



Conditions of Sale

1: CONDITIONS of SALE: All orders and quotations, written or verbal, for Silicon Power Corporation (“SPCO”) products and services are subject to these conditions of sale which are subject to change without notice. No modified or other conditions will be recognized by Silicon Power Corporation unless specifically agreed to in writing by an authorized representative of Silicon Power Corporation.

Failure of Silicon Power Corporation to object to provisions in any order or other communication from a purchaser shall not be construed as a waiver of these conditions or an acceptance of any such provisions. Where the term SPCO is used in these conditions of sale, it designates Silicon Power Corporation.

2: TERMS of SALE: Terms vary depending on the product or service involved and is described on each quotation.

3: QUOTATIONS: Written quotations automatically expire thirty calendar days from the date issued and are subject to withdrawal by notice within that period.

4: PRICES: Prices are subject to change without notice.

5: DELIVERY: SPCO will make every effort to make shipments in accordance with the purchaser’s requirements. SPCO will not pay or be liable for any penalty, either liquidated or otherwise, for late delivery or installation. Shipping dates are SPCO approximate and are dependent upon prompt receipt of all information necessary for the proper execution of the purchaser’s order. In case there is any delay in furnishing complete information, the date of shipment may be extended for a reasonable time.

SPCO shall not be liable for delay in delivery due to acts of God, acts of the purchaser, fire, strikes, floods, epidemics, quarantine, restrictions, war, insurrection or riots, civil or military authority, priorities, preferences given to orders of or requisitions by the U.S. Government or any other instrumentality thereof or for the National Defense, freight embargoes, car shortages, wrecks or delays in transportation, unusually severe weather or inability to obtain necessary labor, materials or manufacturing facilities due to such causes or other events or occurrences beyond SPCO’s ability to control or without the fault of SPCO.

6. TAXES: Any manufacturers’ tax, use tax, sales tax, or tax or duty of any nature whatsoever, which may be assessed against this order, shall be added to the price quoted or invoiced and shall be paid by the purchaser; and in the event SPCO is required to pay any such tax or duty, the purchaser shall reimburse SPCO therefore or, in lieu of such payment, shall provide SPCO at the time the order is submitted with exemption certificate other document acceptable to taxing or customs authorities.

7. PENALTY CLAUSE: No penalty clause of any description, in any specific order, will be effective unless specifically SPCO approved in writing by an officer of SPCO.

8. CANCELLATIONS: In the event of a request to stop work or to cancel the whole or part of an order; the Purchaser shall make payments to SPCO as follows:

a. Any and all work than can be completed within 30 days from date of notification to stop work on account of cancellation shall be completed, shipped, and paid for in full.

b. For work in process and any materials and supplies procured or for which definite commitments have been made by SPCO in connection with the order, the Purchaser shall pay SPCO the actual costs including burdens determined in accordance with good accounting practice, plus 15%.

9. **PATENTS:** The Company's liability for patent infringement is limited to only those instances where the suit or proceedings brought against the purchaser is based on the claim that the products furnished by SPCO in accordance with SPCO's design constitute an infringement of a patent of the United States. SPCO assumes no responsibility for suits or proceedings brought against the purchaser on the basis of SPCO application or use of SPCO's products or products built by SPCO to the purchaser's designs.

10. **INTELLECTUAL PROPERTY:** Purchaser gains no rights to any intellectual property or material associated with the sale, including manufacturing methods, drawings, specifications, materials, vendor tooling owned by SPCO, or items in SPCO stock, unless otherwise specified in the quotation.

11. **PROPRIETARY INFORMATION:** Purchaser will protect any proprietary information, provided as part of a sale, from accidental release and not reveal any proprietary information to a third party without the express written consent of SPCO. Purchaser assumes all liability for release, accidental or otherwise, of proprietary information without prior written consent of SPCO. Such liability may include SPCO's loss of future business.

12. **DESIGN CHANGES:** SPCO reserves the right to make changes in the design of SPCO equipment if such changes, in its opinion, tend to improve the performance or otherwise benefit the equipment.

13. **TRANSPORTATION:** SPCO's products are sold F.O.B. point of shipment. Transportation to destination is the responsibility of the purchaser. Unless specific instructions are given by the purchaser, SPCO will: (1) select the most economical method and route of shipment, and (2) forward shipment collect or will ship prepaid and invoice the purchaser for transportation charges depending upon the best method for each shipment.

14. **DAMAGE CLAIMS:** SPCO takes great care in packing its products and it cannot be held responsible for breakage or damage in transit after having received "in good order" receipts from the transportation companies. SPCO's products are shipped F.O.B. point of shipment with transportation costs being prepaid or collect at the purchaser's convenience. SPCO's responsibility ceases when it has made delivery to the carrier and received their signed bill of lading, at which time title to the merchandise shipped passes to the consignee.

Claims for all shortages, damage, breakage, or delays must be made to the carrier by the consignee.

SPCO, however, will endeavor to assist its customers in every way to secure a satisfactory adjustment of claims. In cases of concealed damage, it essential that such damage be reported to the delivery carrier within a period of one week or less and that a concealed damage report be obtained from the carrier.

15. **RESPONSIBILITY:** SPCO is not responsible for damages to SPCO apparatus or SPCO product because of improper installation or misapplication of the product.

16. **WARRANTY:** SPCO warrants all of its products and apparatus against defective material and workmanship for a period of 90 days from the date of shipment. Material alteration or modification of SPCO equipment without the written consent of SPCO shall void all warranties. This warranty is limited solely to the obligation to repair or replace its products when the material has been returned to SPCO and proves by SPCO's examination to be defective. SPCO does not assume any expense or liability for repairs to its apparatus made outside of its own facilities without written consent.

This warranty is limited solely to the value of the product sold. SPCO assumes no liability for any consequential or contingent damages resulting from the failure of any products sold by it.

SPCO receives warranties on certain components purchased by it and its obligations with respect to such components shall be limited to the extent of the warranties so received by it if applicable.



In making adjustments under this Article, SPCO may require Purchaser to furnish operating records of SPCO equipment. Under no circumstances shall SPCO be held responsible for consequential damage to the SPCO equipment or to property of the Purchaser or other persons or for injury to or death of any persons. This article states the complete obligation of SPCO with respect to SPCO equipment and the performance thereof, and is in lieu of any other obligation with respect thereto under any other representation or warranty whether expressed or implied or arising by operation of law, including no warranties of merchantability or fitness for use.

17. **RETURNING MATERIAL:**

- a. In no case is material to be returned without first obtaining SPCO's written permission and return instructions.
- b. Material built to order is not subject to return for credit under any circumstances.
- c. Any material returned and not authorized will remain the property of the sender and SPCO will not be liable for its loss by fire, theft or damage.
- d. All transportation charges to be borne by purchaser.
- e. Goods must be securely packed to reach SPCO without damage. Any cost incurred by SPCO to put goods in first class condition will be charged to the purchaser.

18. **GOVERNMENT REGULATIONS:** If the material, SPCO apparatus or equipment is, or hereafter becomes subject to governmental control, allocation, regulation, or restriction, the necessary and proper preferences rating certificate or certificates shall be supplied by the purchaser.

19. **PACKING:** Prices include SPCO's standard packing for domestic shipments. Additional packing expenses for export or special packing to meet the purchaser's specifications will be paid by the purchaser.

20. **SPECIAL INSPECTION AND TESTING:** Unless specifically included in SPCO's quotation, orders requiring special inspection and testing are subject to price adjustment to reflect the increased cost.

21. **JIGS, DIES, AND TOOLS:** Regardless of any charges made for special jigs, dies or tools, such items remain the property of SPCO unless otherwise specifically agreed. They may be disposed of when, in SPCO's opinion they become obsolete.

22. **RESPONSIBILITY:** SPCO shall not be liable for prospective profits or special indirect or consequential damages, nor shall recovery of any kind against SPCO be greater in amount than the purchase price of the specific material sold and causing the alleged damage. Purchaser shall hold SPCO free and harmless from all risk and liability for expense, loss, damage or injury to persons or property of Purchaser or others arising out of use or possession of any material sold hereunder.

23. **ASSIGNMENT:** The Purchaser may not assign this Agreement without the prior consent of SPCO. SPCO may assign this Agreement.

24. **SUCCESSORS:** This Agreement and the covenants herein contained shall be binding upon and inure to the benefit of the successors and assigns of each party.



25. **DEFAULT:** SPCO shall not be considered in default in performance of its obligations hereunder to the extent that performance is delayed or prevented by causes beyond the control or without the fault of SPCO including causes such as acts of God, hostilities, strikes, fire, flood, sinking of vessels, acts of the Purchaser, including delay in performing its obligations, or because or by reason of any law, proclamation, regulation or ordinance of any government or governmental agency or other events or occurrences beyond SPCO's ability to control or without the fault of SPCO.

26. **EXPORT AND REEXPORT:** Buyer does affirm that the equipment supplied herewith may be subject to U.S. Department of Commerce, Office of Export Administration Rules and Regulations. If equipment is intended for export or re-export the Buyer does affirm to comply with all U.S. Government Rules and Regulations pertaining to export and re-export of said equipment.

27. **APPLICABLE LAW:** This Agreement is entered into in the Commonwealth of Pennsylvania and shall be interpreted in accordance with the laws of the Commonwealth of Pennsylvania and any claims arising hereunder shall be prosecuted in the federal or state court of competent jurisdiction in the Commonwealth of Pennsylvania and no other place.