products, provided that



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WELCO shall in no event be liable for all risk of the transportation under any circumstances whatsoever. The freight costs shall not cover freight insurance costs, duty and tax.

In the event that additional costs are accrued for reasons not attributable to WELCO, Purchaser shall pay WELCO for any and all additional costs resulting therefrom.

- 4.5 Purchaser shall inspect Products within five (5) business days after the receipt of Products and shall send acceptance certificates to WELCO for Products that pass such inspection. The expenses for such inspection and sending such acceptance certificates shall be borne by Purchaser. In the event that Purchaser does not send such acceptance certificates to WELCO within five (5) business days after the receipt of Products, Products will be deemed to have passed the inspection.

5. Warranty

WELCO provides the following warranty as applicable to Products sold to all customers outside of Japan. WELCO warrants that Products are free from defects in material and workmanship for a period of one (1) year from Shipping Date (the "Warranty"). The Warranty applies only to the replacement or repair of such parts when returned to WELCO, freight prepaid and found to be defective upon factory inspection. The tubing is considered expendable and not covered under Warranty. The Warranty does not extend to free samples or to Products which have been subjected to misuse, abuse or neglect, or have been improperly stored or maintained or modified without authorization. In the event that customer uses a product with any parts that WELCO does not adopt or provide officially, such product is considered modified without authorization, and the Warranty does not cover the product so modified, nor shall all certifications including CE Marking and Underwriters Laboratories (UL) be considered valid with respect to such modified product. The Warranty does not cover any consequential damages resulting from a defect of Products or any liability resulting from the performance of Products.

6. Default

- 6.1 In the event that Purchaser fails to perform any provision of this Agreement, or is in breach of any terms hereof, or becomes insolvent, WELCO may, by giving a written notice to Purchaser,
- (1) stop or suspend the performance of this Agreement or any other agreement with Purchaser,
 - (2) reject the shipment of Products
 - (3) terminate the whole or any part of this Agreement or any other agreement with Purchaser.
 - (4) dispose of Products, if the shipment has not been made, in such manner as WELCO deems appropriate and allocate the proceeds thereof to the satisfaction of any or all of the losses and damages caused by Purchaser's defaults.
- 6.2 In no event shall Purchaser, directly or indirectly, infringe, imitate, simulate, replicate, reverse engineer, or otherwise make any illegal use or misuse of Products and WELCO's manuals and website (the "Prohibition"). In the event of a breach of the Prohibition, Purchaser shall pay to WELCO, as liquidated and agreed damages and not as a penalty, One-Hundred Thousand U.S. Dollars (US\$100,000) within the period specified by WELCO; provided, however, that this paragraph shall not preclude any claims for actual damages in the event that the actual damages incurred by WELCO

as a result of Purchaser's breach of the Prohibition exceed One-Hundred Thousand U.S. Dollars (US\$100,000).

7. Force Majeure

- 7.1 The failure of a party to perform its obligations due to war, strikes, uprisings, fires, floods, explosions, earthquakes, government regulations, or other causes beyond the control of a party (the "Force Majeure"), except for monetary liabilities, shall not constitute a breach of this Agreement, provided that all efforts have been made to overcome such Force Majeure and resume performance.
- 7.2 Labor disputes shall not be deemed an event of Force Majeure.
- 7.3 In any event, the party affected by Force Majeure shall notify the other party immediately after the occurrence of any Force Majeure of the occurrence of Force Majeure, the details of the Force Majeure, the period the Force Majeure is expected to last, and other information.
- 7.4 In the event of the continuance any Force Majeure cause continues for, without interpretation, for a period of two months or more, either party shall have the right to terminate this Agreement upon notice to the other party in writing.

8. Non-Assignability

Neither party may assign any of its rights or obligations under this Agreement to any third party without the prior written consent of the other party.

9. Governing Law

- 9.1 This Agreement, the rights and obligations of the parties and all disputes arising out of or in connection with this Agreement shall be governed by and interpreted in accordance with the laws of Japan, without regard to the principles of conflict of laws.
- 9.2 Neither the United Nations Convention on Contracts for International Sales of Products nor the United Nations Convention on the Limitation Period in the International Sale of Products, as amended, shall apply to this Agreement.

10. Jurisdiction Clause

Any and all disputes arising out of or in connection with this Agreement shall submit to the exclusive agreed jurisdiction of the Tokyo District Court at the first instance.

11. Severability

- 11.1 In the event that any provision of this Agreement is judged to be illegal, invalid or unenforceable under present or future laws in effect while this Agreement remains in effect, the legality, validity and enforceability of the remaining provisions shall not be thereby affected.
- 11.2 Provisions that are judged to be illegal, invalid or unenforceable shall be interpreted as being legal, valid and enforceable to the extent legally permissible.

12. No Waiver of Rights

- 12.1 No failure on the part of a party to exercise any rights, powers or privileges under this Agreement or under any instrument executed pursuant thereto, shall operate as a waiver.
- 12.2 No single or partial exercise of any right shall preclude further exercise of that right or the exercise of any other right.



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12.3 All rights and remedies granted herein shall be in addition to other rights and remedies to which the parties may be entitled.

12.4 No waiver of any of the provisions hereof shall be effective unless in writing and signed by the party providing such waiver.

12.5 No waiver shall be deemed a continuing waiver, or a waiver in respect of any breach or default, whether similar or different in nature, unless expressly so stated in writing.

13. Entire Agreement

This Agreement constitutes the entire and complete agreement between the parties concerning the subject matter of this Agreement and supersedes all prior agreements.