

TERMS & CONDITIONS

1. LIMITS OF AGREEMENT.

The terms and conditions set forth herein as well as any additional terms and conditions that may appear on the face hereof shall constitute the entire agreement between SUSS MicroTec Inc. ("Seller") and the Buyer identified on the face hereof. Acceptance by Buyer of these terms may be made by Buyer and, in any event, Buyer shall be deemed to have accepted and agreed to these terms by its receipt of one or more products furnished hereunder (Products). Any terms and conditions different from or in addition to those contained herein, including any contained in Buyer's purchase order or in any other document furnished by Buyer, shall be of no force or effects in connection with the purchase and sale of the Products and Seller hereby objects to and rejects in their entirety all such terms and conditions, as Seller's agreement to sell the Products is expressly made conditional upon use of these terms. The Agreement shall not be modified except in writing, signed by the parties hereto. No waiver by Seller of any default or provision hereof shall be deemed a waiver of any subsequent default or other provision.

2. PRODUCTS PROVIDED AND PRICE.

(a) Unless otherwise provided on the face hereof, Products furnished hereunder shall be newly manufactured, but may contain components, which have been previously used in other units. Any such previously used components have been disassembled, reprocessed and reassembled, as appropriate, and meet or exceed Seller's specifications for newly manufactured components.

(b) The price of all Products, unless otherwise specifically stated on the face hereof, shall be FCA (Incoterms 2010), at the place of manufacture or warehouse location, exclusive of insurance cost. The cost of packaging for normal domestic shipment is included in the invoiced price. Where special domestic or export packaging is specified, involving greater expense, a charge will be made to cover such extra expense.

(c) Prices and orders do not include federal, state or local excise, sales, use or other taxes now or hereafter enacted, which are applicable to the Products sold hereunder (excluding only taxes based on Seller's income), which tax or taxes will be added by Seller to the sales price when Seller has the legal obligation to collect the same and will be invoiced to and paid by Buyer, unless Buyer provides Seller with a proper tax exemption certificate. In the event Seller is required to pay any such tax, fee or charge at the time of sale or thereafter, Buyer shall reimburse Seller therefor.

(d) Prices quoted are for the Products and services described and do not include technical data, proprietary rights of any kind, patent rights, qualification, environmental or other than Seller's standard tests, unless expressly agreed otherwise on the face hereof.

(e) Unless otherwise stated by Seller in writing, all quotations are firm for, and expire, thirty (30) days after date thereof and constitute offers.

3. PAYMENT TERMS.

(a) Unless otherwise stated on the face hereof, the terms of payment are net 30 days from date of invoice. Seller reserves the right to require alternative payment terms, including, without limitation, sight draft, letter of credit, or payment in advance. All payments shall be made to Seller at its principal office in Corona, California. Interest accrues on overdue invoices at the rate of one and one-half percent (1 1/2%) per month, but not more than the amount allowed by law, on the unpaid balance from the original due date of the invoice. Payment shall not be withheld for delay in installation if at Buyer's request nor for delay in delivery of required documentation.

(b) All orders are subject to, and the obligation of Seller to make deliveries is subject to, the right of Seller, as provided in paragraph 11, to require of Buyer payment of all or any part of the purchase price in advance of delivery or to make shipment C.O.D. If Buyer fails to make advance payment when requested by Seller, or if Buyer is or becomes delinquent in the payment of any sum due Seller (whether or not arising out of this order) or refuses to accept C.O.D. shipment, then Seller shall have the right, in addition to any other remedy to which it may be entitled in law or equity, to cancel the sales order, refuse to make further deliveries, and declare immediately due and payable all unpaid amounts for goods previously delivered to the Buyer. Partial shipments made under any order shall be treated as a separate transaction and payment therefore shall be made accordingly. However, in the event of any default by Buyer, Seller may decline to make further shipments without in any way affecting its rights under such order.

(c) Seller reserves a purchase money security interest in the Products sold hereunder and the proceeds thereof, in the amount of the purchase price. In the event of default by Buyer on any of its obligations to Seller, Seller will have the right to repossess the Products sold hereunder without liability to Buyer. In such event, Buyer will make the Products available to Seller so that Seller can repossess them without a breach of the peace. This security interest will be satisfied by payment in full.

4. TRANSPORTATION AND RISK OF LOSS.

Unless otherwise agreed to on the face hereof, all transportation shall be at the expense of Buyer, Seller reserving the right to ship Products freight collect and to select the means of transportation and routing. Seller may insure to full value of the Products or declare full value thereof to the transportation company at the time of delivery and all such freight and insurance costs shall be for Buyer's account. Risk of loss or damage shall pass to Buyer upon delivery of the Products to the transportation company at the FOB point, whether or not installation is provided by or under supervision of Seller.

Confiscation or destruction of, or damage to Products in transit shall not release, reduce, or in any way affect the payment obligations of Buyer.

5. SHIPMENT.

Seller will attempt to meet shipment schedules. However, any shipment quotation or forecast on an order acknowledgment is only an estimate of the time required to make shipment and Seller will not assume liability, consequential or otherwise, because of any delay or failure to deliver all or any part of any order for any reason, including its active or passive negligence. Seller reserves the right to allocate inventories and current production in any way it deems desirable.

6. INSPECTION AND ACCEPTANCE.

Buyer shall have the right to inspect the Products upon delivery. Failure of Buyer to inspect the Products and give written notice to the Seller of any alleged defect or nonconformity within thirty (30) days after delivery shall constitute an irrevocable acceptance by Buyer of the Products delivered to it. However, the Products for which Seller agrees on the face hereof to provide installation by Seller's personnel, shall be deemed accepted by Buyer upon completion by Seller of its applicable acceptance tests or execution of Seller's acceptance form by Buyer. Notwithstanding the foregoing, use of any such Products by Buyer, its agents, employees or licensees, for any purpose after delivery thereof, shall constitute acceptance of the Products by Buyer.

7. RETURNS.

The Products may not be returned to Seller under Paragraph 6 without first obtaining Seller's consent. The request for return and credit must be filed with Seller and shall include purchase order number, approximate date shipped and any other identifying numbers (such as invoice number, date of invoice, P.O. numbers, etc.). Each request for return of Products for credit shall state the type and quantity of Products, the part numbers, and the reasons for the return. If return authorization is granted, Products shall be returned in a clean, well-packaged condition. No credit allowance on defective Products will be made and no replacement for defective Products will be shipped in any event, unless the alleged defective Products are, among other things, established to Seller's satisfaction after suitable testing and inspection by Seller.

8. CANCELLATION AND CHANGE OF SPECIFICATIONS.

In case Buyer wishes to cancel a firm purchase order without being legally entitled to do so, the following cancellation charges will apply:

- Cancellation until 30 days after order entry: Cancellation fee 30 % of order value
- Cancellation more than 30 days after order entry but until 30 days before shipment: Cancellation fee 50 % of order value
- Cancellation 29 up to 15 days before shipment: Cancellation fee 80 % of order value
- Cancellation 14 days before shipment or later: Cancellation fee 100 % of order value.

The cancellation charge will become due and payable 10 days following the receipt of the cancellation notice. Buyer may evidence that Seller has suffered no or a substantially lower damage. Any further rights of Seller shall remain unaffected.

In case individually customized products, parts or components of products are subject of the purchase order, no cancellation shall be possible.

In the event of a partial cancellation of individual order items, the cancellation schedule above shall apply to the respective order items.

Unless expressly agreed otherwise in written form, subsequent changes in the specifications by Buyer that require technical changes by Seller will be charged according to actual expense and futile development.

9. LIMITED WARRANTY—LIMITATION OF REMEDIES.

(a) Except as otherwise specified on the face hereof, Seller warrants the Products:

(1) To be free from defects in material and workmanship for a period of time and under such conditions as specified in Seller's warranty contained in Seller's standard documentation for the individual Product, or for ninety (90) days from shipment if a warranty for an individual Product is not specified, and

(2) To perform in the manner and under the conditions as specified in such warranty for the individual Product.

(b) Seller's sole responsibility under this warranty shall be to adjust, repair or replace, at its option, any part or component which fails to comply with such warranty, or provided a refund of the purchase price thereof, provided that Buyer complies with the provisions of this Paragraph 9. This warranty is the only warranty made by Seller with respect to the Products and no representative or person is authorized to bind Seller for any obligations or liabilities beyond this warranty in connection with the sale of Products. This warranty is made to the Buyer only at the original location and is nontransferable. Major sub-systems manufactured by other firms but integrated into Seller's Products are covered by the original manufacturer's warranty and Seller makes no warranty, express or implied, regarding such sub- systems. Goods or parts, which are replaced or repaired under this warranty, are warranted only for the remaining unexpired portion of the original warranty period applicable to the specific Product.

(c) These remedies are available only if Seller is notified in writing by Buyer promptly upon discovery of the failure of the Product to comply with this warranty, and in any event within the warranty period for the individual Product, Seller's examination of such Product discloses to Seller's satisfaction that such failure actually exists and the Product has not been (i) repaired, worked on, or altered by persons not authorized by Seller so as, in Seller's sole; (ii) subject to misuse, negligence or accident; or (iii) connected, installed, used or adjusted otherwise that in accordance with the instructions furnished by Seller.

(d) All Products which Buyer considers to be not in compliance with this warranty shall be returned to Seller's office as designated on the face hereof, transportation costs prepaid and borne by Buyer (unless otherwise provided on the face hereof). The risk of loss of the Products shipped or delivered to Seller's plant for repair or replacement will be borne by Buyer.

(e) If it is found that any Product has been returned without cause and is in compliance with this warranty, Buyer will be notified and the Product returned at Buyer's expense. In addition, a charge for testing and examination may, in Seller's sole discretion, be made on Products so returned.

(f) THE FOREGOING WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES AND SHALL BE THE BUYER'S SOLE REMEDY AND SELLER'S SOLE LIABILITY FOR BREACH OF CONTRACT OR WARRANTY OR OTHERWISE FOR THE PRODUCT. SELLER HEREBY DISCLAIMS ALL OTHER WARRANTIES, WHETHER EXPRESS, WRITTEN, ORAL OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE OR NONINFRINGEMENT.

10. SELLER'S RIGHTS TO SUBCONTRACT.

Seller may subcontract any portion of the work on any Product subject to this Agreement, but Seller's obligations and rights hereunder shall not thereby be limited or affected.

11. BANKRUPTCY OR INSOLVENCY OF BUYER.

If the financial condition of Buyer at any time is such as to give Seller reasonable grounds for insecurity concerning Buyer's ability to perform its obligations under this agreement, Seller may (a) by notice in writing to Buyer, cancel this agreement, without judicial intervention or declaration of default of Buyer and without prejudice to any right or remedy which may have accrued or may accrue thereafter to Seller, (b) require full or partial payment in advance and suspend any further deliveries for continuance of the work to be performed by Seller until such payment has been received or (c) make shipments C.O.D.

12. PROPRIETARY RIGHTS.

The sale of the Products hereunder to Buyer shall in no way be deemed to confer upon Buyer any right, interest or license in any patents or patent applications or design copyrights Seller may have covering the Products. Seller retains for itself all proprietary rights in and to all designs, engineering details, and other data and materials pertaining to any Products supplied by Seller and to all discoveries, inventions, patents and other proprietary rights arising out of the work done by Seller in connection with the Products or with any and all Products developed by Seller as a result thereof, including the sole right to manufacture any and all such Products. Buyer warrants that it will not divulge, disclose, or in any way distribute or make use of such information, and that it will not manufacture or engage any person or entity to have manufactured such Products.

13. ERRORS.

Stenographic and clerical errors are subject to correction.

14. APPLICABLE LAW; JURISDICTION AND VENUE.

This agreement will be governed by the laws of the State of California.

15. LIMITATION OF LIABILITY.

(a) Seller will not be liable for any loss, damages, or penalty resulting from delay in delivery of the Products
(b) SELLER'S LIABILITY UNDER, FOR BREACH OF, OR ARISING OUT OF THIS AGREEMENT WILL BE LIMITED TO REPAIR OR REPLACEMENT OR A REFUND OF THE PURCHASE PRICE OF THE PRODUCTS, AT SELLER'S SOLE OPTION, AS SET FORTH IN PARAGRAPH 9 ABOVE. IN NO EVENT WILL SELLER BE LIABLE FOR COSTS OF PROCUREMENT OF SUBSTITUTED PRODUCTS BY BUYER, NOR WILL SELLER BE LIABLE FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, INDIRECT OR OTHER DAMAGES INCLUDING WITHOUT LIMITATION LOSS OF PROFIT WHETHER OR NOT SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS HOWEVER CAUSED, WHETHER FOR BREACH OR REPUDIATION OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE OR OTHERWISE. THIS EXCLUSION INCLUDES ANY LIABILITY THAT MAY ARISE OUT OF THIRD PARTY CLAIMS AGAINST BUYER. THE ESSENTIAL PURPOSE OF THIS PROVISION IS TO LIMIT THE POTENTIAL LIABILITY OF SELLER ARISING OUT OF THIS AGREEMENT.

16. SUBSTITUTIONS AND MODIFICATIONS.

Seller will have the right to make substitutions and modifications to the specifications of Products sold by Seller, provided that such substitutions or modifications will not materially affect overall Product performance.

17. ATTORNEY'S FEES AND COSTS.

Reasonable attorney's fees and costs will be awarded to the prevailing party in the event of litigation involving the enforcement or interpretation of this agreement.
