

Standard Terms and Conditions of Sale (the “Terms”)

Taiwan Semiconductor Co., Ltd.

1. SCOPE

Customer (the “Customer” or “Customers”) desires to purchase from Taiwan Semiconductor Co., Ltd. (“TSC”) the Products (as hereinafter defined). TSC desires to manufacture, sell and deliver to Customer the products. Both Parties wish to define the terms and conditions governing any and all purchase transaction between the parties regarding the Products under these terms and conditions which Customer acknowledges to have read and understood and shall prevail over and apply to the exclusion of any terms and conditions contained or referred to in Customer’s purchase orders or other documents, or implied by trade custom, practice or course of dealing. Customer further acknowledges that these terms and conditions supersede all representations, communications and proposals, whether oral or written, between the parties relating to the subject matter hereof.

2. ORDERING PROCESS

Products to be purchased by Customer are subject to separate purchase orders (the “Product(s)”). Such purchase orders shall specify the products ordered, material and parts, design and specifications, quantities, price, lead time for material preparation/manufacturing/transportation, delivery date and other payment terms, shipping instructions or designated port which are different from those set. All purchase orders shall be deemed to have incorporated therein and be subject to the terms and conditions. Unless otherwise specified in the purchase order, the

provisions contained herein shall prevail over any conflicting provisions contained in Customer’s purchase order or any other business documents. TSC shall either confirm acceptance or refusal of each purchase order within [five (5)] business days of receipt, failing this purchase order will be deemed to be rejected by TSC. No additional or different terms proposed by Customer will be binding on TSC unless they are assented to in writing by an authorized representative of TSC.

3. ORDER CANCELLATION AND RESCHEDULING

Customer shall, with prior written notice to TSC, have the right to reschedule or cancel the purchase order, in whole or in part, provided:

- (a) TSC has notified Customer that it has discontinued the manufacturing of the Products; or
- (b) if TSC is unable to deliver the full number of the Products ordered on the scheduled delivery date, Customer may, at its sole option, consent to partial delivery or reschedule for a later delivery.

TSC reserves the right to cancel all or any part of an order without any liability to Customer if inaccurate information is supplied by Customer or if Customer is in default under any of the terms and conditions of the Terms.

4. PRICE, TAXES AND QUOTATIONS

All prices are exclusive of (1) royalties, charges or license fees for essential or standard patents in any countries or areas, (2) any transportation and related charges for delivery of the items to any destination, and (3) any present or future sales, revenue or excise tax, value added tax, turnover tax, import duty (including brokerage fees) or other tax, whether now or hereafter

imposed, applicable to the manufacture or sale of any Product. Such taxes, when applicable, shall be paid by Customer unless Customer provides a proper tax exemption certificate and, if requested by TSC, shall promptly provide TSC with all official receipts for any such taxes paid by Customer.

TSC may renegotiate prices or cancel partial or all orders based on changed circumstances at any time if TSC demonstrates component shortage, price rises for components, or any other event beyond TSC's reasonable control. If the Parties fail to reach consensus on workable solutions in such circumstances, TSC may, (1) in whole or in part, reject any purchase order, and ignore the forecasts without any liability; and (2) report to Customer all the inventory and Customer shall then purchase such inventory from TSC at the then-current price.

5. DELIVERY AND INSPECTION

All Products will be shipped in accordance with the terms of delivery agreed between the parties in an accepted purchase order as set out in the Customer's Quotation and Order Confirmation or Acknowledgement.

Shipment of Products within +/- five per cent (5%) of the quantity ordered shall be deemed to constitute full delivery.

All shipments should be inspected by Customer immediately upon receipt and should there be evidence of damage or loss in transit, claims or tracers upon carrier must be filed by Customer.

Any Product delivered hereunder shall be deemed accepted by Customer unless Customer provides TSC with written notice of a defect or non-conformity with respect to such lot of Product within [five (5)] days of delivery.

TSC will assist in tracing shipments upon request. In the event more than ten percent (10%) of the Products shipped in one delivery appears to not conform to the specifications, Customer shall promptly notify TSC and afford TSC a reasonable opportunity to inspect, repair or replace such lot of Products as new.

Any trade terms mentioned shall be interpreted in accordance with the Incoterms 2010 (for example: DDU, FOB, CIF...) of the International Chamber of Commerce, unless otherwise specified in the Quotation and Order Confirmation and/or Acknowledgement.

6. PAYMENT TERMS

Payment shall be Cash on Delivery (COD) unless other payment terms have been agreed in writing between the parties prior to the sale.

TSC may charge interest on any overdue payment and if so, at a rate of eighteen percent (18%) per annum, or at the highest rate legally permissible, whichever is higher. If due to Customer's failure to pay when payments are due, TSC would incur exchange rate losses, which it would not have incurred when payment would have been made in time, TSC shall be entitled to an equivalent compensation from Customer for such losses.

7. TITLE AND RISK OF LOSS

The title to the Products shall be transferred to Customer only after the price for Products has been fully paid.

The risk of loss shall pass to Customer in accordance with the following provisions, whether or not freight charge is paid by TSC:

(a) The risk of loss shall pass when the products have

been delivered to carrier or picked up in operational condition. The modalities of shipment shall be left to TSC's reasonable able discretion. At the request and cost of Customer, products shipped shall be insured by TSC against breakage, fire and other damages sustained during transit. The foregoing provision shall also apply if TSC itself undertakes to transport the goods or assumes the costs thereof.

(b) If the dispatch or delivery of products, or the start or completion of installation is delayed at the request of Customer or due to Customer's fault, then the risk of loss shall pass to Customer for the period of such delay. However, TSC shall at Customer's cost procure such insurance coverage for the goods as may be requested by Customer.

8. FORCE MAJEURE

TSC shall not be liable for any delay or failure to perform its obligations under these terms and conditions arising directly or indirectly out of causes beyond its reasonable control or otherwise unavoidable including, but not limited to, acts of God or public enemies, acts of other parties, acts of civil or military authority, labor disputes, fires, riots, war, embargoes, epidemics, fire, floods, war, unusually severe weather, shortage or absence of power or fuel, government orders, rules or restrictions, strikes (including those against TSC), labor disputes, or any other casualties or contingencies.

Delivery schedules shall be considered extended by a period of time equal to the time lost because of any excusable delay (including but not limited to the above clauses). TSC shall have the option to perform or cancel this order as a whole or in respect of any unfulfilled portion hereof without liability to Customer.

9. WARRANTY

(a) To its knowledge, TSC warrants that its Product(s) will, for the time period set forth below, be free from defects in material and workmanship and will conform to TSC's approved specifications.

(b) Except as provided below, Product(s) are warranted for a period of [twelve (12)] months from the date of delivery. DEVELOPMENT PRODUCT(S), PROTOTYPE OR OTHER NON-PRODUCTION PRODUCT(S), SAMPLES OF PRODUCTION PRODUCT(S) AND SOFTWARE ARE NOT WARRANTED AND ARE PROVIDED ON AN "AS IS" BASIS ONLY.

(c) Customer must advise TSC in writing of any claims within the warranty period, obtain TSC's return authorization, return the Product(s) to a facility or location directed by TSC, and provide any reasonably requested assistance. Subject to the foregoing, if the Product(s) are not as warranted, TSC shall, at TSC's option, either refund the purchase price of the Product(s) or provide the same or equivalent replacement the Product(s), and shall reimburse Customer for any commercially reasonable cost of transporting the non-conforming Product(s). In no event, however, shall TSC be responsible for any non-conformance or other defects in the Product(s) resulting from improper handling during or after shipment, misuse, neglect, improper installation or operation, repair, alteration, combination with Products not supplied by TSC without TSC's express authorization, and any use in a way not consistent with its intended purposes, damage or malfunction caused by any of web pages, data base, internet, intranet, servers, working stations, terminals, other electronic devices, virus infection, other hardware/software, or incompatible hardware/software beyond TSC's reasonable control, accident or for any other cause not attributable to defective workmanship or failure to meet specifications on the part of TSC. This warranty shall not be expanded,

and no obligation or liability of TSC will arise, due to technical advice or assistance, computerized data, facilities or services TSC may provide in connection with Customer's purchase. TSC provides no warranty for TSC Product(s) purchased through unauthorized sales channels. TSC warrants replacement Product(s) for the remaining term of the warranty on the originally delivered Product(s).

(d) THIS WARRANTY EXTENDS TO CUSTOMER ONLY AND MAY BE INVOKED ONLY BY CUSTOMER FOR ITS CUSTOMERS. TSC WILL NOT ACCEPT WARRANTY RETURNS FROM CUSTOMER'S CUSTOMERS OR USERS OF CUSTOMER'S PRODUCT(S). THIS WARRANTY DOES NOT APPLY TO DEFECTS ARISING AS A RESULT OF CUSTOMER'S DESIGNS OR FORMULAS.

(e) THE WARRANTY AND REMEDIES SET FORTH ABOVE CONSTITUTE TSC'S SOLE AND EXCLUSIVE LIABILITY, AND CUSTOMER'S SOLE AND EXCLUSIVE REMEDIES, FOR ANY BREACH OF WARRANTY OR NON-CONFORMITY OF THE PRODUCT(S). THE WARRANTY SET FORTH ABOVE IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, INCLUDING BUT NOT LIMITED TO THE WARRANTIES FOR MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WHICH ARE HEREBY EXPRESSLY DISCLAIMED. TSC SHALL MAKE THE FINAL DETERMINATION AS TO ANY BREACH OF WARRANTY OR NON-CONFORMITY OF THE PRODUCTS.

(f) There are no other warranties than those stated in the Terms. TSC expressly disclaims all other warranties to Customer or third parties, with respect to the Products and any accompanying written materials.

(g) The aggregate liability of TSC to Customer under any provision of this Order or for any cause shall be limited to the total amount paid by Customer and received by TSC related to all Products of the same part number, or [fifty percent 50%] of the total amount in the previous

year, whichever is lesser. The existence of more than one claim will not enlarge or extend this limit. The above limitation of liability applies in the same way to directors, officers, and employees of TSC and its licensor(s).

(h) In no event shall TSC be liable to Customer or any other person or entity (under any contract, negligence, strict liability or other theory) for any lost profits, anticipated benefits, business interruption, loss of data/information, loss of equipment, downtime costs, costs of recovering/repairing, costs of procurement of substitute products, or any indirect, special, incidental or consequential damages or other punitive/pecuniary loss, including schedule delays, non-refundable engineering costs, and other charges resulting from, arising out of or in connection with the use, inability to use, the results of use, or any defect of Product performance or failure to perform under this order, or resulting from, arising out of or in connection with TSC's supplying of the Product. The foregoing limitations shall apply even if TSC has been advised of the possibility of such damages and notwithstanding the failure of essential purpose of any limited remedy stated herein.

10. CONFIDENTIAL INFORMATION

All materials and Product(s) furnished by TSC and identified as containing confidential information must be held in confidence by the recipient using at least the degree of care the recipient uses for its own confidential information, but no less than reasonable care. Except as required by law, the recipient may not disclose such materials or confidential information except to its own employees who require use of the materials in the performance of their duties and who are bound by a

duty of confidentiality under terms no less restrictive than contained herein concerning the use of confidential information. Any non-public samples or prototypes, or any source code provided by TSC shall constitute confidential information, whether or not so marked. Customer shall take reasonable measures to protect the secrecy of and avoid disclosure or use of confidential information of TSC in order to prevent it from falling into the public domain or the possession of other persons to have any such information.

11. INTELLECTUAL PROPERTY RIGHT

To its knowledge, TSC guarantees that products do not infringe the intellectual property of any party. TSC agrees that all intellectual property rights of the products, including but not limited to trademark, patent copyright and trade secret, are belong to Customer. TSC does not obtain any rights and benefits of intellectual property of the products due to performing in these terms and conditions.

The Customer acknowledges that, unless otherwise agreed in writing, any and all of the intellectual properties provided, developed or created for, or embodied in the Products, product materials or derivatives shall be and shall remain the sole property of TSC or its third party licensors.

Customers agrees not to reverse engineer, decompile or disassemble any prototypes, software, hardware or other tangible objects or Product(s) provided by TSC.

Customers, without the express prior written consent of TSC, has no right to use TSC's trademarks, trade names, corporate slogans, corporate logos, or corporate designations, whether alone or in combination with

others, in the sale, lease or advertising of any Products, or any product containers, component parts, business forms, sales, advertising or promotional materials, or other business supplies or materials, whether in writing, orally or otherwise.

12. WAIVERS

The failure to exercise or delay in exercising a right or remedy under these terms and conditions shall not constitute a waiver of the right or remedy or a waiver of any other rights or remedies and no single or partial exercise of any right or remedy under these terms and conditions shall prevent any further exercise of the right or remedy or the exercise of any right or remedy.

13. PLACE OF JURISDICTION AND APPLICABLE LAW

(a) Provided that Customer is a merchant, the exclusive place of jurisdiction for all disputes arising from or in connection with the Terms or any order placed by Customer and accepted by TSC (the "**Orders**") shall be the location of TSC's principal place of business in New Taipei City, Taiwan. TSC may also file suit in any competent court at the location of Customer's principal place of business.

(b) All orders, disputes, controversies or differences which may arise between the parties, out of or in relation to or in connection with the Terms or the Orders, or for any breach thereto, shall be governed exclusively by the formal and material laws of the [Taiwan] excluding its provisions on conflict of laws. The provisions of the Convention on Contracts for the International Sale of Goods (CISG) shall be explicitly excluded.

14. MISCELLANEOUS

AMENDMENTS. No modifications to this document

shall be binding unless expressly agreed to in writing by TSC.

ASSIGNMENT. This order shall be binding upon and inure to the benefit of lawful successors and assigns of the parties.

EXPORT CONDITIONS. If, at the time or times of TSC's performance hereunder, an export license is required for TSC to lawfully export Products or technical data, then the issuance of the appropriate license to TSC or its subcontractor shall constitute a condition precedent to TSC's obligations hereunder.

NOTICES. All notices permitted or required under this Order shall be in writing and shall be delivered in person or mailed by first class, registered or certified mail, postage prepaid, to the address of the party specified in this order or such other address as either party may specify in writing. Such notice shall be deemed to have been given upon receipt.

DISCLAIMER FOR CRITICAL APPLICATIONS. Products sold under these terms and conditions are not designed, intended or authorized for use as a critical component in life support systems, or any medical devices or medical devices with a similar or equivalent classification in a foreign jurisdiction, or any devices intended for implantation in the human body. Sale for such use is subject to TSC's advance written authorization for Products use and a separate indemnification order signed by Customer. Customer agrees to indemnify, defend and hold harmless TSC, its directors, officers, employees, representatives, agents, subsidiaries, affiliates, distributors, and assigns, against any and all liabilities, losses, costs, damages, judgments, and expenses, arising out of any claim, demand,

investigation, lawsuit, regulatory action or cause of action arising out of or associated with any unauthorized use, even if such claim alleges that TSC was negligent regarding the design or manufacture of the Products.

SEVERABILITY. If any of the provisions of this Order is held by a court of competent jurisdiction to be invalid under any applicable laws, such provision shall, to that extent, be deemed omitted, and the remaining portions of this Order shall remain in full force and effect.

THIRD PARTY RIGHTS EXCLUDED. This order is made solely for the exclusive benefit of TSC and Customer and all third party rights of enforcement are hereby excluded to the fullest extent possible.