

Central Semiconductor Corp. Standard Terms and Conditions of Sale

- General:** Central Semiconductor Corp., as well as its subsidiaries and affiliates (collectively "Central"), offers to sell its discrete semiconductor products ("products") in accordance with the terms and conditions set forth herein. Acceptance of this offer is explicitly limited to such terms and conditions, which shall govern and constitute an integral part of the sale to any person or entity ("Buyer"). Central hereby rejects and objects to any additional or different terms proposed by Buyer, including those contained in Buyer's purchase order or Buyer's terms and conditions document, unless Central specifically agrees to such terms in writing.
- Prices:** The prices for orders shipped by Central to Buyer shall be in accordance with current quotations in effect at the time the purchase order is placed. In the event of a price increase, Central will make every reasonable effort to ship products previously on order at the price in effect at the time the order was placed; PROVIDED THAT such order to Buyer is scheduled for shipment within thirty (30) days from the effective date of the price increase, and that products are available to be shipped from Central. In the event of a price decrease, Central may, in its sole discretion, ship products on order at the decreased price. Any purchase orders placed after the effective date of such price decrease will reflect the lower price. Buyer agrees to be bound by any changes in the price of the products as formulated at the discretion of Central and billed to Buyer within the foregoing considerations. The prices charged by Central to Buyer are subject to change at any time. Unless otherwise stated in writing by Central, all prices are in United States (U.S.) Dollars.

If the price of fuels, metals, raw materials, equipment or other production costs increases significantly, Central shall have the right to increase, and Buyer shall have the option to renegotiate, the price of all products not yet shipped, and if an agreement is not reached, Central shall have the right to terminate the purchase order or contract without liability.

- Title and Delivery:** The goods shall be delivered to Buyer on reasonable notice to Central, from Central's plant. Unless otherwise agreed to in writing by Central, all shipments shall be delivered EXW Central's shipping dock, according to Incoterms 2010. Buyer shall be responsible for all expenses incurred and licenses or clearances required for international shipments.

Title and risk of loss or damage in transit shall pass to Buyer upon pick-up or delivery of goods to a common carrier for shipment to Buyer's dock or dock of a third party designated in advance by Buyer. Any subsequent loss or damage shall not relieve Buyer from its obligations.

Shipping dates are approximate and may be based on prompt receipt by Central of all necessary information from Buyer. Central shall not be liable for any damage, losses or expenses incurred by Buyer if Central fails to meet the estimated delivery dates.

- Payment Terms:** Where Central extends credit to Buyer, payment terms shall be net thirty (30) days from the date of Central's invoice, payable in United States (U.S.) dollars at a bank in New York, unless otherwise agreed to in writing by Central. Central may change or withdraw credit amounts or payment terms at any time for any reason. On any order for which credit is not extended by Central, shipment or delivery shall be made, at Central's election, by either payment in advance or C.O.D. If the products ordered are delivered in installments, Buyer shall pay for each installment in accordance with the above payment terms. If Buyer fails to make any payment when due, Central reserves the right to suspend delivery, which may result in rescheduling delays. If, in Central's judgment, Buyer's financial condition does not justify the payment terms specified herein, then Central may terminate the purchase order or contract. Termination in accordance with this clause shall not affect Central's right to pursue any other available remedies.
- Taxes:** Prices do not include applicable taxes, duties, or tariffs. Buyer is solely responsible for paying all applicable taxes, duties, and tariffs, including all import duties and taxes for international shipments. Central will add sales tax to the sale price where required by applicable law, and Buyer will pay such taxes, unless Buyer provides Central with a duly executed sales tax exemption certificate, in a form acceptable to the authority having jurisdiction over such tax matters. If Buyer is required by law to withhold any amount of tax from its payment to Central, Buyer shall promptly pay such amount to the appropriate tax authority and take all reasonable steps to minimize such withholding tax.
- Rescheduling and Cancellation:** Requests to reschedule purchase orders for later delivery will be accepted if more than thirty (30) days from Central's estimated shipping date. Except for non-cancelable, non-returnable ("NCNR") items, Buyer may request to cancel a purchase order in whole or in part upon sixty (60) days advance written notice and acceptance by Central. In such an event, Buyer may be liable for cancellation charges. Such a charge, if any, could reflect a price adjustment based on the quantity of goods actually delivered; whether Central acquired or allocated specific raw materials, supplies, or equipment to fulfill Buyer's order; and/or any other direct or indirect costs incurred by Central as a result of the cancellation of the purchase order or contract, as reasonably determined by Central.

7. **Contingencies:** Central shall not be responsible for any failure to perform or any delay due to a force majeure event or causes beyond its control. These causes shall include, but not be restricted to: fire, storm, flood, earthquake, explosion, accident, natural disasters, Acts of God, acts of the public enemy, terrorism, war, rebellion, insurrection, sabotage, pandemic, epidemic, quarantine restrictions, labor disputes, labor shortages, labor slowdowns and sit downs, transportation embargoes or failure or delays in transportation, inability to secure raw materials or machinery for the manufacture of its devices, acts of the federal government or any agency thereof, acts of any state or local government or agency thereof, and/or judicial action. Similar causes shall excuse Buyer for failure to take goods ordered, other than those already in transit or specially fabricated and not readily saleable to other buyers. Tools, dies, and other equipment furnished to Central by Buyer shall be at Buyer's risk and expense.
8. **Confidential Information:** "Confidential Information" shall mean any and all technical and non-technical information provided by either Central or Buyer to the other, including but not limited to any design, proprietary or otherwise; drawing; formula; model; test data relating to the disclosing party's research or projects; product information; special requirements of particular customers; current and anticipated volume requirements; products and product components and materials; specifications and drawings of any new or existing products; component and material requirements and specifications; costs; testing or quality information; manufacturing processes; tooling and process concepts; assembly and packaging; quality and composition of components and materials; business and marketing plans and forecasts; financial information or projections; information relating to the fabrication, design, development, assembly or use of a component or product; technical component or product information and know-how; trade secret; idea; invention; process; technique; algorithm; computer program (source and object code); engineering hardware or software; supplier; subcontractor; customer; employee; investor; work-in-process; sales; or business details; whether in oral, written, graphic, electronic, or other form. No rights or licenses to trademarks, inventions, copyrights, intellectual property, patents, or otherwise are implied or granted and all rights, title, and interest in the Confidential Information shall remain with the disclosing party. Confidential Information does not include information that: (i) is or becomes available to the public through no fault of the receiving party; (ii) was known by the receiving party on a non-confidential basis prior to its disclosure; (iii) is disclosed to the receiving party by a third party on a non-confidential basis, provided that the third party has a right to disclose the information; or (iv) is independently developed without making use of the Confidential Information. The respective obligations of confidentiality, non-disclosure, and non-use regarding the Confidential Information of the disclosing party shall continue for five (5) years after the date of receipt.
9. **Warranty and Remedy:** Subject to the provisions of this clause, Central warrants that products of its own manufacture sold to Buyer, either directly or through one of Central's franchised or authorized distribution partners, are free from defects in material and workmanship, and meet the applicable specifications when used within published ratings as follows:
 - a. Assembled semiconductor devices and electronic components or systems are warranted for a period of two (2) years from the date of sale of product to Buyer.
 - b. Components sold in wafer or die form are warranted for a period of thirty (30) days from the date of sale of product to Buyer.

The foregoing warranty does not apply to any products which have been subject to misuse, neglect, accident, or modification or which have been soldered or altered such that they are incapable of being tested under normal test conditions.

Central disclaims all warranties, expressed or implied, for products purchased through channels other than directly from Central, or directly from one of Central's franchised or authorized distribution partners.

Central's liability under this warranty is limited solely to replacing, repairing, or issuing credit, at Central's discretion, for any devices which are returned by Buyer during the warranty period, PROVIDED THAT: (a) Central is promptly notified in writing upon discovery of such defects by Buyer; (b) the defective units are returned to Central, transportation charges prepaid by Buyer; and (c) Central's examination of such units shall disclose, to its satisfaction, that such defects have not been caused by misuse, neglect, improper installation, repair, alteration, or accident. Central's obligation hereunder does not include any rework or other labor costs, additional material costs, or damage costs of any type, incident to the replacement of a defective product.

Central does not warrant that its products will perform when incorporated in Buyer's application(s) or Buyer's end customers' application(s). In no event shall Central be liable in any way for loss of revenue, profits, use, or special or consequential damages of any kind. This warranty is in lieu of the New York Uniform Commercial Code implied warranties of merchantability and fitness for a particular purpose and all other warranties, expressed or implied, except as to title. The warranty expressed herein may be amended only by a written instrument signed by a duly authorized officer of Central.

Central's warranty shall not be enlarged, diminished or affected by, and no obligation or liability shall arise or grow out of, Central's rendering of technical advice or service in connection with Buyer's orders, applications, Buyer's end customers' applications, or the products furnished hereunder.

Notwithstanding anything to the contrary, any pre-production products or products in development are provided "as is" and "with all faults." Central disclaims all warranties, expressed or implied, regarding such pre-production products and products in development, including but not limited to any implied warranties of merchantability or fitness for a particular purpose.

10. **Life Support, Medical, and Other Critical Applications:** The products manufactured by Central are not designed or intended for use in life-saving, life-sustaining, or other critical applications, such as FDA Class III or similar life-critical medical equipment or devices, unless duly authorized officers of the parties have executed a special written agreement specifically governing such use. Buyers using or selling Central's products for use in such applications do so at their own risk and fully indemnify, defend, and hold harmless Central and its officers, directors, agents, representatives, employees, shareholders, subsidiaries, distributors, affiliates, and assigns from and against any and all losses, claims, costs, damages, judgments, expenses, and/or fees of any kind arising, directly or indirectly, from the use of Central's products in life-saving, life-sustaining, or other critical applications, even if such claim includes allegations that Central was negligent regarding the design or manufacture of its products.

Buyer acknowledges and agrees that it is solely responsible for compliance with all legal, regulatory and safety-related requirements concerning its products, and any use of Central's products in its applications, notwithstanding any applications-related information or support that may be provided by Central. Buyer represents and agrees that it has all necessary expertise to create and implement safeguards, which anticipate dangerous consequences of failures, monitor failures and their consequences, lessen the likelihood of failures that might cause harm and take appropriate remedial actions. Buyer will fully indemnify, defend, and hold harmless Central and its officers, directors, agents, representatives, employees, shareholders, subsidiaries, distributors, affiliates, and assigns from and against any and all losses, claims, costs, damages, judgments, expenses, and/or fees of any kind arising, directly or indirectly, from the use of Central's products in life-saving, life-sustaining, or other critical applications, even if such claim includes allegations that Central was negligent regarding the design or manufacture of its products.

11. **Intellectual Property Indemnities:** Buyer shall not use, authorize, or permit the use of any trademark, copyright or other intellectual property, advertisements, marketing collateral, or logo owned or used by Central in any way, except to designate products purchased from Central in accordance with these terms and conditions. Trademarks, advertisements, marketing collateral and logos owned or used by Central may be utilized by Buyer for product promotion activities only after written approval has been received from Central's Director of Marketing, VP of Sales & Marketing, or President. Any marketing or advertising efforts by Buyer involving the use of Central's products, name or logo may be undertaken only after written approval has been received from Central's Director of Marketing & Sales Operations, VP of Sales & Marketing, President, or CEO.

Central agrees to defend any claim, suit or proceeding against Buyer ("Claim") to the extent such Claim is based upon an allegation that a product, as of its delivery date and under these terms and conditions, directly infringes a valid United States (U.S.) patent or U.S. copyright, or misappropriates a third party's mask work, trademark or trade secret effective in the United States of America, and Central agrees to pay costs and damages finally awarded in any such Claim; PROVIDED THAT in the event of such Claim, Buyer will: (a) promptly notify Central in writing upon Buyer being made aware of the Claim; (b) cooperate with Central in the defense of the Claim; (c) provide all information and assistance requested by Central to handle the defense and settlement of the Claim; and (d) on Central's request, allow Central sole control of the defense and/or response to the Claim. If such a Claim has occurred or in Central's sole and reasonable judgment is likely to occur, Buyer agrees to allow Central to (a) obtain for Buyer the right to use and sell the product; (b) replace or modify the product with non-infringing products; or (c) accept the return of the product and refund the purchase price less reasonable wear and tear. Central may cease shipping the infringing products without being in breach of these terms and conditions.

This indemnity does not extend to any claims based upon any infringement or alleged infringement of any intellectual property right arising from: (a) the combination of any product(s) with other elements if such infringement would be avoided by the use of the product(s) alone; (b) the use of the product(s) in a manner or for an application other than that for which such product(s) was designed or intended, regardless of whether Central was aware of such use; (c) any addition to or modification of the product(s); (d) the use of the product(s) in connection with manufacturing or other process; (e) product(s) made compliant to Buyer's design, instruction or specification; or (f) Buyer's negligence or willful misconduct (such claims set forth in (a) through (e) above shall be referred to herein as "Other Claims").

Buyer agrees to indemnify, defend, and hold harmless Central and its officers, directors, agents, representatives, employees, shareholders, subsidiaries, distributors, affiliates, and assigns from and against any and all losses, costs, expenses and/or fees arising, directly or indirectly, from any claim, suit or proceeding asserted against Central based on Other Claims and to pay any and all costs and damages finally awarded from such suit.

No Other Remedies Regarding Infringements: The foregoing states Central's entire liability, and Buyer's sole and exclusive remedy with respect to any infringement or misappropriation of any intellectual property rights of any third party.

12. **Limitations and Damages Disclaimer:** In no event shall Central be liable for any collateral, indirect, punitive, incidental, consequential, or exemplary damages in connection with or arising out of a purchase order or contract or the use of products provided hereunder, regardless of whether Central has been advised of the possibility of such damages. Excluded damages shall include, but not be restricted to: cost of removal or reinstallation, rework, ancillary costs to the procurement of substitute products, loss of profits, loss of savings, loss of use, loss of data, or business interruption. No claim, suit, or action shall be brought against Central more than two (2) years after the related cause of action has occurred.

In no event shall Central's aggregate liability from any warranty, indemnity, or other obligation arising out of or in connection with a purchase order or contract, or any use of any Central product provided hereunder, exceed the total amount paid to Central for the specific products sold under a purchase order or contract with respect to which losses or damages are claimed. The existence of more than one (1) claim against the specific products sold to Buyer under a purchase order or contract shall not enlarge or extend this limit.

Buyer understands and agrees that the foregoing liability limitations are essential elements of a purchase order or contract and that in the absence of such limitations, the material and economic terms of the purchase order or contract would be substantially different.

13. **Non-waiver of Default:** Each shipment made under a purchase order shall be treated as a separate transaction, but in the event of any default by Buyer, Central may decline to make further shipments without in any way affecting its rights under such a purchase order. If, despite any default by Buyer, Central elects to continue to make shipments, its action shall not constitute a waiver of any default by Buyer or in any way affect Central's legal remedies for any such default.
14. **Export Conditions and Controls:** Central's products may be subject to United States (U.S.) Government export controls. Any diversion contrary to U.S. law is expressly prohibited. Buyer agrees to comply with all applicable export and import control laws and regulations. Buyer understands that the export of Central's products may require a valid export license, and Buyer agrees to obtain any such applicable license. Buyer shall not sell, export, or otherwise transfer Central's products directly or indirectly to any person, company, entity, or country prohibited by United States (U.S.) or other applicable laws.
15. **Government Contracts:** If the products to be furnished under a purchase order are to be used in the performance of a government contract or sub-contract, and the government terminates such contract in whole or part, the purchase order may be cancelled in the same proportion and liability of Buyer for termination allowances. Central may cancel any unfilled orders, unless Buyer, upon written notice, immediately pays for all products delivered, or pays in advance for all goods ordered but not yet delivered, or both, at Central's option. The products sold by Central are "Commercial Items" as defined in accordance with FAR 2.101. Unless agreed to in writing by Central, certified cost or pricing data will not be provided and CAS, Defective Pricing, TINA, and Audit requirements do not apply to products purchased hereunder.
16. **Governing Law:** The validity, performance and construction of these terms and conditions and any sale made hereunder shall be governed by the laws of the State of New York.
17. **Injunctive Relief:** Nothing in these terms and conditions will be deemed to prevent either party from seeking injunctive relief or any provisional remedy in an appropriate case in any court of competent jurisdiction of the subject matter in dispute as necessary to protect either party's trade name, proprietary information, trade secrets, trademarks, know-how, or any other intellectual property rights.
18. **Arbitration:** Any controversy or claim arising out of, directly or indirectly, or relating to these terms and conditions, or the breach thereof, shall be settled by arbitration, held in Hauppauge, New York, USA, in accordance with the rules of the American Arbitration Association, and judgment on award rendered may be entered in any court having jurisdiction thereof.
19. **Assignment:** Buyer may not assign its rights or obligations hereunder without the prior written consent of a duly authorized officer of Central. Any unauthorized assignment shall be null and void.
20. **Entire Agreement:** These terms and conditions constitute the entire agreement between parties relating to the sale or use of Central's products and supersedes all previous communications, representations, or agreements, either oral or written, with respect to the subject matter hereof. Any prior representations or statements relating to the sale or use of Central's products made by any Central representative or any other party, which are not stated herein, shall not be binding on Central. No course of dealing, trade usage, or course of performance shall be relevant to explain or supplement any part of these terms and conditions. These terms and conditions of sale shall prevail notwithstanding any different, conflicting, or additional terms and conditions that may appear on any purchase order, contract, or elsewhere in writing not expressly incorporated herein, and shall include, but not be restricted to data sheets, application notes, quotations, and purchase order acknowledgements. The section headings contained in these terms and conditions are for reference only and shall not affect in any way the meaning or interpretation of Central's standard terms and conditions of sale.
21. **Reserve of Ownership:** Where the law applicable at Buyer's place of business permits or does not prohibit the reserve of ownership as a guarantee of payment, Central shall remain the owner of the products sold, so long as the purchase price of the present or previous sales has not been fully paid, but Buyer has the right to transform and/or sell products supplied within the normal course of business. To the extent permitted by law, Central's ownership will not be terminated by transforming or intermingling products sold. If products owned by Central, subject to the above reserve, are resold by Buyer to third parties, Buyer assigns herewith to Central its claim against its customer, who can validly pay to both.
22. **Product Qualification:** Central Semiconductor qualifies and tests all new products as specified in its Quality Manual. Any customer requested deviation to this qualification/test process must be agreed to in writing by Central.
23. **Modification of Standard Terms and Conditions of Sale:** No addition to, or modification of, any of the provisions herein shall be binding upon Central, unless made in writing and signed by a duly authorized officer of Central.