



## Terms and Conditions of Sale

**1. ACCEPTANCE OF ORDERS:** The acceptance of all orders and all sales by Powerex Inc. are made subject to and expressly conditional upon these terms and conditions. Any of Buyer's terms and conditions which are different from or in addition to those contained herein are hereby objected to and shall be of no effect unless specifically agreed to in writing. Buyer shall be deemed to have expressly accepted these terms and conditions of sale if Buyer expressly so agrees in writing or accepts any shipment of Products. No sales or other independent representative of Powerex shall have any authority to vary these terms and conditions of sale in any respect or to agree to any additional terms or conditions.

**2. QUOTATIONS:** Each quotation is valid for 30 days from its date unless otherwise stated in the quotation.

**3. PRICE POLICY:** Price in effect at time of shipment. However, if a price increase becomes effective after the date of the order, it will not apply to items shipped within 30 days from the effective date of the price increase. For Rectifier/Thyristor discrete devices and BLOKS, prices are based on metal price indexes for copper and molybdenum. If either index increases by more than 15%, a price increase will be required. Price quotations based on estimated or projected quantities are subject to increase in the event that actual quantities purchased during the specified period are less than the estimated or projected quantities.

**4. TAXES:** All prices are exclusive of all present or future federal, state and local excise, sales, use, value added and similar taxes. These taxes shall be paid by Buyer, or Buyer shall provide Powerex with a tax exemption certificate acceptable to the taxing authorities.

**5. PAYMENT:** Unless Powerex has extended credit to Buyer, Buyer shall pay Powerex, at Powerex's option, either by: cash with order, COD, letter of credit or sight draft. Should Powerex elect to extend credit to Buyer, payment shall be made in full within 30 days of the date of the invoice. Powerex reserves the right at any time to change the amount of or to withdraw any credit extended to Buyer. Each shipment shall be considered a separate and independent transaction and payment therefor shall be made accordingly. Past due invoices of Powerex to Buyer shall bear interest at the rate of 1 1/2 percent per month, but not in excess of the maximum lawful rate, until paid in full. Buyer shall be responsible for all costs and expenses incurred by Powerex, including attorneys' fees and costs of collection or enforcement of any provision of these terms and conditions.

**6. TITLE AND DELIVERY:** Powerex shall deliver Products to Buyer F.O.B. point of shipment. Partial deliveries shall be permitted. All shipping charges and expenses shall be paid by Buyer. Notwithstanding any request by Buyer, Powerex may, without incurring any liability, exercise its own discretion in selecting the method of shipment and the carrier. POWEREX WILL USE ITS REASONABLE EFFORTS TO FILL BUYER'S ORDERS IN A TIMELY MANNER. IT IS UNDERSTOOD, HOWEVER, THAT LEAD TIME REQUIREMENTS AND DELIVERY DATES WILL VARY ACCORDING TO MANUFACTURING AND OTHER CONDITIONS AND THAT ALL DELIVERY DATES ARE ONLY ESTIMATES. DELAY IN DELIVERY OF ANY SHIPMENT SHALL NOT RELIEVE BUYER OF ITS OBLIGATION TO ACCEPT SUCH SHIPMENT.

**7. FORCE MAJEURE:** Powerex shall not be liable for delay or failure to deliver or perform due to any cause beyond its reasonable control, or for Acts of God, acts of Buyer, acts of any government authority, strikes or other labor disturbances, delays in transportation, fuel or energy shortages or inability to obtain necessary materials, components, services, or facilities from usual sources. In the event of such delay, the date of delivery shall be extended for a period equal to the time lost by reason of delay, and, if such delay is caused by act of Buyer or any of its representatives or agents, Buyer shall reimburse Powerex upon invoicing for any additional costs arising from such delay.

**8. HELD ORDERS:** Any orders held, delayed or rescheduled at the request of the Buyer will be subject to the prices and conditions of sale in effect at the time of release of the hold or reschedule and shall reimburse Powerex upon invoicing for any additional costs it incurs as a result of the hold, delay or reschedule. Any such order held, delayed or rescheduled beyond a reasonable period of time will be considered a Buyer termination.

**9. SPECIAL DOMESTIC OR EXPORT PACKING:** Prices include Products having standard domestic packing only. Buyer shall reimburse Powerex upon invoicing for additional costs it incurs for any special domestic packing or packing for overseas shipment.

**10. MINIMUM FACTORY ORDER:** Powerex will not accept an order of less than \$500 in value exclusive of transportation charges and taxes as indicated under "TITLE AND DELIVERY". The minimum billing for each line item ordered is \$250.

**11. PRODUCT NOTICES:** Buyer shall provide the user (including its employees) of the Product with all Powerex supplied product notices, warnings, instructions, recommendations and similar materials.

**12. WARRANTIES AND REMEDIES:** (a) **WARRANTIES:** Powerex warrants to Buyer that the Products shall be free from defects in material and workmanship and shall conform to the agreed upon specifications, if any, for a period of one year from the date of shipment; provided that, as a condition to this warranty, the Products shall have been stored, installed, operated and maintained in accordance with Powerex's instructions and recommendations and applied in accordance with standard industry practice. Products which are "engineering samples", are sold "AS IS", "WITH ALL FAULTS", and with no warranty whatsoever. The foregoing warranties shall not apply to Products that have been repaired other than with Powerex's authorization and by Powerex's approved procedures, that have been subjected to misuse, abuse, improper maintenance, negligence or accident, that have been damaged by excessive physical or electrical stress or that have had a serial number or any part thereof altered, defaced or removed.

(b) **REMEDIES:** Should any Products fail to such warranty, Powerex, at its option, shall repair or replace such Products or issue Buyer a credit or a refund in the amount of the purchase price therefor; provided that (i) Buyer notifies Powerex gives Powerex notice of such failure within 30 days after discovery; (ii) the Buyer obtains a return material authorization from Powerex prior to returning any defective Products; (iii) the defective Products are returned to the location specified by Powerex; (iv) the defective Products are received by Powerex no later than 4 weeks following the last day of the warranty period; and (v) examination of such Products by Powerex shall confirm the failure and that it has not been caused by improper installation, application, repair, alteration, accident or negligence. Products which Powerex consents or directs in writing to be returned shall be returned to Powerex, freight prepaid, in accordance with Powerex's standard return policies.

(c) **THE FOREGOING WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.** The foregoing remedies set forth above are the Buyers exclusive remedies for claims (except as to title) based on defects in or failure of any Products whether a claim is based in contract, tort (including negligence and strict liability), warranty or otherwise and however instituted. Upon the expiration of the applicable warranty for any Products, all such liability shall terminate.

(d) The above warranties shall apply only to Buyer and shall not apply to Buyer's Buyers or any other third parties

**13. GENERAL LIMITATIONS OF LIABILITY:** (a) In no event, whether as a result of claims in contract, warranty, tort (including negligence and strict liability) or otherwise, shall Powerex be liable for loss of profit or revenues, loss of goodwill claims of Buyers, loss of use, damages to or loss of other property or equipment, or INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES WHATSOEVER.

(b) **THE REMEDIES OF THE BUYER SET FORTH IN THESE TERMS AND CONDITIONS PRODUCTS ARE EXCLUSIVE. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS TERMS AND CONDITIONS, POWEREX'S LIABILITY WITH RESPECT TO PRODUCTS ORDERED BY BUYER OR ANYTHING DONE IN CONNECTION THEREWITH OR FROM THE MANUFACTURE, SALE, DELIVERY, RESALE, OR USE OF ANY PRODUCTS, WHETHER FOR CLAIMS IN CONTRACT, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY) OR OTHERWISE SHALL IN NO CASE EXCEED THE PRICE OF THE SPECIFIC PRODUCTS TO WHICH THE CLAIM RELATES.**

**14. PRODUCT APPLICATION:** Products purchased from Powerex are not to be used in critical safety systems (including without limitation medical devices, life support equipment and devices used for implementation into the body), any activity or process involving nuclear fission, fusion or in any other manner not considered a standard and ordinary commercial use. Buyer agrees not to use or sell or transfer the product to others for any such purpose without prior written authorization from Powerex. If any such use occurs, Powerex disclaims all liability and will in no event have any liability to Buyer or any third party for personal injury, death or property or other economic damage suffered. Buyer agrees to defend and indemnify Powerex against any and all cost, damage or expense arising out of or related to such liability. As used herein, "liability" means liability of any kind at any time whether in contract, tort (including negligence and strict liability), warranty or otherwise

**15. PATENTS:** (a) With respect to Products manufactured solely to Powerex's designs and specifications, Powerex shall defend any suit or proceeding brought against Buyer insofar as such suit or proceeding is based on a claim that such Products infringe any US patent provided Buyer gives Powerex prompt notice of such suit or proceeding, tenders the defense thereof to Powerex and gives Powerex complete authority, information and assistance, at Buyer's expense, in such defense. Powerex shall pay all damages and costs finally awarded against Buyer in any such suit or proceeding, but shall not be responsible for any compromise thereof made by Buyer without its written consent. If such Products are held in such suit or proceeding to constitute infringement and their use is enjoined or if, in the opinion of Powerex any Products are likely to become the subject of a claim of infringement, Powerex may either (i) procure for Buyer the right to continue using such products; (ii) modify such Products so that they become non-infringing; (iii) replace such products with non-infringing Products or (iv) accept the return of such Products, granting Buyer a refund equal to the purchase price.

(b) Powerex shall have no liability to Buyer if any patent infringement or claim is based upon (i) a modification of the Products not approved by Powerex, (ii) the interconnection or use of the Products in combination with other products or devices not made by Powerex or (iii) the use of Products in other than an application recommended by Powerex. Buyer shall defend and indemnify Powerex from all liabilities and costs resulting from any suit or proceeding based any of the foregoing exclusions or upon a claim that Products infringe upon the rights of a third party to the extent such claim arises from Powerex's compliance with Buyer's designs, specifications or instructions.

(c) The above states Powerex's sole liability for infringement of patents by its Products.

**16. REGULATORY REQUIREMENTS AND GOVERNMENT CONTRACTS:** Powerex makes no promise or representation that the Products will conform to any federal, state or local laws, ordinances, regulations, codes or standards, except as particularly specified and agreed upon in writing by a duly authorized representative of Powerex. If the Products are to be used in the performance of a government contract or subcontract, no government requirements or regulations shall be binding upon Powerex unless specifically agreed to in writing.

**17. CANCELLATION CHARGES:** (a) Should Buyer cancel an order (or portion thereof) for standard Products, Buyer shall pay Powerex cancellation charges within 15 days from the date of invoice therefor as follows:

100% of the price of standard Products cancelled within 30 days of scheduled shipment date:

50% of the price of standard Products cancelled less than 60 days but more than 30 days of scheduled shipment date.

(b) Should Buyer cancel an order (or any portion thereof) for other than standard Products, such as wafers, semi-custom or custom Products, Buyer shall pay Powerex cancellation charges within 15 days from the date of invoice therefor in an amount equivalent to 100% of the price of such cancelled non-standard Products (regardless of when the cancellation occurs).

**18. CHANGES AND DRAWINGS.** Powerex reserves the right to change or modify the specifications, design, drawings and construction of any Products and to substitute other suitable material. If drawings are furnished, they are submitted only to show general style and arrangement of the Products.



## Terms and Conditions of Sale

*(continued)*

**19. US EXPORT LAWS:** Powerex's obligations are subject to the export administration and control laws and regulations of the US Government. The Buyer shall comply fully with such laws and regulations in the export, resale or other disposition of Products. Unless otherwise agreed in writing by a duly authorized representative of Powerex, Buyer shall be responsible for, at its own risk and expense, any necessary export license or permit and any other approval or documentation which may be required for or in connection with the export of any Products. Buyer shall indemnify and hold Powerex harmless from all liabilities, damages, costs and expenses arising from or connected to any breach of Buyer's obligations under this paragraph. Buyer shall execute any documents reasonably required by Powerex for the purpose of complying with US laws and regulations.

**20. NON-ASSIGNMENT:** Buyer may not assign any of its rights or interest under these terms and conditions of sale without the prior written consent of Powerex and any such attempted assignment shall be void.

**21. MISCELLANEOUS:** (a) The sale of Products by Powerex to Buyer and any of legal issues arising under or with respect to these terms and conditions shall be governed by the laws of the Commonwealth of Pennsylvania.

(b) The invalidity, in whole or in part, of any provision herein shall not affect the validity of any other provision herein.

(c) Any representation, warranty, course of dealing or trade usage not contained or referenced herein shall not be binding on Powerex.

(d) No modification, amendment, rescission, waiver or other change in these terms and conditions shall be binding on Powerex unless agreed to in writing by an authorized Powerex employee.

(e) Procured Product may not necessarily be manufactured under a quality system which is registered to ISO 9000.

(f) Powerex and Buyer are independent contractors, and their relationship is not one of principal and agent. No act or obligation of either party is in any way binding upon the other party.

(g) No failure by Powerex to enforce at any time any provision of these terms and conditions of sale shall be construed as a waiver of Powerex's right thereafter to enforce each and every such term and condition.

(h) All notices and other written communications in connection with these terms and conditions shall be in writing and shall be sent by first class mail, with all postage prepaid, to a party at its address set forth on the reverse of this form, in the case of Powerex to the attention of President or to such other address as may be specified by such party by notice in accordance herewith.

(i) Powerex may terminate any obligation to Buyer with respect to the sale of the Products as set forth in these terms and conditions immediately by notice to Buyer if: (a) Buyer fails to make any payment on the date due or to accept delivery of any shipment; (b) Buyer makes an assignment for the benefit of creditors; (c) Buyer admits in writing its inability to pay its debts as they mature; (d) a trustee or receiver of all or a substantial part of Buyer's assets is appointed by any court; (e) any bankruptcy or reorganization proceedings is instituted by or against Buyer; (f) Buyer becomes insolvent or unable to pay its debts as they mature; or (g) Powerex has reasonable basis for insecurity with respect to Buyer's performance of its obligations to Powerex and Buyer fails to provide to Powerex adequate assurance of Buyer's performance within 30 days of Powerex's demand for such assurance. Powerex may also terminate any such obligation to Buyer on 30 days' notice for any failure of Buyer to comply with any other of its obligations contained in these terms and conditions; provided that such failure shall not have been corrected during such 30-day period.

(j) The headings contained in these terms and conditions are included for mere convenience of reference and shall not affect the interpretation of these terms and conditions.