

GENERAL TERMS AND CONDITIONS OF PURCHASE ORDER

- 1 **ACCEPTANCE;** These terms and conditions are the exclusive binding agreement between the parties covering the purchase of the products and services ordered and are accepted by acknowledgement and/or commencement of performance. **THIS ORDER CAN BE ACCEPTED ONLY ON THESE TERMS AND CONDITIONS AND VISHAY INTERTECHNOLOGY OTHER SUPPLEMENTARY AGREEMENT. ADDITIONAL OR DIFFERENT TERMS PROPOSED BY SELLER'S ACKNOWLEDGEMENT THEREOF WILL NOT BE APPLICABLE UNLESS ACCEPTED IN WRITING BY BUYER. ACCEPTANCE OF THE PRODUCT OR SERVICES DELIVERED UNDER THIS ORDER SHALL NOT CONSTITUTE ACCEPTANCE OF SELLER'S TERMS AND CONDITIONS.** No change, modification or revision of this order shall be effective unless in writing and signed by Buyer's duly authorized purchasing representative, or company officer. Seller's failure on order acceptance within 14 days will entitle Buyer to cancellation. Buyer in this context construe "Vishay Intertechnology's purchasing representative or the end user of the product under discussion".
- 2 **PRICES;** Seller warrants that the prices charged for products or services are not in excess of prices charged to other customers for similar quantities and delivery requirements. Price reductions during the effective period covered by this order, for similar products or services, shall be extended to the unit price of the ordered products or services not yet rendered.
- 3 **INVOICES;** Payment of invoices shall not constitute acceptance of the product or waiver of Buyer's right to demand for adjustment in effort shortages, defects in the product or other failures to meet the requirements of the order. Buyer may debit, at any time, from payment to Seller the amount owed by Seller or its affiliated companies to Buyer. Invoices shall be submitted in duplicate.
- 4 **TAXES AND CHARGES;** All taxes and similar charges shall be stated separately on Seller's Invoice.
- 5 **OVERSHIPMENT;** Buyer will pay only for maximum quantities ordered or designated for release. Overshipment will be held at Seller's risk and expense for a reasonable time whilst waiting for shipping instructions. Return shipment charges of excess quantity delivered will be at Seller's expense.
- 6 **PACKING AND SHIPPING;** When the price of this order is based on the weight of the ordered products, such price is to cover net weight of the product ordered only unless otherwise specified. No charges shall be allowed for weight pertaining to boxing, crating, dray age, storage or other packing requirements or any allowance for damage in connection with the foregoing. Unless otherwise specified, all products shall be packed, packaged, marked and prepared for shipment in a manner which is;
 - (i) In accordance with good commercial practice,
 - (ii) Acceptable to common carriers for shipment at the lowest rate for the particular product and in accordance with **ICC regulations**, and
 - (iii) Adequately safe to ship the product to the named destination and for storage and protection against weather. Seller shall mark all containers with necessary lifting, handling and shipping information and also purchase order number, date of shipment and the name of the consignee and consignor.An itemized packing sheet, showing purchase order number and item numbers (Vishay's drawing/Stock Numbers), must accompany each shipment unless otherwise specified. Deliveries against this order shall not be made whether in whole or in part prior to the date or dates shown hereon, without Buyer's prior written consent.

7 WARRANTY;

- (a) Seller warrants that all products and product components are free from defects in workmanship, material and design. Seller has to also warrant that the products in this order comply with applicable drawings, specifications and samples. Seller need also to warrant that all products are of merchantable quality and are fit and suitable for the purpose intended by the Buyer. Seller shall warrants products (non-CAPITAL) sold under this order against defects in material and workmanship for a period of 90 days from the time that the product is placed in complete and full time operation. Prior testing periods shall not indicate the beginning of the 90-day period. Seller shall make good the non-CAPITAL product whether through repair or to replace the necessary parts at Buyer's site without charges during the 90-day period. When repairs are required, the 90-day period shall be tolled (interrupted) during the repair period. The 90-day period will resume when the non-CAPITAL product is again in complete and full-time operation. All CAPITAL equipment will be warranted for one (1) year period for parts and labor. As used herein, CAPITAL equipment shall mean equipment or other product with a useful life in excess of six months. The warranty shall begin from the date of equipment acceptance in full-time operation (including software). These warranties are in addition to all other warranties, express or implied, and shall survive delivery, inspection, acceptance or payment by Buyer and shall be extended to Buyer, its successor, assignees, customers and users of the products.
- (b) If any products delivered hereunder do not meet the warranties specified herein or otherwise applicable, Buyer may at its election:
 - (i) Requires Seller to promptly correct, at no cost to Buyer, any defective or non-conforming products by repair or replacement, at the location as specified by Buyer, or
 - (ii) Return such defective or non-conforming products, at Seller's expense, to Seller and recover from Seller the order price thereof. The foregoing remedies are in addition to all other remedies at law or in equity under this order, for damages or otherwise and shall not be deemed to be exclusive.
- (c) Buyer's approval of Seller's product or design shall not relieve Seller of the warranties set forth in this clause. The provisions of this clause shall not limit or affect the rights of Buyer under the clause hereof entitled "**Inspection.**"
- (d) Seller shall indemnify and hold Buyer harmless from any loss, claim, damage or expense whatsoever including reasonable attorneys' fees that Buyer may incur as a result of any breach of the foregoing warranties.

8 INSPECTION;

- (a) All products purchased hereunder shall be subjected to inspection and test by Buyer to the extent practicable at all times and places; during and after the period manufacture and, in any event, prior to final acceptance. If Buyer makes inspection or test at Seller's premises Seller shall, without any additional charges, provide all reasonable facilities and assistance to Buyer's inspector, on both safety and convenience. Inspection or test does not relieve Seller from their responsibility for defects and other failure to meet the requirements of this order.
- (b) In case of defective product, either in material or workmanship or otherwise not in conformity with the requirements of this order, Buyer shall have the right to reject the defective products, request for its correction or conditionally accept them. Buyer reserves the right to return such conditionally accepted products for credit, within a reasonable period of time after receipt, in the event that Buyer determines that such products are unsuitable for its purpose. Any product that needs to be corrected shall be corrected by and at the expense of Seller promptly, after notice. Material rejected against this purchase order will be rejected for CREDIT ONLY (applicable only to non-capital material) and replacement shipment, from Seller, will require Buyer's authorization. Upon Buyer's request and if Seller fails to replace or correct any defective product within the delivery schedule. Buyer may (i) replace or correct such product and charge Seller the cost occasioned thereby or (ii) without notice, terminate this order for default in accordance with the clause herein entitled "**Termination for Default**" or (iii) utilize the defective product and require an appropriate reduction in price.

- (c) Notwithstanding any prior inspection or payment hereunder, all products shall also be subjected to final inspection and acceptance at Buyer's plant within a reasonable time after delivery. Seller shall provide and maintain an inspection system, which is acceptable to Buyer. Records of all inspection work shall be kept complete and available to Buyer during the performance of this order and for such further period determined by Buyer.
- (d) Buyer may accept or reject shipments in accordance with its established lot inspection procedure. Where rejection of a shipment is appropriately based on Buyer's normal inspection level, and where such rejection jeopardizes Buyer's production schedule, then Buyer at its option may charge Seller for the reasonable costs of an above normal level of inspection up to and including 100% inspection of such shipment.

9 **SOURCE INSPECTION;** Buyer reserves the right to inspect any or all of the material included in this purchase order at Seller's plants.

10 **PAYMENT;**

(a) Buyer of the products called for under this purchase order makes all payments conditionally upon acceptance.

11 **QUALITY CONTROL;** Vendors supplying Buyer with materials requiring quality control inspection must maintain a quality control system such as **ISO 9001** or **TS16949**. Buyer requires advance written notification of 12 months for a proposed design, process and / or material change that would affect the form, fit, function, reliability and / or manufacturability of its components or end of life of any product or material. Examples include changes in raw material, lead frame material / design, package material / design or manufacturing location. Written buyer approval is required for these changes. Notification shall not be required for minor changes such as equipment additions, minor process adjustments or supplier changes, as long as the material is of the same composition.

12 **CHANGES;** Buyer may at any time, by written order and without notice to sureties or assignees, suspend performance hereunder, increase or decrease the ordered quantity, or make changes in any one or more of the following:

- (a) Applicable drawings, designs or specifications;
- (b) Method of shipment or packing; and/or
- (c) Place of delivery.

If any such change causes an increase or decrease in the cost of or the time required for performance of this order, an equitable claim by Seller for adjustment hereunder shall be valid only with written notice. Such claim has to be accompanied by an estimate of costs within twenty (20) days from the date of receipt by Seller of the notification of change. Failure of Seller to assert a claim within twenty (20) days, as provided above, shall constitute an unconditional and absolute waiver by Seller of any right to make a claim. Buyer reserves the right to verify claims hereunder and Seller shall make available to Buyer, upon its request, all-relevant books, records, inventories and facilities for its inspection and audit. Seller shall proceed with the changed or amended order, unless otherwise authorized by Buyer in writing.

13 **TERMINATION FOR DEFAULT;**

- (a) It is understood and agreed that time is of the essence under this order or any extension thereof effected by any change order. Buyer may terminate this order, through written notice, in whole or in part, if in Buyer's sole judgement, Seller fails;
 - (i) To make delivery of the product or to perform the service within the time specified hereby, or
 - (ii) To replace or correct defective products in accordance with the provision of those clauses hereof entitled "Warranty" and "Inspection", or

- (iii) To perform any of the provisions of this order or fail to make progresses in accordance with the terms herein including delivery schedule, or
- (iv) If Seller becomes insolvent, admits in writing its inability to pay its debt as they mature, files a voluntary petition in bankruptcy, makes an assignment for the benefit of creditors or if a petition under bankruptcy laws is filed against it.
- (b) In the event of termination pursuant to this clause, Buyer may procure upon such terms and in such manner, as Buyer may deem appropriate, products and services similar or substantially similar to those terminated. And Seller shall be liable to Buyer for any excess costs occasioned thereby, provided that in the event Buyer elects to terminate only a portion of the order, then in such event Seller shall continue the performance of this order to the extent not terminated.
- (c) If this order is terminated pursuant to paragraph (a)(iv); Buyer, in addition to any rights provided herein, may require Seller to transfer title and delivery to Buyer. Such transfer shall be done in a manner, time and to the extent directed by Buyer for the following:
 - i. Any completed products,
 - ii. Partially completed products and material, parts, tools, dies, jigs, fixture, plans, drawings, information, and contract rights Seller has produced or acquired for the performance of the terminated parts.
 - iii. Seller shall grant Buyer a royalty-free assignable non-exclusive license to use and to license others to use Seller's designs, processes, drawings and technical data, substantially relating to the quality of the product terminated hereunder. Seller shall protect and preserve property in their possession, encompassed in this paragraph. Payment for completed products delivered to and accepted by Buyer, within this paragraph, shall be an amount agreed upon by Seller and Buyer. And such amount shall not exceed the order's unit price. Seller's obligation hereunder to carry out Buyer's direction as to delivery protection and preservation shall not be contingent upon prior agreement as to such amount.
- (d) If Buyer issues an inappropriate default termination notice, such termination shall be deemed as to be issued under the clause entitled "**Termination for Convenience**", by both Seller and Buyer. The rights and liabilities of the parties hereto shall in such event be governed by such clause.
- (e) Failure of Buyer to enforce any right under this clause shall not be deemed as waiver of any other right hereunder. The rights and remedies of Buyer under this clause shall not be exclusive but are in addition to any other rights and remedies provided by law and under this order.
- (f) Seller shall not be in default of delay delivery if delay arises by reason of causes beyond the control and without the fault or negligence of the Seller. In the event of an excused delay, Buyer has the option to extend the time of performance such that the uncompleted portion of this order is not terminated. Seller shall be allocated the products covered by this order in quantities not less than the ratio that this order bears to the total orders of Seller for the same or similar products at the time of the excused delay. Seller will reasonably notify Buyer of any delay and quality of products available for Buyer.

14 **TERMINATION FOR CONVENIENCE;**

- (a) Buyer may terminate work under this purchase order, in whole or in part, at any time by written notice to Seller specifying the extent to which performance of work is terminated. Such termination shall not constitute as default, provided the termination is done with the specified delivery time. After receipt of such notice, except as otherwise directed by Buyer, Seller shall stop work under this order to the extent specified in the notice of termination. Within thirty (30) days after receiving the termination notice, Seller shall submit to Buyer its written termination claim. Failure of Seller to submit its termination claim as provided herein shall constitute as an unconditional and absolute waiver, by Seller, of any claim arising from Buyer's notice of termination.
- (b) Seller shall reasonably assess costs for raw materials, work in process and subassemblies as may be included within its termination claim. And Seller has to determine whether or not such items can be used by Seller for the manufacture of associated products or diverted for any other purpose and correspondingly to reduce its

termination claim by the value of such items. When settlement has been made, title to any such items determined not usable by Seller and charged to Buyer in the termination claim shall vest in Buyer upon payment of the claim and forthwith be delivered to Buyer at Buyer's expense, under Buyer's shipping instructions.

- (c) Standard or off-the-shelf products: Seller's sole claim for standard or "off-the-shelf" products shall be limited to a reasonable re-stocking charge not to exceed 10% of the purchase price.
- (d) Customize products: with respect to custom products, Seller's termination claim shall comprise solely the following:
 - (i) The termination dollar value for completed products accepted by Buyer and not paid for shall be determined by multiplying the number of such products by the unit price therefore as specified in this order, and
 - (ii) The total cost of the work in process shall not exceed the average unit cost multiplied by the number of units in process. Such number of units in process shall not exceed that amount which has been previously placed on firm release by Buyer.

Such claim amount shall not include any costs attributable to Seller's products paid under subparagraph (d)(i), above. The total sum payable to Seller under subparagraph (d)(i) and (ii) above shall not exceed total order price deducting the amount of payments otherwise made and also the price of work not terminated under this order.

- (e) In no event shall Seller be entitled to incidental or consequential damages, costs of preparing claims, costs of tooling or equipment or sales or agents commissions.
- (f) Buyer reserves the right to verify claims hereunder. And Seller shall make available to Buyer, upon its request, relevant books, records, inventories and facilities for its inspection and audit. In the event Seller fails to reasonably afford Buyer its rights hereunder, then Seller shall be deemed to have relinquished its claim asserted under the provisions of this clause.

15 **WAIVER;** Buyer's failure to enforce any of the provisions of this order, or exercise any election or option provided herein, or demand performance by Seller of any of the provisions hereof, shall in no way be construed to be a waiver of such provisions. Nor in any way such act will affect the validity of this purchase order or any part thereof, or the right of Buyer thereafter to enforce each and every provision.

16 **PATENTS, TRADEMARKS, TRADE NAMES, TRADE SECRETS, COPYRIGHTS, ROYALTIES AND ENCUMBRANCE;** All products supplied including products designed to Buyer's specifications, must be free from claims of others with respect to royalties, rights in patents, trademarks, trade names, trade secrets and copyrights, and mechanics' liens or other encumbrances or charges. Seller agrees to indemnify and hold Buyer harmless against all claims, demands, cost and actions for actual or alleged infringements of rights in any of the foregoing in the use, sale or reselling of the said products.

17 **BUYER'S PROTECTION IN CONNECTION WITH WORK DONE AT ITS PLANT;** Seller shall take reasonable steps necessary to prevent personal injury or property damage during any work performance, hereunder, by any employees, agents, or subcontractors of Seller at Buyer's plant. Seller shall indemnify, hold harmless and defend Buyer from and against all losses, liability, liens, claims and damages arising from or caused directly or indirectly by any act or omission of such agents, employees or subcontractors of Seller. And Seller shall maintain such insurance against public liability and property damage and such Employee's Liability and Compensation Insurance as will protect Buyer against the aforementioned risks and against any claims under any Workmen's Compensation and Occupational Disease Acts.

18 **COMPLIANCE WITH LAWS;** Seller warrants that no law, rule or ordinance of the Republic of Singapore, or any other governmental agency has been violated in the manufacture or sale of the products or in the

performance of services covered by this order. And Seller will defend and hold Buyer harmless from loss, liability, claim, cost or damage as a result of any actual or alleged violation, upon written request by Buyer.

- 19 **NON-DISCLOSURE OF CONFIDENTIAL MATTER AND PUBLICITY;** Products purchased to Buyer's specifications or drawings shall be held in the strictest of confidence in the absence of Buyer's prior written authorization. Such specifications, drawings, samples or other data furnished by Buyer, and any and all copies of extracts thereof, shall be treated as **CONFIDENTIAL INFORMATION** by Seller; and shall remain as Buyer's property and be promptly returned to Buyer upon request. Any publicity regarding this order (pictures, descriptions, notice of award or samples thereof) is prohibited except with Buyer's written approval.
- 20 **ASSIGNMENT AND SUBCONTRACTORS;** Seller has no authority to assign any right or obligation under this purchase order, including the right to receive monies due hereunder. And Seller shall not enter into any substantial or critical subcontracts without the prior written consent from Buyer. Any purported assignment without such consent shall be null and void and Buyer shall not be obligated to recognize any claim from Seller resulting from any subcontract not previously consented to by Buyer.
- 21 **BUYER-FURNISHED PROPERTY;** All tools or other materials furnished by Buyer for use in the performance of this order shall remain as Buyer's property. Such property shall only be used by Seller in the performance of this order, in accordance with the requirements of the order relating to such use, and shall be returned to Buyer when requested upon completion or termination of the order to the extent not previously delivered to Buyer. Seller agrees that it will follow normal industrial practice in the identification and maintenance of property control records on all such tooling, and will make such records available for inspection by Buyer or the federal government at all reasonable times. Seller agrees to exercise reasonable care in safeguarding and preservation of all Buyer-furnished property. Seller shall assume all responsibility for loss, damage or destruction while such property is within its possession or control.
- 22 **PATENT LICENSE;** Seller, as partial consideration for this purchase order and without further cost to Buyer, hereby grants and agrees to grant to Buyer to the extent requested by Buyer an irrevocable, non-exclusive, royalty-free right and license. Such license entitles Buyer the right to use, sell, manufacture and cause to be manufactured, products embodying any and all inventions and discoveries made, conceived or actually reduced to practice in connection with the performance of this purchase order.
- 23 **HAZARDOUS SUBSTANCE STATEMENT:** Material and packaging delivered on this purchase order shall not contain any of the following substances unless otherwise exempted in writing by Vishay Procurement contract: Lead; mercury; cadmium and cadmium compounds; hexavalent chromium; pbb (polybromobiphenyl) category and pbde (polybrominated diphenyl ethers) category; chlorinated paraffin (chlorine flame retarding materials/plasticizers); polychlorinated biphenyl (pcb) category; polychlorinated naphthalene category; organic tin compounds (tributyl tin category and triphenyl tin category); asbestos; and azo compounds. Note that the European Union issued its directive 2002/95/ec (RoHS), effective July 1, 2006, which prohibits manufacturers from including lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyls, and polybrominated diphenyl ethers in "electrical and electronic equipment." The directive also establishes maximum levels of these six substances that may be present but nevertheless be RoHS compliant. Note as well that the People's Republic of China issued a similar directive, effective March 1, 2007, covering the same six substances. Each material vendor shall supply, at least annually, "ICP" (Inductively Coupled Plasma Mass Spectrometry) data from a nationally recognized independent laboratory referencing traceable standards of vendor's homogenous material or component(s), to confirm to Vishay its compliance with the above requirements.

- 24 **CHANGES IN PROCESS OR METHOD OF MANUFACTURING;** Seller agrees that it will not make changes to process or method of manufacturing during the term of this purchase order without Buyer's written consent. Seller further agrees that any contemplated process or method of manufacturing changes will be submitted to Buyer in sufficient time to give Buyer a reasonable opportunity to evaluate and authorize such changes.
- 25 **SURVIVAL;** The provisions set forth in this document shall survive and remain in effect until order has been fulfilled or otherwise terminated by Buyer through written communications. This document shall be extended to successor, assignees and holding company of the Buyer. The document shall remain binding even in the event of changes in Buyer's company legal name unless otherwise stated by Buyer in writing.
- 26 **APPLICABLE LAW;** This purchase order shall be governed by, subject to and construed in accordance with the laws of the Republic of Singapore. Any action or proceeding brought by either party hereto arising out of or relating to this purchase order shall be brought in Singapore court.
- 27 **LOSS OF BUSINESS;** In the event of termination pursuant to Seller's failure to perform the service or deliver the product within the time specified, Seller shall bear full responsibility to Buyer's business losses. Buyer shall duly determine such losses in accordance with business transaction effected during normal course of business operation. Failure of Buyer to enforce any right under this clause shall not be deemed as waiver of any right hereunder.
- 28 **ATTORNEY'S FEES;** In any action between the parties to enforce any term or provision of this purchase order, the prevailing party shall be entitled to recover expenses, including reasonable attorney's fees incurred in such action.