

M- MOS SEMICONDUCTOR

General Terms and Conditions of Sale

I. Scope of Terms and Conditions

1. M-MOS Semiconductor Hong Kong Limited, M-MOS Semiconductor Sdn. Bhd. AND M-MOS Semiconductor Hong Kong Limited, Taiwan Branch (hereinafter individual or jointly called "M-MOS") agrees to sell and Customer, identified in M-MOS's written acceptance of the applicable purchase order, agrees to purchase products ("Products") upon the terms and conditions of this agreement ("Terms"). The Terms may be amended from time to time and the most current version of the Terms as generally published on M-MOS website shall govern, whether or not Customer has been specifically notified of any updated Terms.

2. M-MOS's acceptance of any purchase order is contingent upon Customer's consent to the Terms set forth herein. The receipt without specific written objection of Products supplied by M-MOS or any other act or conduct of Customer in confirmation of the purchase shall constitute an unqualified acceptance by Customer of these Terms. M-MOS hereby objects to any variation of Terms, or any additional or conflicting terms or conditions on any documents issued by Customer, whether before or after issuance of M-MOS's acceptance, and any such variation, additional or conflicting terms and conditions shall not be binding in any way on M-MOS. If there is any specific terms of M-MOS's written acceptance or of any other express written agreement between M-MOS and Customer inconsistent with the Terms, the terms of such acceptance or agreement shall override these Terms to the extent of such inconsistency only. All commercial terms used in the Terms shall be interpreted in accordance with the INCOTERMS 2000 (ICC Publication No. 560).

II. Purchase Orders

1. All purchase orders placed by Customer shall be in writing addressed to M-MOS. They shall include at a minimum the following information: (1) Type of product devices, by part number as agreed upon between the parties; (2) quantity of Products to be supplied; (3) desired delivery date; (4) per unit purchase price(s); (5) shipping instructions; (6) billing information, if different; (7) reference to supply or wafer foundry agreement, if any; and (8) customer ID number. These Terms shall only bind the actual entity of M-MOS that acknowledged such purchase orders ("Supplying M-MOS") and Customer and not between the other M-MOS entities and Customer.

2. M-MOS shall have no obligation to accept any Products purchase order placed by Customer and is entitled to cancel any unfulfilled order without notice to Customer in the event Customer becomes insolvent, in liquidation, adjudged bankrupt or petition for any relief under any bankruptcy legislation. M-MOS will use its best efforts to notify Customer of its acceptance or rejection of any purchase order within ten (10) business days after receipt of such purchase order.

III. Prices and Payment

1. Unless with written approval of M-MOS, all Products prices are CIF Taiwan Airport and FOB Taiwan for Customer within Taiwan and Customer outside Taiwan respectively, and do not include ancillary sales costs, such as packaging, transportation, insurance, customs tariffs, duties, import charges or sales, use, excise, value-added or other taxes. To the extent that M-MOS advances such ancillary sales costs for Customer's account, M-MOS will charge them separately, and Customer shall pay them as invoiced. If the price of raw materials, fuel, equipment and other production cost increases significantly, M-MOS shall have the right and Customer shall be obligated to renegotiate price of Products not yet in shipment. If no agreement is reached, M-MOS shall have the right to terminate these Terms without any liability.

2. Unless with written approval of M-MOS and for certified Customers, the full purchase price for the Products is due and payable within thirty (30) days after the end of closing month of M-MOS's invoice, and payment shall be made by foreign money draft or international wire transfer of funds into M-MOS's account. Customer shall pay for each shipment of Products as invoiced, whether or not the shipment fills an entire order and whether or not other shipments are conforming. Customer shall have no right to offset any disputed claims against its payment obligations under any invoice for a Products shipment. Any amount not received when due and payable shall bear interest at a rate of 1 % per month, until the amount is paid in full. M-MOS reserves the right to claim additional damages, if any, caused by Customer's delay in payment and to suspend its obligations until Customer's account is current. If M-MOS is required to bring legal action to collect any outstanding account, Customer agrees to pay reasonable attorney fees and costs of suits.

IV. Time and Manner of Delivery

1. M-MOS's obligation to deliver Products within an expressly guaranteed period, if any, is contingent upon Customer providing M-MOS by the specified date with all necessary information required by M-MOS for the production of the Products and upon Customer satisfying all other conditions precedent to M-MOS's performance. M-MOS will package, label, mark and otherwise prepare the Products for shipment in a manner consistent with good commercial practices and in accordance with international regulations.

2. M-MOS will be liable for any issues up to the delivery point and all risks of loss or deterioration of the Products shall pass to Customer upon M-MOS's delivery of the Products at the delivery point. Title shall not pass until the time specified in Section VI, below. M-MOS will not obtain any insurance for the Products, unless otherwise requested by Customer in writing.

V. Acceptance by Customer

1. Customer shall inspect all shipments of Products promptly after receipt. Unless Customer notifies M-MOS in writing of any non-conformance of the Products within ten (10) calendar days after receipt, all such claims will be barred and Customer's remedies

shall be limited to the warranty rights specified in Section VIII below. Customer shall not reject delivered Products even in the case of minor deficiencies, unless the Products substantially fail to conform to Customer's specifications. All accept/reject criteria shall be in accordance with M-MOS Specification Criteria for OQA Lot Acceptance. Customer shall have no right to reject any Products delivered within a reasonable time, and M-MOS shall not be liable for any loss caused by any delay. If Customer fails to accept delivered Products, the entire amount of the invoice shall become due and payable.

VI. Retention of Title

1. M-MOS hereby reserves title and ownership to all Products delivered to Customer, until Customer has fully paid all amounts due to M-MOS under these Terms. If Customer (1) breaches the payment terms set forth in Section III, above, or (2) files for protection under the applicable bankruptcy code or under any other statute for the protection of debtors, Customer shall allow M-MOS's representatives to enter Customer's storage facilities during regular business hours, in order to inspect Products and to arrange for their removal for M-MOS account.

VII. Intellectual Property Infringements

1. Customer shall at its own expense defend and indemnify M-MOS and its directors, officers, employees and agents from and against any claim, loss, damage or expense arising from any patent, copyright, trademark, trade secret or mask work right infringement, that is caused by any of the followings: (1) M-MOS's compliance with Customer's specifications; (2) Customer's integration or combination of the delivered Products with Customer's products, software or equipment; (3) Customer uses or cause other customer to use Products for used by other customer(s) or for purpose of making of other customer's product or application; (4) M-MOS's use of the designs, instructions, materials or information supplied by Customer for the manufacture of Products, or (5) Customer's assembly and packaging of the Products. M-MOS shall not be liable for any losses or damages or expenses or costs resulting from Customer's willful acts or settlement or compromise without M-MOS's written agreement.

2. Subject to Section VII (1) and Section VIII (5), M-MOS shall indemnify Customer from any loss, damage and expenses (excluding consequential and exemplary damages) finally awarded against Customer and at its own expense defense Customer against any claim, suit or proceeding arising from any direct infringement of patent, copyright, trademark, trade secret or mask work right effective in Hong Kong, Taiwan and Malaysia, that is caused by M-MOS's use of any designs, materials and information other than those received from Customer; provided, however, that (a) Customer shall give notice to M-MOS of any such infringement claim, suit or proceeding without undue delay and furnish M-MOS with copy of such infringement claim, suit or proceeding, (b) tender the defense solely to M-MOS, and (c) reasonably assist M-MOS, at M-MOS's expense, in defending or settlement against any such infringement claim, suit or proceeding. If such infringement claim, suit or proceeding allegation should arise, where under this provision M-MOS is obligated to defense, M-MOS may at its sole option, but not obligated to; (a) obtain a license to allow Customer to continue to use Products, (b) replace or modify

Products so as to be non-infringing while substantially maintaining the functionality of Products, or (c) if neither (a) nor (b) above is available to M-MOS, then M-MOS may refund to Customer the purchase price, which shall constitute a full indemnification to Customer and fulfillment of M-MOS's obligation under this provision for such infringed Products without being in breach of these Terms. If M-MOS shall exercise option (c) above, then, Customer shall return to M-MOS any and all Products remaining in Customer's possession, custody and control.

3. This Section VII states the total liability and the exclusive remedies for any direct, indirect, actual or alleged infringement of any intellectual property right of any Products delivered hereunder or any part thereof. This Section VII is in lieu of and replaces any other express, implied, or statutory warranty against intellectual property infringement. Customer acknowledges, understands and agrees that the foregoing intellectual property indemnification terms and conditions are essential elements of these Terms.

VIII. Warranty, Disclaimers and Limitation of Liability

1. M-MOS warrants that delivered Products are free of defects in material and workmanship that cause the Products not to meet the material specifications agreed upon between M-MOS and Customer in writing. Within three (3) months from the date of delivery to the carrier, if Customer, (a) gives M-MOS written notice of any such defect in the Products (including a detailed description of the alleged defect, a copy of Customer's failure analysis and sufficient information to track and evaluate the lots involved); (b) returns the Products to M-MOS after obtaining a return material authorization (RMA) in accordance with M-MOS's standard procedures, and (c) M-MOS satisfied such Products are defective after inspection, then M-MOS shall at its sole option either repair, replace or credit Customer for such Products within a reasonable time.

2. M-MOS does not give any warranty to defects that after delivery to the carrier are caused by accident, abuse, misuse, unreasonable use, neglect, alteration, improper installation, exposure to harmful chemical substances or electromagnetic or electrical elements, further processing, assembly, repair or alteration by someone other than M-MOS. Customer shall reimburse M-MOS for all costs and expenses reasonably incurred by M-MOS as a result of unfounded warranty claims.

3. M-MOS does not warrant that the capacity, compatibility, functionality, performance or reliability of the Products will meet Customer's requirements or expectations, except as stated in the Product datasheets or the specifications agreed to in writing between Customer and M-MOS. M-MOS does not warrant that the delivered Products will comply with the technical standards and legal or regulatory requirements of any particular jurisdiction. Customer acknowledges that it is not relying on any superior technical expertise or experience of M-MOS or on any statements, whether oral or written, made by M-MOS other than the specifications agreed to in writing between Customer and M-MOS.

4. To the full extent permitted by law, apart from the foregoing warranties, M-MOS hereby disclaims all warranties, representations, liabilities and obligations, whether express or implied and whether based on contract, quasi-contractual relations, third party claim, tort,

statue or otherwise, concerning the Products, including any implied warranties of merchantability, fitness for a particular purpose, correspondence with description or non-infringement. Except for warranty claims subject to a shorter prescription period, any claim against M-MOS (subject to the Terms) shall be barred unless made by Customer in writing within one year after the occurrence of the damaging event caused by M-MOS.

5. In no event shall M-MOS be liable for costs of substitute goods, Customer processing costs, labour costs, product recalls, loss of goodwill, loss of profits, loss of use, loss of data or business interruption, or any property loss or personal injury (including death) or consequential, exemplary, incidental, indirect, special or consequential damages even if M-MOS has been advised of the possibility of such damages. In no event shall M-MOS's aggregate liability for any warranty, indemnity or other obligation arising from these Terms shall exceed the purchase price paid by Customer to M-MOS for delivered Products from which such liability claim arises. The existence of more than one claim against M-MOS for Products sold to Customer under these Terms shall not enlarge or extend this limit.

IX. Customer's Warranties

1. Customer hereby warrants to M-MOS that the information submitted to M-MOS for the manufacture of Products do not include any bug, defect or error, including any computer virus, that (1) is harmful to M-MOS information processing systems or manufacturing operations; or (2) results in defective integrated circuits. Customer shall pay for and at its own expense defend and indemnify M-MOS and its directors, officers, employees and agents from and against any claim, loss, damage or expense arising from any such bugs, defects or errors, including without limitation products liability claims..

X. General Provisions

1. Confidentiality Agreement entered into between M-MOS and Customer shall form part of these Terms. Provided that the party involved acts reasonably to avoid, mitigate, and overcome any such event and its impact, that party's performance will be suspended or excused in the case of technical breakdowns, any other interruptions of the operational process, fire, delay of subcontractors in delivering necessary materials, transportation difficulties, war, natural disasters, terrorism, or any other event beyond its reasonable control which delays performance or makes it impossible or commercially impracticable. Customer may not assign its rights or delegate its obligations under these Terms without the prior written consent of M-MOS.

2. These Terms shall be governed by the substantive law of the country of the Supplying M-MOS without regard to its conflicts of laws provisions and to the exclusion of the UN Conventions of the International Sale of Goods (CISG). The competent courts shall be the courts in the country in which the registered office of the Supplying M-MOS is located. However, if the M-MOS is plaintiff, he shall also be entitled to sue the Customer before the court having jurisdiction over the registered office of the latter. If any of the provisions in these Terms is unenforceable all other provisions shall remain enforceable.