

ADVANCED ASSEMBLY, A SUMMIT INTERCONNECT COMPANY
TERMS AND CONDITIONS OF SALE

The Seller Referred to in these Terms and Conditions of Sale is **ADVANCED ASSEMBLY**.

1. CONTROLLING TERMS AND CONDITIONS:

Seller objects to, and is not bound by any term or condition in Buyer's order which is different from or in addition to the terms and conditions set forth herein, and Seller agrees to sell to Buyer, the goods or services described or referenced to herein, only on the express condition that Buyer assents to these terms and conditions. Buyer's acceptance is limited to the exact terms and conditions set forth herein, and any additional or different terms or conditions proposed by Buyer are hereby expressly rejected. If the document referring to these terms and conditions is construed as an expression of acceptance or as a confirmation of a verbal agreement, such acceptance or confirmation is expressly made conditional on the assent of the Buyer to the terms and conditions set forth herein. Any confirmatory action by Buyer hereunder or acceptance of the goods or services described or referenced herein shall constitute assent to the terms and conditions set forth herein. If the document referring to these terms and conditions is an offer, the offer is expressly conditioned upon assent by Buyer to the exact terms and conditions set forth herein, and any additional or different terms or conditions proposed by Buyer are hereby expressly rejected. Any term used herein not specifically defined shall have the meaning assigned to it in the California Commercial Code.

2. TERMS OF PAYMENT: Payment terms are net thirty (30) days from date of invoice. A late charge of 18% per annum (1.5% per month) or the highest rate allowed by applicable law will be charged on all amounts not paid when due. Buyer may not deduct from or set-off the price of the Goods, or any other amount due under this Agreement, against any sums due and payable from Seller to Buyer. If Buyer cancels the order before delivery, Buyer shall pay to Seller a cancellation fee which shall be calculated as a percentage of the total invoice, based on the percentage of completion of manufacture at the time of cancellation (e.g., if Buyer cancels the order midway in the manufacturing process, Buyer will pay Seller fifty percent (50%) of the total purchase price). If the order is manufactured in lots, the cancellation fee shall apply to each lot separately. All payments are due and payable at the Seller's location on the date specified for payment and subject to the terms and conditions of payment stated on Seller's invoice. Seller's prices are quoted FCA (as defined by INCOTERMS® 2010) Seller's facility and are subject to change upon fifteen (15) days'

notice. Seller's prices do not include sales, use, excise, value added, custom duties, or other similar taxes. Any present or future taxes applicable to the shipping destination, sale of the goods by Seller or the sale or use of the goods by Buyer, shall be paid by Buyer. Prices do not include qualification or other testing. Seller shall have no obligation to make any further shipments until all payments for prior shipments have been received by Seller. The existence of a claim or dispute between Buyer and Seller does not relieve Buyer of the obligation to remit payment in full to Seller, and Buyer has no right of set-off. Furthermore, Seller may suspend production until payment is received, and may suspend production if Buyer is in default under this or any other contract with Seller.

3. QUOTATIONS, CHANGES, AND CANCELLATION: Quotations are valid and firm for fifteen (15) days unless otherwise stated. No terms, conditions, description, price, quantity, or delivery schedule may be changed by Buyer, and no agreement or understanding in addition to or different from the terms and conditions set forth herein shall be binding upon Seller, unless accepted in writing by Seller's authorized representative. Buyer may not, under any circumstances or for any reason, cancel its order or any part thereof, unless Seller has received written notice of the cancellation more than thirty (30) days prior to the shipping date last agreed upon by Seller for the order or the portion thereof being cancelled and such cancellation has been agreed to in writing by Seller's authorized representative. In the event of any such cancellation of any order by Buyer, Buyer shall reimburse Seller for all costs and expenditures made or committed to be made by Seller as a result of Buyer's order, as well as reasonable overhead costs and profits lost because of such cancellation.

4. DELIVERY AND FORCE MAJEURE: Production lead times are based on the best information available at the time quotation is made. Each delivery shall stand as a separate sale and is subject to credit arrangements to the satisfaction of Seller, or to payment in cash. If payments are not made in accordance with such arrangement, or if at any time Seller in its judgment determines that Buyer's credit standing has been impaired, Seller may withhold delivery of any goods until cash or credit arrangements satisfactory to Seller have been established. All delivery dates specified by Seller are approximate and are based on its

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best estimate. The Seller shall not be responsible for any delays in delivery or performance due to circumstances beyond its reasonable control, including, but not limited to, delays caused directly or indirectly by fires, explosions, floods, quarantine restrictions, sabotage, epidemics, accidents, acts of God, acts (including delay or failure to act) of any governmental authority (de jure or de facto), government regulation, war (declared or undeclared), riot, revolution, civil disobedience, unrest, acts of terrorism, , strikes, labor difficulties, shortages, and/or inability to timely obtain, at normal prevailing market prices, necessary or suitable of labor, components, energy, manufacturing facilities, transportation, fuel, power, raw materials, or other supplies. Seller may make partial delivery of Buyer's order, or may distribute the available supply of goods among any or all of Seller's customers on such basis as it may deem appropriate without liability for any failure of performance which may result therefrom. In the event of any delay, the date of delivery shall be extended for a period equal to the time lost by reason thereof.

5. SHIPMENT, TITLE, AND RISK OF LOSS: The Seller reserves the right to ship plus or minus five percent (5%) of the amount ordered and it is specifically agreed that overruns or underruns not to exceed five percent (5%) of the amount ordered, shall constitute an acceptable delivery with the excess or deficiency being charged or credited to the Buyer proportionally. Unit selling prices are based on this tolerance and may be increased if the Buyer requires a tolerance less than plus or minus five percent (5%). Unless otherwise specified by the Buyer, the Seller reserves the right to determine the method of shipment and the carrier. All shipping costs shall be the responsibility of the Buyer and are not subject to discount. All shipments of goods shall be FCA Seller's facility, unless otherwise mutually agreed in writing by authorized representatives of Buyer and Seller. For purposes of transfer of title and risk of loss of all goods subject to these terms and conditions, the parties agree and acknowledge that the transfer of title and the risk of loss of all such goods shall pass from Seller to Buyer at Seller's Facility. For all return shipments from Buyer to Seller, Buyer shall return all goods DDP (as defined by INCOTERMS® 2010) Seller's facility with title to the goods and risk of loss transferring from Buyer to Seller upon delivery of the goods to Seller at Seller's facility. Insurance, if specified by the Buyer shall be provided at the Buyer's

cost. Claims for shortages must be made within fifteen (15) days after receipt of shipment. Any claim for non-receipt of all or part of the Buyer's order shall be limited to the purchase price of the products not delivered. Claims for non-receipt of shipment must be made within ten (10) days after receipt of invoice.

6. ACCEPTANCE AND INSPECTION OF GOODS: Buyer shall immediately and irrevocably accept goods and services when tendered. If Buyer refuses to receive or take possession of such goods and services when tendered, Seller may exercise any or all remedies afforded to sellers by section 2-703 et seq. of the Uniform Commercial Code, in addition to any or all remedies provided by law. Seller shall have no obligation to hold or resell such goods for Buyer's account.

7. WARRANTY: Seller warrants for a period of 100 days from the day of shipment that the goods shall be of the kind and quantity ordered, shall conform to the specifications provided by Buyer, and shall be free from defects in workmanship. The sole and exclusive remedy for breach of Seller's warranty is set forth in Section 12. Any technical advice or recommendation made by Seller concerning the goods is intended for use by persons having appropriate skill, know-how, and judgment in the selection, uses, and applications of such goods. Buyer represents that it is not relying upon such technical advice or recommendations, nor the skill or judgment of Seller, in selecting suitable goods for Buyer's use or application.

Seller makes NO WARRANTY with respect to any goods that have damage, nonconformity, or failures resulting from accident, disaster, neglect, abuse, misuse, alteration, modification, improper handling, testing, storage or installation. To the extent that any Buyer-designated material or components are alleged or found to be non-conforming, Seller shall have no liability to Buyer, provided, however, that to the extent possible and upon reasonable request of Buyer, Seller shall assign Seller's claims against such supplier of the non-conforming material or components.

EXCEPT AS SET FORTH IN THIS SECTION, SELLER EXPRESSLY DISCLAIMS ALL WARRANTIES OF ANY KIND, WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF DESIGN, MERCHANTABILITY, FITNESS FOR PURPOSE

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OR USE, AGAINST INTELLECTUAL PROPERTY INFRINGEMENT, OR OTHERWISE.

8. LIMITATION OF LIABILITY:

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY (EXCEPT FOR SELLER'S OBLIGATION TO REPAIR OR REPLACE AS SET FORTH IN THESE TERMS AND CONDITIONS HEREIN), THE EXTENT OF LIABILITY OF SELLER ARISING OUT OF THE GOODS OR SERVICES, OR THEIR USE (WHETHER USED SINGLY OR IN COMBINATION WITH OTHER PRODUCTS), WHETHER ARISING FROM WARRANTY, CONTRACT, NEGLIGENCE OR THEIR USE OR OTHERWISE, SHALL NOT IN ANY CASE EXCEED THE VALUE OF SELLER'S PRODUCT GIVING RISE TO THE LIABILITY. UNDER NO CIRCUMSTANCES SHALL SELLER BE LIABLE TO BUYER FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL, EXEMPLARY, PUNITIVE, OR INCIDENTAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, ANY TYPE OF INTANGIBLE LOSS, LOST GOODWILL OR BUSINESS REPUTATION, LOST PROFITS, LOSS OF USE, LOSS OF DATA, WORK STOPPAGE, LIABILITY OF BUYER TO ITS CUSTOMERS OR OTHERS, IMPAIRMENT OF OTHER PRODUCTS, OR COST OF SUBSTITUTE PRODUCTS OR SERVICES, WHETHER ARISING OUT OF ANY EXPRESS OR IMPLIED WARRANTY, BREACH OF CONTRACT, NEGLIGENCE, OR ANY OTHER THEORY OF LIABILITY. ANY LITIGATION ASSERTING A CLAIM AGAINST SELLER MUST BE COMMENCED WITHIN TWELVE (12) MONTHS FROM DATE OF THE DATE OF SHIPMENT BY SELLER.

9. INTELLECTUAL PROPERTY: Any knowledge or information that Seller has disclosed or may hereafter disclose to Buyer, or which may hereafter be acquired by Buyer, in connection with Seller's goods or services, shall be deemed to be confidential or proprietary information of Seller and shall not be disclosed by Buyer. Buyer shall defend, indemnify, and hold harmless Seller from and against all claims and liabilities resulting from allegations that, because of Buyer-supplied designs, specifications, processes, information, or documentation, any goods or portion thereof infringe any third party intellectual property right or result in unfair competition, and also from

allegations that product liability has resulted from any Buyer-supplied designs, specifications, processes, information, or documentation.

10. TOOLING: All tooling (excluding stamping die), setup, NRE charges refer to materials, aids, and services remain property of the Seller and are not transferred, in any sense, to the Buyer, except in cases where the Buyer's purchase order specifically states on the FRONT of the purchase order that NRE or tooling under separate line item is to be transferred to the Buyer. In such case, the transfer of personal property is understood to take place before execution of the order for circuit boards or other items. In the event that Seller manufactures or purchases special tools, dies, or equipment in connection with Buyer's order, such tools, dies, and equipment, unless otherwise agreed to in writing by Seller's authorized representative, shall remain the exclusive property of Seller, notwithstanding that part of the cost thereof is included as a part of the specified price.

11. INSPECTIONS OF GOODS: Buyer shall inspect goods within 30 days of delivery of each shipment of goods hereunder, whether said shipment is partial or complete, and all goods shall be deemed accepted as to quality unless the Seller receives a written notice of rejection within such thirty (30) day period. This notice of rejection shall specify which properties of the goods received failed to comply with the Seller's accepted specifications, drawings, artwork, or special requirements.

12. RETURN, REPAIR, OR REPLACEMENT: The Seller, following a notice of rejection by the Buyer as specified above, may, at Seller's option, repair or replace any goods which fail to meet the Seller accepted specifications, drawings, artwork, or other special requirements when such goods are found in fact to be nonconforming. Replace means to provide substitute goods of similar kind. Before returning any items to Seller, Buyer shall request return authorization from Seller, and shall follow all reasonable instructions with respect to the return. Unless otherwise instructed, Buyer shall return by prepaid shipment all allegedly nonconforming goods, subject to reimbursement by Seller for the cost of shipping such goods found in fact to be nonconforming. Seller's warranty is voided if Buyer fails to inspect or fails to provide notification as required above if defects in material or workmanship or a failure to conform to specifications could have been

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detected by such inspection. Goods may not be rejected based on specifications or criteria that were unknown to Seller.

13. NO REQUIREMENTS CONTRACTS: Seller shall not, under any circumstances, be bound to provide Buyer's requirements of goods, and to the extent that Seller's costs increase, Seller may increase prices or refuse to deliver goods at formerly acknowledged prices.

14. EXCESS AND OBSOLETE MATERIAL: Buyer assumes the responsibility for all material costs (plus mark-up) of materials purchased to support open purchase orders. Because of industry requirements for materials to be purchased in minimum quantities for reels or set quantities, excess materials may be purchased to support an order. Seller will carry the excess material provided that demand orders are placed that continues to consume the excess material. Any excess or obsolete material with no demand in the prior sixty (60) days will be billed to Buyer. The excess and obsolete material will then be, at the Buyer's option, moved to the Seller's consigned inventory stock and marked with the Buyer's part numbers, or shipped as a deliverable item to the Buyer. On the occasion that no new purchase orders are issued to the Seller within sixty (60) days to continue consumption of material, the subject material will be considered obsolete for purposes of this contractual arrangement. Seller will invoice Buyer for the material costs, plus mark-up.

15. GOVERNING LAW/CHOICE OF FORUM: These terms and conditions and referencing documents (collectively, the "Contract") shall be construed under and governed by the laws of the State of California without regard to its conflicts of laws principles. The California state courts at Orange County California (or, if there is federal jurisdiction, the U.S. District Court for the Southern District of California) will have exclusive jurisdiction and venue over any dispute arising out of this Agreement and sale. The Buyer and Seller hereby irrevocably consent to the exclusive jurisdiction and venue of such courts. NEITHER THE PROVISIONS OF THE UNITED NATIONS CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS NOR THE PROVISIONS OF THE UNITED NATIONS CONVENTION ON THE LIMITATION PERIOD IN THE INTERNATIONAL SALE OF GOODS SHALL APPLY TO THIS CONTRACT. If any provision hereof is prohibited or

deemed invalid under the laws of any jurisdiction in which it is sought to be enforced, such provision shall be ineffective only to the extent of said prohibition or invalidity, and said prohibition or invalidity shall not invalidate the remainder of said provision or any other provision of this Contract.

16. MISCELLANEOUS PROVISIONS: By placing its order, Buyer represents that it is not insolvent as that term is defined in section 1-201(23) of the Uniform Commercial Code. In the event that Buyer becomes insolvent as defined in section 1-201(23) prior to delivery of goods, it will notify Seller. Failure to so notify Seller shall constitute a written reaffirmation of Buyer's solvency at the time of delivery.

The failure of Seller in any one or more instances to insist upon performance of any term or condition set forth herein or to exercise any right or privilege hereunder, or the waiver by Seller of any breach by Buyer of these terms or conditions, shall not be construed as generally waiving any term, condition, right, or privilege, and these terms and conditions shall continue to remain in full force and effect as if no failure or waiver had occurred. This Contract can only be modified, terminated, or rescinded in writing by Seller's authorized representative. The Contract can only be modified, terminated, or rescinded in writing by Seller's authorized representative. This Contract constitutes the entire agreement between Seller and Buyer with respect to the goods and services covered hereby and supersedes any prior or other agreements, written or oral, between Buyer and Seller, concerning the subject matter hereof. Buyer shall not assign any interest herein or any rights or obligations hereunder without the written consent of Seller's authorized representative, which consent may be withheld or delayed for any reason or no reason. All terms and conditions herein which by their nature or effect are required or intended to be observed, kept, or performed after the cancellation, termination or expiration of the Contract will survive and remain binding upon and for the benefit of the parties, their successors and permitted assigns.