

1. **APPLICABILITY.** Subject to the terms and conditions of this MKG Terms and Conditions of Sale, the applicable Acknowledgment, and applicable invoice (which may be overleaf), which are incorporated into this MKG Terms and Conditions of Sale as if fully set forth herein (collectively "Agreement"), Microchip Technology Germany II GmbH & Co. KG ("MKG"), offers for sale to you ("Customer") the goods and services specified in MKG's order confirmation ("Acknowledgment") or otherwise delivered to Customer (collectively "Goods" or with regard to fee-based services, "Services"). "Order" means Customer's written, electronic, or verbal purchase order for the Goods. MKG's acceptance of the Order is conditioned upon Customer's assent to the Agreement. Customer's receipt of Goods constitutes Customer's assent. Unless Customer and MKG have a current, mutually executed agreement for the purchase of Goods or Services from MKG, only the Agreement applies to the Order and all other terms and conditions proffered by Customer whether as part of an Order or otherwise are rejected and do not form a part of the Agreement. MKG's delay or failure to object to any terms or conditions received from Customer, including the original Order, will not be a waiver of any Agreement term. The parties agree as follows.

2. **PRICE.** The prices of Goods and Services are as stated in the Acknowledgment or invoice and, unless otherwise stated, are subject to adjustment for currency fluctuations (where the price of Goods or Services is stated in a currency other than US Dollars and there is a fluctuation of at least +/- 5% in the exchange rate between that currency and the US Dollar averaged over a 30-day period from the date of the Acknowledgment until the date payment is due in accordance with Section 3), and any changed quantity of Goods (see Section 7), and Customer must pay the adjusted price. Taxes, duties, and other government assessments are Customer's responsibility and will be added to the price of the Goods or Services in the invoice. Customer may not offset any amounts owed by MKG against any amount Customer owes under this Agreement.

3. **PAYMENT.** All shipments are subject to credit approval by MKG. Full payment is due promptly on receipt of the shipment, whether total or partial, unless credit terms are extended to Customer by an authorized representative of MKG or cash in advance, C.O.D., or other terms are indicated on an invoice. MKG reserves the right to charge interest up to the maximum amount permitted by law on any overdue amounts, withdraw credit, impose other payment terms or late charges, cease further shipments, or impose any combination of these actions if Customer fails to timely pay any amount owed to MKG. Payment is due regardless of performance or outcome of testing, but payment will not affect Customer's right to perform testing under Section 6. Time is of the essence regarding Customer's payment obligations.

4. **TITLE, RISK, AND DELIVERY.** Title passes on MKG's shipment. Unless otherwise specified on the Acknowledgment, delivery is EXW MKG's shipping point (Incoterms 2010). Customer bears the risk of loss or damage to the Goods once they are provided to the carrier. All delivery times or shipment dates are approximate and may be changed by MKG. MKG will give Customer as much notice as is reasonably possible of a change. MKG will not be liable for any loss or damage Customer may suffer due to any changed or missed delivery times or shipment dates.

5. **EXPORT CONTROL.** Customer will comply with all applicable export control laws and regulations and will indemnify MKG for all damages, including reasonable attorney's fees, resulting from Customer's failure to do so.

6. **INSPECTION AND ACCEPTANCE.** Goods are deemed to be accepted by Customer unless Customer provides MKG written notice to the contrary specifying the non-conformance within 21 days of Customer's receipt of Goods. MKG may examine Goods Customer claims are nonconforming on Customer's premises. MKG may impose charges to reimburse it for its costs if it finds Customer's claim is unsupported or for rescreening conforming Goods. No Goods may be returned to MKG unless Customer has first received and complied with MKG's return material authorization number and instructions ("RMA"), which will not be unreasonably withheld.

7. **QUANTITIES.** MKG will use reasonable efforts to deliver the quantities specified in the Acknowledgment, but MKG will be in compliance if the actual quantities shipped are within +/- 5% of the specified quantities. The extended price in all cases will be the unit price multiplied by the quantity actually delivered (before taxes, duties, and other governmental assessments).

8. **MODIFICATION AND SUBSTITUTION.** MKG reserves the right to modify its process, materials, or specifications for Goods and to substitute goods substantially equivalent to those ordered or manufactured to the modified specifications. It is Customer's responsibility to test all Goods to determine suitability for its needs.

9. **LIMITED PRODUCT AND SERVICES WARRANTY**

A. **Goods.** MKG warrants that MKG's Goods, excluding software/firmware, conform to MKG's published specifications in all material respects for one year from date of delivery. Goods not conforming to this warranty and returned to MKG within the applicable warranty period will be eligible for replacement, repair, or credit as follows. To obtain a remedy for nonconforming Goods, the following conditions must be met: (1) Customer must notify MKG in writing promptly on discovery of the deficiency with reasonable detail within the warranty period; (2) Customer provides evidence that the deficiency has been caused by the Goods or services provided by MKG; and (3) MKG confirms (on MKG's premises or at the Customer's site, at MKG's sole option) that the claimed deficiency is present and not attributable to a Disqualifying Event (as defined below). If all of these conditions are met, MKG, at its sole option, will either replace or repair the deficient Goods (e.g., amend or update Goods), or credit Customer's account for the amount Customer paid MKG for them, MKG, at its sole option, may also cancel the Order or applicable contract. The Warranty Period for any repaired or replacement Goods will be the balance of the Warranty Period for the original Goods remaining from the date MKG received notice of the warranty claim from Customer, but in no event will such Warranty Period for the repaired or replacement Goods be less than 30 days from the date of delivery of the repaired or replacement Goods to Customer. Repair or replacement of Goods is generally performed on MKG's premises. A separate agreement is required for repair or replacement to be performed on the Customer's premises. **MKG DOES NOT WARRANT THAT THE OPERATION OF GOODS, ITS FIRMWARE, OR SOFTWARE WILL BE UNINTERRUPTED OR ERROR FREE.**

C. **Services.** With respect to any Services that are invoiced to and paid by Customer, MKG warrants for a period of 30 days from the date Services are first rendered that such Services were performed in a good and workmanlike manner, and does not warrant or promise that any particular problem will be resolved satisfactorily or that any specific result will be obtained, except as otherwise expressly agreed to in a separate agreement.

D. **Exclusions.** The foregoing warranties do not apply: (1) in cases where Goods have suffered misuse, abuse, neglect, alteration, accident, mishandling, repair, operation outside the associated specifications, improper installation, improper testing, or the like after shipment (collectively a "Disqualifying Event"); (2) where Goods are designated as experimental or to be used for development purposes; (3) to Goods not manufactured by MKG or a related company; (4) to Goods for which claims are being made by anyone other than Customer; (5) to Goods used, sold, or distributed by Customer despite failing its tests; (6) to any goods or equipment within which Goods are contained or integrated; (7) to any product obtained from an unauthorized third party; (8) to any samples, which are provided AS IS and WITH ALL FAULTS; and (9) to any gratuitous services, including information, assistance, or advice that, though not invoiced to and paid by Customer hereunder, is provided by MKG. Warranty claims may only be made by the Customer and are not assignable to third parties. Final determination of warranty eligibility will be made by MKG.

E. **Exclusive Warranties.** THESE WARRANTIES ARE IN LIEU OF AND EXCLUDE (TO THE FULLEST EXTENT PERMITTED BY LAW) ALL OTHER WARRANTIES, CONDITIONS, STIPULATIONS, STATEMENTS, TERMS, OR UNDERTAKINGS OF ANY KIND, EXPRESS OR IMPLIED, WRITTEN OR ORAL, STATUTORY OR OTHERWISE, INCLUDING BUT NOT LIMITED TO THEIR CONDITION, QUALITY, PERFORMANCE, MERCHANTABILITY, OR FITNESS FOR PURPOSE, AND ALL WARRANTIES ARISING FROM ANY COURSE OF DEALING OR USAGE OF TRADE. UPON THE EXPIRATION OF THE APPLICABLE WARRANTY PERIOD, ALL WARRANTY LIABILITY TERMINATES. CUSTOMER HAS RELIED ON ITS SKILL, JUDGMENT, AND NEEDS TO SELECT GOODS. THIS SECTION 9 CONSTITUTES CUSTOMER'S SOLE AND EXCLUSIVE REMEDIES FOR BREACH OF THESE WARRANTIES. MKG WILL HAVE A REASONABLE TIME TO PROVIDE A REMEDY. THESE WARRANTIES CANNOT BE EXPANDED EXCEPT IN A WRITING EXECUTED BY AN AUTHORIZED REPRESENTATIVE OF MKG. VERBAL REPRESENTATIONS AND TECHNICAL ASSISTANCE WILL NOT EXPAND THESE WARRANTIES. IF CUSTOMER IS A CONSUMER, THE ABOVE WILL NOT ACT TO EXCLUDE YOUR STATUTORY RIGHTS.

10. **PATENT AND COPYRIGHT INFRINGEMENT**

A. **Defense and Indemnity.** Subject to the exclusions and conditions below, MKG will defend any suit or proceeding brought against Customer to the extent it is based upon a claim that Goods manufactured and supplied by MKG to Customer directly infringe a valid patent or copyright ("Claim"). Notwithstanding the foregoing, MKG will have no liability or obligation under this Section 10 regardless of the theory of the Claim where the Claim arises out of or is connected with: (a) MKG's compliance with Customer's designs or specifications; (b) Customer's use of the Goods in

combination with any other product, process, or system, (c) modification of the Goods after MKG delivered them, or (d) use of the Goods in a manner for which they were not designed. If a suit or claim is brought against MKG alleging that Goods violate a patent, copyright, database right, trademark, or other intellectual property right and any of the events (a) - (d) in the preceding paragraph occur, Customer will defend that suit or claim and indemnify MKG and keep MKG indemnified for, from, and against all damages and costs awarded against MKG, including reasonable attorneys' fees and costs.

B. Conditions. As conditions to receiving any benefit under this Section 10, Customer must: (a) provide prompt written notice of a Claim, including copies of all materials, communications, notices, and other information relating to the Claim, to MKG; (b) give MKG all information, assistance (for which MKG will bear the reasonable expense), and authority MKG deems necessary, to defend or settle the Claim; (c) not make any admission, compromise, representation with respect to the merits or defense of the Claim, or accept or settle any Claim; and (d) give MKG exclusive control of the defense of the Claim, including the right to select counsel and to settle the Claim without Customer's consent. If these conditions are complied with, and subject to the limitation of liability (Section 13) in the Agreement, MKG will bear the cost of the defense and will pay all final damages and costs awarded against Customer, excluding Customer's attorneys' fees or costs.

C. Remedies. If Customer's use of the Goods, which are the subject of a Claim is enjoined, MKG will, in its sole discretion: (a) procure for Customer the right to continue using the Goods; (b) replace the Goods with non-infringing Goods; (c) modify the Goods to make them non-infringing; or (d) refund Customer's purchase price less depreciation subject to MKG's internal accounting policies, upon Customer's return of the Goods to MKG. SECTION 10 STATES CUSTOMER'S SOLE AND EXCLUSIVE REMEDY AND MKG'S SOLE AND EXCLUSIVE LIABILITY FOR INTELLECTUAL PROPERTY INFRINGEMENT. 11. **FORCE MAJEURE.** MKG will not be liable for delays or failures to perform an obligation under the Agreement attributable to an unforeseen circumstance or a cause beyond MKG's reasonable control ("Force Majeure Event"). During the Force Majeure Event, MKG may suspend, modify, or cancel the delivery of Goods or Services.

12. CANCELLATIONS

A. Customer Default. If Customer fails to perform any obligation, MKG may cancel or suspend further deliveries or terminate the Order and Agreement without affecting any contractual, legal, or equitable rights or remedies that MKG may have. Without limiting its remedies, MKG will be entitled to cancellation charges for finished Goods and work in process, which it commenced to reasonably meet the delivery schedule, as well as to quantity price adjustments reflecting volume pricing quoted for quantities ordered but cancelled due to Customer's default, and all costs, direct and indirect, incurred or committed, plus prorated anticipated profits. Continued shipment of Goods after Customer's default will not constitute a waiver of MKG rights or remedies.

B. Customer Cancellation. Customer may not cancel the Order, Agreement, or any part of them without MKG's prior written consent, which will be granted if Customer pays MKG the amounts as follows: (1) If the Goods are patterned (i.e., custom encoded) or other custom product (a) and cannot be easily re-encoded for another customer, then Customer must pay 100% of the purchase price of all finished Goods allocated to the Order and a pro rata portion of the purchase price of all work in process, which cannot be easily diverted to other orders, plus the cost of any materials committed for completion of the Order, but in no event will the amount Customer is obligated to pay exceed the purchase price of the Goods and Services had they been completed and delivered according to the Acknowledgment; or (b) and can be encoded with some potential loss of value, then Customer must pay 100% of the loss in value, MKG's cost for reprogramming, plus a 25% restocking charge. (2) If the Goods are unpatterned or other standard product, Customer must pay MKG's a percentage of the purchase price of the Goods and Services based upon the length of notice of cancellation given before the scheduled delivery, as follows: up to 30 days notice - 100% of the purchase price; 31-60 days notice - 75% of the purchase price; 61-90 days notice - 50% of the purchase price; more than 90 days notice - 25% of the purchase price.

C. MKG Cancellation. MKG may cancel all or any part of the Order or the Agreement at its discretion 30 days or more prior to the scheduled delivery date for unpatterned or other standard Goods and 60 days or more for patterned or other custom Goods.

13. LIMITATION OF LIABILITY

A. In General. IN NO EVENT, WILL MKG BE LIABLE, WHETHER IN CONTRACT, WARRANTY, REPRESENTATION, TORT (INCLUDING NEGLIGENCE OR BREACH OF STATUTORY DUTY), STRICT LIABILITY, INDEMNITY, CONTRIBUTION OR OTHERWISE, FOR ANY INDIRECT, SPECIAL, PUNITIVE, EXEMPLARY, INCIDENTAL OR CONSEQUENTIAL LOSS, DAMAGE, COST OR EXPENSE OF ANY KIND WHATSOEVER, HOWSOEVER CAUSED, OR ANY LOSS OF PRODUCTION, COST OF PROCUREMENT OF SUBSTITUTE GOODS, LOSS OF CAPITAL, LOSS OF SOFTWARE, LOSS OF DATA, LOSS OF PROFIT, LOSS OF REVENUES, CONTRACTS, BUSINESS, COST OF REWORK, LOSS OF GOODWILL OR ANTICIPATED SAVINGS, WASTED EXPENSES, OR WASTED MANAGEMENT TIME, EVEN IF MKG HAS BEEN ADVISED OF THEIR POSSIBILITY OR THEY ARE FORESEEABLE.

B. Aggregate Limit of Liability. SUBJECT TO SECTION 13(C), MKG'S TOTAL AGGREGATE LIABILITY IN CONTRACT, WARRANTY, REPRESENTATION, TORT (INCLUDING NEGLIGENCE OR BREACH OF STATUTORY DUTY), STRICT LIABILITY, INDEMNITY, CONTRIBUTION, OR OTHERWISE, WILL NOT EXCEED THE PURCHASE PRICE OF THE GOODS THAT GIVE RISE TO THE CLAIM.

C. Death and Personal Injury. NOTHING IN THIS AGREEMENT EXCLUDES OR LIMITS THE LIABILITY OF EITHER PARTY FOR DEATH OR PERSONAL INJURY ARISING FROM NEGLIGENCE OR ANY OTHER LIABILITY NOT EXCLUDABLE BY LAW.

D. Code. NOTWITHSTANDING ANYTHING TO THE CONTRARY, FOR CODE (SOFTWARE OR FIRMWARE) SUPPLIED PURSUANT TO CUSTOMER SPECIFICATIONS, OR FURNISHED OR CREATED BY ANYONE OTHER THAN MKG, MKG WILL HAVE NO LIABILITY FOR ANY USE OF IT, ERRORS CONTAINED IN IT, INTEROPERABILITY, OR CLAIMS OF INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS DUE TO ITS PUBLICATION, DISTRIBUTION, SALE, OR USE. CUSTOMER WILL DEFEND ALL SUITS AND CLAIMS AND INDEMNIFY MKG AND KEEP MKG INDEMNIFIED FOR, FROM, AND AGAINST ALL RESULTING CLAIM, LOSS, DAMAGE, AWARD, AND COST (INCLUDING BUT NOT LIMITED TO REASONABLE LEGAL FEES) ARISING OUT OF THE CODE.

E. Safety. GOODS AND SERVICES ARE NOT SPECIFICALLY MANUFACTURED OR DESIGNED FOR USE IN LIFE SUPPORT, SAFETY EQUIPMENT OR OTHER APPLICATIONS WHERE MALFUNCTION CAN RESULT IN PERSONAL INJURY OR DEATH. CUSTOMER'S USE OR SALE OF GOODS OR SERVICES FOR SUCH APPLICATIONS IS AT ITS OWN RISK. CUSTOMER WILL DEFEND ALL SUITS AND CLAIMS AND INDEMNIFY MKG AND KEEP MKG INDEMNIFIED FOR, FROM, AND AGAINST ALL RESULTING CLAIM, LOSS, DAMAGE, AWARD, AND COST (INCLUDING BUT NOT LIMITED TO REASONABLE LEGAL FEES) ARISING OUT OF USE OF GOODS OR SERVICES IN SUCH APPLICATIONS.

F. Customer Responsibility. Customer is solely responsible for any product or process using or incorporating the Goods, testing the Goods and determining the suitability for Customer's purpose, and determining whether products or systems using the Goods infringe third party intellectual property rights.

G. Allocation of Risk. The allocation of risk contained in this Agreement is reflected in the price of the Goods and Services, and is reasonable in all the circumstances having regard to all relevant factors, including the parties' bargaining positions.

14. GENERAL

A. Nondisclosure of Trade Secrets and Confidential Information; No License. Customer must maintain the secrecy of and not disclose, without MKG's express written consent, all trade secrets, proprietary information, or confidential information, which Customer receives from MKG. All intellectual property rights in the Goods and Services remain vested in MKG or its licensors. No rights are transferred or licensed to Customer as a result of the sale of Goods or Services to it. Title to all software, including modifications and derivatives thereof, remains vested in MKG or its licensors. After applicable license fees have been paid, software is licensed to Customer for internal use with the Goods and is provided "AS IS." A separate agreement may address transferability of such license rights and additional scope of use. Customer must not, nor permit others to, manufacture, reverse engineer, translate, decompile, create derivative works based on the whole or any part of the Goods, disassemble, adapt, modify, duplicate, or otherwise copy or reproduce any of the Goods without obtaining MKG's prior express written permission. If as a result of applicable law Customer is entitled to decompile the Goods in order to obtain information necessary to render the Goods interoperable or compatible with other goods or software ("Permitted Objective"), then Customer must first notify MKG of Customer's requirements and give MKG the opportunity to provide Customer with the information necessary to achieve the



Permitted Objective without undertaking a prohibited action. If MKG provides the necessary information to achieve the Permitted Objective, Customer must only use it to achieve the Permitted Objective and must not create goods, which are substantially similar to the Goods. Customer must not remove any product identification, copyright, trademark, or other proprietary notice attached to or provided with the Goods. Customer may not resell Goods without MKG's prior written consent unless the Goods are sold in conjunction with the provision of value-added services by Customer or as embedded within Customer's application or products.

B. Government Contracts. If the Goods are to be used in the performance of a U.S. Government contract or subcontract for which mandatory passdown clauses are applicable to MKG or the Goods, Customer must inform MKG and let it review the clause before MKG begins performance, so that it may decide whether to perform. If MKG is notified of the clauses after it starts performance and afterward rescinds its willingness to proceed, MKG will have no liability for its rescission.

C. Assignment. MKG may assign, transfer, or subcontract its rights and obligations under the Agreement. Customer may not assign, transfer, or subcontract its rights or obligations, except to a successor in interest to all or substantially all of the assets of Customer, without MKG's prior written consent. However, a permitted assignment will not relieve Customer from its obligations. Except as indicated in this Section 14(C), the rights and obligations of this Agreement will inure to the benefit of the respective parties, their successors, and assigns.

D. Notices. Notices required or permitted by the Agreement must be in writing and signed by an authorized representative of the party providing notice, addressed to the receiving party as specified in writing, and sent by courier, certified mail, facsimile, personal delivery, or email. If notice is sent by facsimile, in-person delivery, or email, notice will be deemed received and effective upon the earlier of actual receipt or one business day after delivery. If notice is sent via other delivery methods, notice will be deemed received and effective upon the earlier of actual receipt or five business days after delivery.

E. Entire Agreement. The Agreement constitutes the entire agreement and understanding of the parties with respect to the subject matter and supersedes all prior written or verbal communications, representations, agreements, understandings, proposals, negotiations, and promises. Neither party will be liable to the other or have any remedy against the other for any untrue statement on which the other has relied, except that nothing in this Agreement will exclude or limit the liability of either party for fraud or fraudulent misrepresentation.

F. Modification and Waiver. Except as expressly set forth in the Agreement, no modification or waiver of the Agreement is effective unless it is in writing and signed by an authorized representative of the party charged with having given the waiver, or both parties in the event of a modification. No failure or delay by MKG to assert any rights or remedies will be construed as a waiver or a continuing waiver of its rights and remedies, nor will a failure or delay to assert a breach be deemed to waive that or any other breach.

G. Survival. If a part of the Agreement is found by a court of competent jurisdiction to be invalid or unenforceable, that part will be severed from the Agreement, which will continue to be valid and enforceable to the fullest extent permitted by law. Sections 9 - 14 will survive any cancellation or termination of the Order or Agreement.

H. Dispute Resolution. Except for any dispute arising out of or related to intellectual property, debt actions, specific performance, or injunctive relief - for which a party may seek immediate relief in an appropriate court as stated below - before any litigation can be initiated, the dispute must be submitted to nonbinding mediation before a mediator with at least 10 years experience as a solicitor or barrister representing semiconductor manufacturing clients. Mediation will take place in a location mutually acceptable to both parties. Each party is responsible for its own costs and expenses (including legal fees, if applicable) for the mediation. The parties will share the cost of the mediator equally. If the mediation is unsuccessful, either party may initiate litigation as stated below.

I. Ethical Behavior. The parties will not offer or pay any bribe or any improper benefit, direct or indirect, to any individual, public servant, or corporation and will act in conformity with the United States Foreign Corrupt Practices Act ("FCPA") and the UK Bribery Act or such other similar laws in any relevant jurisdiction. Without limiting the generality of Customer's obligation to comply with the FCPA, with respect to foreign (non-U.S.) business, Customer will not take any act in furtherance of directly or indirectly (through a third party or otherwise) paying, promising to pay, gifting, promising to give, or authorizing the giving of anything of value to any foreign official, foreign political party (or one of its officials), or candidate for foreign political office, for the purpose of securing any improper advantage in order to assist in obtaining or retaining business for or with, or directing business to, any person by: influencing any act or decision in that entity's official capacity; inducing a foreign official to, or omit to do, any act in violation of the official's lawful duty; inducing that entity to use its influence with a foreign government or instrumentality of a foreign government to affect or influence any act or decision of the government or instrumentality. Customer will immediately inform MKG if it has, or believes it may have, failed to comply with this provision.

J. Governing Law and Venue. English law will govern the Agreement and the parties will submit to the nonexclusive jurisdiction of the English courts. The parties exclude all international conventions relating to the international sale of goods. In addition to any other rights and remedies, the prevailing party in any litigation proceeding will be entitled to reimbursement from the other party for its expenses incurred in the proceeding, including court costs and reasonable legal fees.