

C&H TECHNOLOGY, INC. TERMS AND CONDITIONS

1. **Prices** - All prices are subject to change without notice. Unless otherwise specified, prices do not include transportation charges, or Buyer specified special packaging or crating. Seller shall have the right to increase the prices contained herein by an amount equal to any additional duty, tariff tax, or other change imposed as a result of any action by the U.S. Government, any state or local government or any agent or agency thereof.

2. **Taxes** - Unless otherwise specified, the prices do not include any taxes. Any taxes which Seller may be required to pay or collect under any existing or future federal, state, local or foreign law upon or with respect to the sale, purchase, delivery, storage, processing, use or consumption shall be for the account of Buyer, and Buyer shall promptly pay the amount thereof to Seller upon demand.

3. **Terms of Payment** - Unless otherwise stated, terms are 30 days net from date of invoice, subject to approval by C&H Technology, Inc. of amount and terms of credit. Products held for Buyer, or stored for Buyer, shall be at the risk and expense of Buyer. Seller shall be entitled to refuse to make or delay any shipment if the Buyer fails to pay when due any amount owed it to Seller, whether under this purchase order or any other contract between Seller and Buyer. All accounts not paid in full within thirty days of the date of the invoice are subject to a finance charge of ½ percent per month (annual percentage of 6 percent) with a minimum charge of \$0.50. All accounts past due will be turned over for collection at Buyer's expense; and Buyer will be responsible for interest, court costs and attorney's fees. Buyer will be charged a fee of \$20.00 for each returned check. The agreement between Seller and Buyer shall be deemed made and executed in Minneapolis, Hennepin County, Minnesota; shall be interpreted in accordance with Minnesota law and venue for any legal proceedings herein shall be in Hennepin County, Minnesota.

4. **Delivery** - All transportation charges are the responsibility of Buyer unless otherwise agreed to in writing. Delivery dates are approximate. If conditions arise which prevent compliance with delivery schedules, the Seller shall not be liable for any loss, damage, consequential damages or penalty for delay in delivery.

5. **Shipments** - All shipments will be made F.O.B. Seller's point of shipment, i.e. factory of origin, gateway city (Seller's designated port of entry), or Distribution Center. In the absence of specific instructions, the Seller will select the carrier, but the carrier shall not be Seller's agent, nor shall Seller have any liability for damage or delay incurred during shipment. Any reference to freight or Incoterms in this order is made solely for allocating freight, insurance and related transit costs. Notwithstanding anything to the contrary in this order, title and risk of loss to all goods shall pass to Buyer upon Seller's delivery to the carrier or other delivery service. Thereupon the Buyer shall be responsible therefor. Any transit insurance, charges or costs arranged by Seller are arranged on behalf of Buyer. Any shortages must be reported to C&H Technology, Inc. in writing within ten days of receipt of material.

6. **Cancellations and Reschedules** - Orders for standard product may be canceled or rescheduled on thirty days prior written notice to Seller. Buyer's orders (warehouse or direct ship) can be canceled or the quantity decreased without factory authorization if Seller's committed delivery date is greater than the current date plus 45 calendar days, or the customer expected ship date is delinquent or less than the current date, or past due. Orders for products which are not listed in Seller's current catalog (including but not limited to semi-custom or custom product which have special markings or which have received special testing or which are specially manufactured for Buyer) may be rescheduled on sixty days prior written notice to Seller and may not be canceled except under the provisions of a prior written agreement between Buyer and Seller which sets forth the cancellation charges to be paid by Buyer in the event of cancellation. If the above prior written agreement is not in place the charges shall be 100%.

7. **Product Safety** - C&H Technology, Inc. products are not designed, intended, or authorized for use as components in systems intended for surgical implant into the body, or in other applications intended to support or sustain life, or in any other application in which the failure of the C&H Technology, Inc. product could create a situation where personal injury or death may occur. Should Buyer purchase or use C&H Technology, Inc. products for any such unintended or unauthorized application, BUYER SHALL INDEMNIFY AND HOLD C&H TECHNOLOGY, INC. AND ITS OFFICERS, EMPLOYEES, SUBSIDIARIES, AFFILIATES, AND DISTRIBUTORS HARMLESS AGAINST ALL CLAIMS, COSTS, DAMAGES, AND EXPENSES, AND REASONABLE ATTORNEY FEES ARISING OUT OF, DIRECTLY OR INDIRECTLY, ANY CLAIM OF PERSONAL INJURY OR DEATH ASSOCIATED WITH SUCH UNINTENDED OR UNAUTHORIZED USE, EVEN IF SUCH CLAIM ALLEGES THAT C&H TECHNOLOGY, INC. WAS NEGLIGENT REGARDING THE DESIGN OR MANUFACTURE OF THE PRODUCT.

8. **Acceptance of Product** - Final acceptance or rejection of the goods shall be made as promptly as practical after delivery to Buyer. However, unless earlier rejected or accepted, the goods shall be deemed by the parties to be accepted within thirty days after delivery to Buyer. Upon acceptance of each unit of goods, Buyer waives any right to revoke such acceptance for any reason, whether known or unknown to Buyer at the time of acceptance. Buyer's sole and exclusive remedy regarding any defect or non-conformance becoming apparent in the goods after given acceptance shall be as set out in Clause 9 hereof entitled Warranty.

9. **WARRANTIES, DISCLAIMER OF ALL OTHER WARRANTIES, AND LIMITATION OF LIABILITY AND REMEDY - SELLER WARRANTS THE PRODUCT SOLD AS FOLLOWS UNLESS OTHERWISE EXPRESSLY STATED ON THE FACE HEREOF:**

STANDARD PRODUCTS OF C&H TECHNOLOGY, INC. ARE WARRANTED BY SELLER FOR A PERIOD OF ONE YEAR (COMMENCING ON THE FIRST DAY OF THE CALENDAR MONTH FOLLOWING THE DATE INDICATED BY THE DATE CODE ON EACH PRODUCT) TO BE FREE FROM DEFECTS IN MATERIALS AND WORKMANSHIP AND TO CONFORM TO THE SPECIFICATIONS FURNISHED OR APPROVED BY SELLER. LIABILITY UNDER THIS WARRANTY SHALL BE STRICTLY LIMITED TO THE REPAIR OR REPLACEMENT, AT SELLER'S OPTION (BUT NOT THE INSTALLATION), OF ANY DEFECTIVE PRODUCT.

THESE WARRANTIES DO NOT EXTEND TO, OR APPLY TO, ANY PRODUCT WHICH HAS BEEN (1) SUBJECTED TO MISUSE, NEGLIGENCE, ACCIDENT, IMPROPER INSTALLATION, OR TO USE IN VIOLATION OF INSTRUCTIONS FURNISHED BY SELLER, AND/OR (2) REPAIRED OR ALTERED OUTSIDE OF SELLER'S FACTORY BY PERSONS NOT EXPRESSLY APPROVED IN WRITING BY SELLER, AND/OR (3) EVALUATED, SCREENED, OR TESTED BY AN OUTSIDE TESTING LABORATORY NOT PREVIOUSLY APPROVED IN WRITING BY SELLER.

EXCEPT AS OTHERWISE SET FORTH HEREIN, SELLER MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED. (II) ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE IS HEREBY DISCLAIMED AND EXCLUDED BY SELLER FROM ANY SALE. (III) SELLER SPECIFICALLY DENIES ADOPTION OF ANY MANUFACTURER'S EXPRESS WARRANTY.

10. **Returns** - No products will be accepted for repair or replacement without prior written authorization of Seller to Buyer. Upon such authorization, and in accordance with instructions of Seller, parts, materials or products for which replacement is requested must be returned within thirty days to Seller for examination. At the request of Seller, Buyer shall deliver sample to Seller prepaid. Returns are to be made by surface, cheapest way. Products, which are not listed in Seller's current catalog (including but not limited to semi-custom or custom products which have special markings or which have received special testing or which are specially manufactured for Buyer) may not be

returned except under the provisions of a prior written agreement between Buyer and Seller which sets forth the condition of return and charges to be paid by Buyer in the event of a return. If the above prior agreement is not in place, the charges shall be 100%.

11. **Government Requirements** - The Seller agrees to comply with all applicable state and federal laws, rules and regulations, and all obligations hereunder are subject to applicable government regulations, including those affecting or limiting prices, production, purchase, sales use or inventory of materials.

12. **Die and wafer Sales** - All Purchase Orders for die in wafer pack will only be accepted in multiples of the wafer pack quantity. Die sales in wafer form are subject to plus or minus twenty percent of the ordered quantity per shipment to allow delivery of whole wafers. C&H Technology, Inc. accepts no liability for the Buyers ability to handle, mount or package die or wafers.

13. **Assignment** - This order and Buyer's duties hereunder may not be delegated or assigned by Buyer without Seller's written consent, and any assignment attempted without such consent shall be null and void and shall effect, at Seller's option, a cancellation of all of Seller's obligations hereunder. Seller may assign this order and its interest therein to any affiliated corporation, or to any corporation succeeding to Seller's business without the consent of Buyer.

14. **Disputes and default** - These terms and conditions of sale (this "Agreement") shall be governed by, and construed in accordance with, the laws of the State of Minnesota, excluding any laws that require the application of another jurisdiction's laws.

15. **Government Contracts** - To the extent this contract is entered into to satisfy U.S. Government supply requirements Seller agrees only to those of the Federal Acquisition Regulations (FAR) or other Government Regulation clauses which Buyer includes in its order and which are required by law to be incorporated into a fixed price supply subcontract. No other clauses shall be included in this contract unless specifically agreed to in writing by Seller.

16. **General** - If any of the terms or provisions of this contract shall be declared in violation of the law, the remaining terms and provisions shall remain in full force and effect.

17. **Exclusive Terms and Conditions** - The terms and conditions of this Agreement may be changed or modified by the Seller and without notification to the Buyer. This Agreement, together with any amendment or supplement hereto specifically agreed to in writing by Seller, contains the entire and only agreement between parties with respect to the sale of the products and supersedes any alleged related representation, promise or condition not specifically incorporated herein.

These terms and conditions apply to the sale of all products by C&H Technology, Inc. whether specifically attached to a confirmation of order or incorporated by reference into such confirmation.

C&H Technology, Inc.

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