

Date: November 11th, 2009

**TERMS AND CONDITIONS**

1. **License** - The supplying to Buyer by Seller of any products specified in this quotation does not in any way convey or grant to Buyer any license or right to any of the production processes owned or to make or have made the products supplied or any additional products (whether or not identical to the products supplied by Seller) coming within past or future patents and/or inventions owned, made or controlled by Seller.
2. **Indemnification** - Buyer agrees to indemnify and hold Seller harmless against all losses, damages and expenses arising out of any claim for infringement of any article patent in connection with the product manufactured and sold hereunder or infringement of any patent relating to a specific process or producing said product.
3. **Intellectual Property/Reverse Engineering** – If not contracted in an additional, numbered and signed document Buyer agrees that all right, title and interest in and to any inventions, discoveries, improvements, methods, ideas, computer and other apparatus programs and related documentation, other works or authorship fixed in any tangible medium of expression, mask, works, or other forms of Intellectual Property, whether or not subject to statutory protection, which are made, created, developed, written, conceived or first reduced to practice by Seller solely, jointly or on its behalf, in the course of, arising out of, or as a result of work performed under an order, and any related tooling, setup, fitting-up and preparation charges whether or not invoiced, shall belong to and be the sole and exclusive property of Seller. Buyer agrees not to reverse engineer all or any portion of any products specified in this quotation, nor allow or assist others to do so. Buyer agrees not to remove, alter, erase, deface or cover over any markings on the Product or its packaging.
4. **Force Majeure** – Failure of Seller to make any one or more deliveries (or portions thereof) hereunder when due shall not subject the Seller so failing to any liability to the Buyer if such failure shall be caused or occasioned by Act of God or the public enemy, governmental action, fire, explosion, flood, drought, war, riot, sabotage, embargo, strikes, or other labor trouble failure, in whole or in part of Seller's suppliers or any subcontractor to deliver on schedule materials, equipment, or machinery to Seller, interruption of or delay in transportation, shortage of fuel, energy or utilities or by any other event or circumstance of a similar or different nature beyond the reasonable control of the Seller so failing; and, at the option of the Seller so failing, the total quantity to be delivered hereunder shall be reduced by the quantity of the delivery or deliveries (or portions thereof) not made on account of any of the above causes. In no event shall Seller be obligated to purchase products from others in order to enable it to deliver products to Buyer hereunder.
5. **Returned Material** - Any claim for the return of product manufactured and sold hereunder shall be made within (30) days from receipt of shipment. Product cannot be returned without first obtaining a Return Authorization Number (RAN) from Seller. Seller shall provide to Buyer evaluation results and planned course of action with timing for repair, replacement or refund.
6. **Buyer-Furnished Material** - The Seller will handle with due care buyer-furnished materials received for processing from Buyer.
7. **Export** – Buyer will not export, directly or indirectly, any products to any country for which the German Government or any agency thereof at the time of export requires an export license or other governmental approval without first obtaining such license or approval.  
In case the delivery of goods or services will be restricted or forbidden due to (changed) export control laws, rights and obligations of the customer will be suspended for the estimated duration of this (changed) export control law, or even the contract may be cancelled.
8. **Ordering Policies** - Please reference Seller's Quote Number and/or Seller's Part Number when ordering Custom Products. All orders must contain delivery dates with quantities that equal the total quantity on the purchase order. The minimum order value has to be EUR/USD 400.
9. **Rescheduling of Deliveries** – a) Rescheduling of delivery dates must be received two months prior to the original scheduled delivery date. Any request by Buyer for a variance from this condition must be submitted in writing to Seller, setting forth in detail the reasons for the request. Seller will then evaluate each request on a case-by-case basis. b) No product may be rescheduled more than two months past the original final scheduled delivery date of the purchase order. Any request by Buyer for a variance from this condition must be submitted in writing to Seller, setting forth in detail the reasons for the request. Seller will then evaluate each request on a case-by-case basis.
10. **Cancellation by Buyer** - Cancellation of an order or portion thereof must occur a minimum of one month prior to the original scheduled delivery date. Buyer is responsible to accept and pay for all scheduled deliveries within the notification period and to pay for all work in process to support the total order. In addition, a cancellation fee of 25% of the sales value of the canceled, scheduled delivery will be charged for orders cancelled two months prior to the scheduled delivery and a cancellation fee of 50% of the sales value of the cancelled, scheduled delivery will be charged for orders cancelled one month prior to the scheduled delivery.

11. **Terms** - Once approved for open account, Seller's Terms are Net 30 Days, Orders requiring a Letter of Credit will not be entered until Letter of Credit is received and meets Seller's standard terms for a Letter of Credit. F.O.B. Ulm, Germany unless otherwise negotiated.
12. **Quote Effectivity** - This Quotation is in effect for 90 days from date of issue unless otherwise negotiated.
13. **Chips** – For orders up to 200 pieces 1x1 chips per position the chips will be packed in Gelpak packing and charged with EUR 40 per Gelpak.  
For orders of 200 pieces or more 1x1 chips per position the items are supplied on blue tape. An over delivery of up to 20% has to be accepted and will be invoiced.
14. **General** - Any order based on this Quotation is subject to acceptance by Seller. Buyer's acceptance of Seller's quotations shall be deemed to constitute acceptance of these Terms and Conditions. These Terms and Conditions shall supersede any conflicting provisions of any purchase orders or other communications of Buyer. Neither Seller's acknowledgment of Buyer's purchase order, commencement of performance, nor delivery of Products shall be deemed or construed as acceptance of Buyer's additional or different Terms and Conditions. No changes or modification of any of these Terms and Conditions shall be valid or binding on either party unless in writing and signed by an authorized representative of the party to be bound.
15. **Warranty:** Performance Guarantee(s); Limitation on Remedies – Seller warrants that its products are free from defective material and workmanship for a period of 30 days from date of shipment, or for any longer time elsewhere stated.

The Warranty contained in this section is in lieu of any other warranty, express or implied, including the implied warranties of merchantability and fitness for a particular purpose.

Seller does not assume responsibility or give any warranty for Products which are not of its own manufacture, except to extend to the Buyer any express warranty of the original manufacturer, which may be so extended.

The Buyer's REMEDIES for either breach of warranty or failure to meet any guarantee(s) or other contract specification(s) are LIMITED as follows:

Buyer shall provide written notice to Seller describing the defect and obtain Seller's approval to return the Product for verification of defect. Upon determination that the warranty is effective, Seller shall have the option either to replace or repair any defective Product, to refund the purchase price upon return of the defective Product, or to grant a reasonable allowance to Buyer on account of such defects, and Seller's liability and Buyer's exclusive remedy for defective Product shall be limited solely to such replacement, repair, or allowance, as Seller may elect. Seller shall be given reasonable opportunity to investigate all claims and no Products shall be returned to Seller until after approval by Seller and receipt of written shipping instructions from Seller.

*These Terms and Conditions, together with the order and other material set forth on the other side of this form, set forth the entire understanding of the parties with respect to the subject matter hereof, and supersede and replace all prior discussions, writing or understandings between the parties on such subject matter. However, these terms and conditions and such order and other material may be changed or terminated only by a writing signed by both parties. No written purchase order shall affect or vary these terms and conditions. These terms and conditions are accepted by Buyer if Buyer either does not object within five (5) business days from firm receipt of this Quotation or accepts delivery of products from Seller, whichever is earlier. Failure of either party to insist on strict compliance with any provision hereof, or to exercise any right hereunder, shall not constitute a waiver of such provision or right in any other instance. Section headings are for convenience of reference only and shall not have any effect upon the interpretation of these terms and conditions. Neither Buyer nor Seller may assign any rights or obligations under these terms and conditions or such order or other material except with the other's prior written consent, and any such attempted assignment shall be void. These terms and conditions, such order and such material shall be governed by and construed in accordance with the laws of Germany, applicable to contracts executed and performed entirely within Germany and any legal action or proceeding with respect thereto shall be brought exclusively in the courts of Ulm/Germany.*