TERMS AND CONDITIONS OF SALE

1. DEFINITIONS.

In these Conditions, the following expressions shall have the meanings set opposite them.

1.1. Addendum: means the additional terms and conditions incorporated into these Conditions by reference in such Addendum. Such Addendum may be part of the Order Acknowledgement. In the event of a conflict between the Conditions and an Addendum, the terms of the Addendum shall prevail. Further, such Addendum may be provided in electronic form, in writing, and/or accessed at www.knowles.com.

1.2. Buyer: means the individual or entity named in the Order Acknowledgement.

1.3. Conditions: mean these terms and conditions of sale.

1.4. Contract: means the Order Acknowledgement accepting the order for the supply of the Products as detailed in the Order Acknowledgement, which together with these Conditions and Addendum, if applicable, constitute the entire contract for the supply of the Products.

1.5. Contract Price: means the amount stated in the Order Acknowledgement as the price for the Products.

1.6. Seller: means, as applicable, Knowles Corporation, a Delaware corporation ("Knowles"), Knowles IPC(Malaysia) Sdn. Bhd., a Malaysian corporation, Knowles Electronics LLC, a Delaware limited liability company, a subsidiary of Knowles, or a division or affiliate of Knowles identified as Seller on an Order Acknowledgement.

1.7. Laws: means: (i) legislation, regulations, codes of practice, guidance and other requirements of any relevant government, governmental or regulatory agency, or other relevant body; (ii) common law and (iii) any binding court order, judgment or decree.

1.8. Order Acknowledgement: means the last document issued (which in the event of any uncertainty shall be determined by reference to the date on such document) by Seller to acknowledge or accept Buyer’s order for the Products or by which Seller has offered, quoted or tendered to supply the Products, including, but not limited to, any invoices for the Products. The Order Acknowledgement is issued, and the Products will be supplied, upon these Conditions and any applicable Addendum only.

1.9. Products: means the products, goods, or materials detailed in the Order Acknowledgement to be supplied by Seller and/or services detailed in the Order Acknowledgment provided by Seller pursuant to the Contract.

2. FORMATION OF CONTRACT.

Each Contract shall be deemed to incorporate these Conditions. No variation of or addition to these Conditions shall form part of the Contract unless expressly agreed to by Seller in writing. SELLER HEREBY SPECIFICALLY OBJECTS TO AND REJECTS ANY DIFFERENT OR ADDITIONAL TERMS AND CONDITIONS IN ANY OF BUYER’S REQUEST FOR QUOTATION(S), PURCHASE ORDER(S) OR SIMILAR OR ASSOCIATED FORM(S) AND/OR DOCUMENTS AND SUCH TERMS AND CONDITIONS SHALL NOT BE BINDING ON SELLER UNLESS SELLER SHALL OTHERWISE AGREE IN WRITING. Seller’s failure to object to provisions contained in any purchase order or other written or oral communications from Buyer shall not constitute an acceptance of such provisions or a waiver of any provisions of any of these Conditions. In addition, no site usage agreement or any other click through agreement on a website will have any applicability or binding effect whether or not Seller clicks on an “ok,” “I accept,” or similar acknowledgement. Buyer’s payment for or acceptance of receipt of Products called for in an Order Acknowledgement shall constitute acceptance of the Contract.

3. QUOTES AND ACCEPTANCE.
3.1. Unless previously withdrawn, quotations are only valid in writing and for the period stated therein, or if no period is stated, for thirty (30) days from the date of issue. Any order placed in compliance with a written quotation is subject to acceptance by Seller through issuance of an Order Acknowledgement. Seller shall have no obligation to sell or deliver Products covered by Seller’s quotation unless and until an Order Acknowledgement is issued or upon the shipment of Products by Seller. All Products quoted “in-stock” are subject to prior sale.

3.2. All orders are subject to acceptance by Seller through issuance of an Order Acknowledgement. Seller reserves the right to decline any order for any reason. Any telephone orders are accepted at the risk of Buyer as Seller may make shipments before Buyer receives written confirmation of the order.

4. PRICE AND DELIVERY.

4.1. Buyer shall pay the Contract Price in accordance with Seller’s invoices from time to time. Seller, in its sole discretion, may adjust the Contract Price to conform to the actual quantity delivered if Buyer changes the quantity of Products ordered prior to delivery.

4.2. Unless otherwise agreed in writing by the parties, the Contract Price does not contemplate consignment of Seller’s inventory. Consignment of Seller’s inventory may be separately negotiated by Seller and Buyer. In such case, pricing (and fees) shall be modified upward to reflect additional risk, expense (including lost time value of money) and inconvenience to Seller.

4.3. Unless otherwise agreed in writing by the parties, the Products shall be delivered ex-works at Seller’s premises specified in the Order Acknowledgement or, if no premises are so specified, at the premises notified by Seller to Buyer for such purpose (the term “exworks” shall be interpreted in accordance with Incoterms 2010 issued by the International Chamber of Commerce). Seller shall notify Buyer when delivery has taken place. Claims for shortages and other errors in delivery must be made in writing to Seller within ten (10) days after receipt of Products and failure to give such notice shall constitute unqualified acceptance and a waiver of all such claims by Buyer.

4.4. Seller shall use reasonable efforts to comply with any date quoted for delivery, or for the performance of any other obligation, but any such date is an estimate only, unless otherwise agreed to in writing by Seller. Seller may deliver the Products in installments. Payment is to be made separately, in accordance with the payment terms, for each installment delivered having regard to the value that each installment bears in relation to the value of the Products as a whole. Delay in delivery of any installment shall not relieve Buyer of its obligation to accept remaining deliveries.

4.5. If Buyer fails to arrange for collection of the Products within fifteen (15) days after Seller has notified Buyer that the Products are available for collection in accordance with Section 4.3, Seller may store the Products at Buyer’s risk pending collection or delivery (as applicable). Buyer shall reimburse Seller for all handling, transportation and storage costs incurred by Seller in relation to such storage, in accordance with Seller’s invoices therefor.

5. CHANGES.

Seller may at any time make such changes in design and construction of the Products as shall constitute an improvement in the judgment of Seller. Seller may furnish suitable substitutes for materials unobtainable because of priorities or regulations established by governmental authority or non-availability of materials from suppliers.

6. WARRANTY.

6.1. SELLER WARRANTS THAT THE PRODUCTS DELIVERED HEREUNDER WILL CONFORM AT THE TIME OF DELIVERY TO THE SPECIFICATIONS, SAMPLING PLANS AND/OR INSPECTION TECHNIQUES EXPRESSLY AGREED TO IN WRITING BY SELLER (THE “REQUIREMENTS”). PRODUCTS ALLEGED TO NOT BE IN CONFORMANCE WITH THE REQUIREMENTS SHALL BE CALLED TO SELLER’S ATTENTION BY BUYER IN WRITING WITHIN THIRTY (30) DAYS AFTER DELIVERY TO BUYER. UNLESS IMPRACTICAL, SELLER REQUIRES THAT BUYER PROVIDE VERIFICATION SAMPLES BEFORE SELLER WILL ISSUE A RETURN AUTHORIZATION. IF SELLER ISSUES A RETURN AUTHORIZATION FOR RETURN TO SELLER, SHIPMENT BY BUYER IS TO BE MADE WITHIN TEN (10) DAYS
AFTER SUCH AUTHORIZATION. SELLER’S ONLY OBLIGATION HEREUNDER, WHICH IS CONDITIONAL UPON BUYER NOTIFYING SELLER AND PROVIDING SAMPLES AS PROVIDED IN THIS SECTION 6.1., SHALL BE, AT SELLER’S OPTION, TO REPLACE OR CREDIT SUCH QUANTITY OF THE PRODUCTS WHICH IS DISCLOSED BY SELLER’S INSPECTION TO HAVE NOT BEEN IN CONFORMANCE WITH THE REQUIREMENTS WHEN DELIVERED. BEFORE USING THE PRODUCTS, BUYER SHALL DETERMINE THE

UITABILITY OF THE PRODUCTS FOR THEIR INTENDED USE AND BUYER ASSUMES ALL RISK AND LIABILITY WHATSOEVER IN CONNECTION THEREWITH. BUYER ASSUMES THE RESPONSIBILITY FOR PROVIDING AND INSTALLING ANY AND ALL DEVICES FOR THE PROTECTION OF SAFETY AND HEALTH WITH RESPECT TO THE USE, OPERATION OR POSSESSION OF THE PRODUCTS.

6.2. The warranty set out in Section 6.1 shall not apply to: (i) Products not manufactured by Seller; (ii) Products that have been maintained, repaired or modified by persons other than Seller or persons authorized by Seller; (iii) Products that have been improperly or inadequately installed and/or defects caused by improper site preparation by Buyer; (iv) Products that have been improperly used, stored or operated and/or used with equipment not supplied and/or authorized by Seller; or (v) defects caused by abuse, negligence or accident, or loss of or damage to the Products whilst in transit.

6.3. SELLER EXCLUDES ALL OTHER WARRANTIES NOT EXPRESSLY SET FORTH IN SECTION 6.1, AND TO THE EXTENT PERMITTED BY APPLICABLE LAW, ALL IMPLIED WARRANTIES, WHETHER BY STATUTE, COMMON LAW, CUSTOM, USAGE OR OTHERWISE AS TO ANY MATTER, INCLUDING PERFORMANCE, SECURITY, INTEGRATION, MERCHANTABILITY, QUIET ENJOYMENT, SATISFACTORY QUALITY OR FITNESS FOR ANY PARTICULAR PURPOSE AND NONINFRINGEMENT ARE HEREBY DISCLAIMED BY SELLER.

7. CANCELLATION, RETURNS AND DELAYS BY BUYER.

7.1. Buyer may not cancel an order or any portion thereof unless Seller provides prior written consent, in its sole discretion. If Seller consents to such cancellation, Buyer shall pay: (i) for any completed Products, the Contract Price for such Products; (ii) for any Products still in process, the Contract Price for such Products, adjusted by the degree of completion on the date of cancellation; and (iii) for any Products not yet initiated in production, the price paid by the Seller to purchase materials specifically to fulfill Buyer’s order.

7.2. Buyer may not return any excess inventory of standard Products unless Seller provides prior written consent, in its sole discretion; if Seller consents to such return, Seller will issue Buyer a credit of a maximum of 50% of the Contract Price after Seller receives the Products, with the specific credit percentage to be determined by Seller’s review of its inventory of Product(s) involved and review of Buyer’s outstanding payments, if any. Buyer may not return any standard Products due to Buyer’s error in ordering unless Seller provides prior written consent, in its sole discretion, and Buyer makes such return request within thirty (30) days after the invoice date. Buyer orders replacement Products, Buyer pays a 15% re-stocking fee and Buyer pays freight costs. Custom Products cannot be returned for any reason (except pursuant to a warranty claim procedure as herein provided).

7.3. Buyer cannot delay scheduled shipments within a minimum window of thirty (30) days or 80% of the quoted leadtime, whichever is longer. For any other shipments, Buyer may delay such shipment up to six (6) months from the original order date or request acancellation pursuant to Section 7.1 (which cancellation shall be at Seller’s sole discretion).

8. PAYMENT TERMS AND CREDIT APPROVAL.

8.1. The net amount of an invoice shall be due thirty (30) days after invoice date. Invoices may be submitted as partial shipments are made. All payments shall be made in United States currency, unless otherwise specified in an applicable Addendum. Time of payment is of the essence. If shipment shall be delayed beyond the scheduled date by Buyer in accordance with Section 7.3, payment shall be due in full when Seller is prepared to make the shipment. Under no circumstance will Buyer have a right of set-off. Seller shall have the right to offset its payables against its receivables related to goods or services purchased from Buyer. If Buyer shall default in any payment when due, Seller, at its option without prejudice to other lawful remedies, may (i) declare the entire Contract Price immediately due and payable, (ii) defer delivery of Products, (iii) demand the return of previously shipped Products; (iv) institute new payment terms, and/or (v) cancel the Contract. Buyer shall indemnify Seller for all collection costs, court costs, administration costs, investigation costs, attorneys’ fees and all other incidental costs, charges or expenses incurred in the collection of past due amounts or otherwise resulting or arising from any breach by Buyer of the Contract. If Buyer desires to pay the amounts set forth on an invoice via credit card, Buyer shall pay a surcharge fee on the amount due.
(the “Surcharge”), which Surcharge shall be equal to the merchant discount rate charged by Buyer’s credit card issuer to Seller, but in no event shall such Surcharge exceed 4%. Seller may include such Surcharge when processing Buyer’s payment via the credit card information provided by Buyer.

8.2. All shipments to be made hereunder shall at all times be subject to the approval of Seller’s credit department. If during the Contract, the financial condition of Buyer, in Seller’s sole judgment, becomes unsatisfactory, then Seller may, at its option and without prejudice to any of its other remedies, (i) defer or decline to make any shipments hereunder except upon receipt of satisfactory security or cash payments in advance, and / or (ii) terminate the Contract.

9. TOOLLING/NRE.

A tooling charge or “NRE” charge may apply to an order, as set forth in the Order Acknowledgement, to cover partial tooling costs and/or development costs for new and revised parts. This will be a one-time service charge covering a portion of the preparatory operations necessary to manufacture the Products, but does not constitute payment for any resulting dies, special tools or engineering which shall be and remain the property of Seller. Tooling may be reserved for use in serving Buyer, and there will be no charge for maintenance unless Seller specifically states otherwise in the Order Acknowledgement. If tooling has not been used for Buyer on Buyer’s behalf for over a three-year period, Seller reserves the right to scrap such tooling without notice. Any modifications to the tooling required due to Buyer’s specification change may require additional charges to Buyer. Seller will maintain ownership of any designs, processes, software, inventions and artwork that Seller provides, or which are necessitated by the design, engineering and manufacture of the Products to Buyer’s specifications.

10. TAXES AND ASSESSMENTS.

The Contract Price is exclusive of federal, state and local taxes and any similar taxes or tariffs. Buyer shall be solely responsible for payment of, and shall indemnify and hold Seller harmless from and against, all taxes, duties and levies imposed by all foreign, federal, state, local and other taxing authorities (including export, sales, use, excise and valued-added taxes), other than taxes imposed on Seller’s net income. Buyer shall provide Seller with its state sales tax identification number and a resale certificate or other certificate, document or other evidence of exemption for payment or withholding of use or salestaxes, tariffs, duties or assessments as requested by Seller.

11. CONFIDENTIALITY.

A party (the “Receiving Party”) shall keep in strict confidence all information which is of a confidential, proprietary or non-public nature (including any technical or commercial know-how, specifications, inventions, pricing, processes or initiatives) and which has been disclosed to the Receiving Party by the other party (the “Disclosing Party”), its employees, agents or subcontractors, and any other confidential, proprietary or non-public information concerning the Disclosing Party’s business or its products or its services which the Receiving Party may obtain. The Receiving Party shall restrict disclosure of such confidential, proprietary or non-public information to such of its employees, agents and subcontractors as need to know it for the purpose of discharging the Receiving Party’s obligations under the Contract, and shall ensure that such employees, agents and subcontractors are subject to obligations of confidentiality and non-use corresponding to those which bind the Receiving Party. The Receiving Party shall only use or make copies of confidential information (including any reproductions, extracts or analyses of that confidential information) in connection with and to the extent necessary for the purposes of the Contract. The obligations of confidentiality and non-use in this Section 11 are in addition to any obligations set forth in a separate written agreement between the parties. In the event of a conflict between this Section 11 and the obligations of confidentiality and non-use set forth in any such separate written agreement, the terms of such separate written agreement shall prevail; provided such obligations of confidentiality and non-use in such separate agreement are no less restrictive than the obligations herein.

12. INTELLECTUAL PROPERTY

12.1. Except as otherwise provided in the Order Acknowledgement, all intellectual property rights in, or relating to, the Products, including any enhancements made by Seller to Buyer’s specifications or other intellectual property, are owned by Seller and nothing in the Contract shall have the effect of transferring the ownership of such intellectual property rights to Buyer. Subject to the foregoing sentence, any specifications provided by Buyer shall remain Buyer’s intellectual property.
12.2 With respect to any intellectual property rights belonging to Seller, in the event of any third party demand, claim or action alleging that the proper use of any Products by Buyer in accordance with any instructions and directions issued with or in relation to such Products by Seller infringes any patent or other intellectual property right belonging to a third party, Buyer shall: (i) promptly notify Seller in writing of such claim; (ii) not make any admission in relation to or attempt to settle or compromise the claim; (iii) give Seller express authority to conduct all negotiations and proceedings, and to settle all proceedings arising from such claim; and (iv) provide Seller with all available information, documents and assistance as Seller may reasonably require. Without limitation to the foregoing, with respect to any intellectual property rights belonging to Seller, if the proper use of the Products by Buyer is held to infringe any patent or other intellectual property right belonging to a third party, Sellershall, at its option: (a) procure for Buyer the right to continue to use the Product(s) in question, free of any liability for such infringement; (b) modify the Product(s) in question so that it/they become(s) noninfringing; (c) substitute the Product(s) in question with functionally equivalent non-infringing Product(s); or (d) refund the Contract Price paid by Buyer for the infringing Products, subject to Section 13.2. This Section 12.2 states the entire liability of Seller and the exclusive rights of Buyer for any infringement, misappropriation or violation of third party intellectual property rights.

12.3 Buyer shall indemnify and hold Seller and its affiliates harmless against all damages and losses related to (i) any patent infringement claims covering Buyer’s products of which a Product forms only a part or subassembly or any assembly, circuit, combination, method or process in which any such Products may be used; (ii) any trademark infringement claims involving any marking or branding not applied by Seller or involving any marking or branding applied by Seller at the request of Buyer; and (iii) any claims of infringement, misappropriation or violation of third party intellectual property rights with respect to the Products if related to Buyer’s intellectual property. In addition, Buyer shall indemnify and hold Seller and its affiliates harmless against all damages and losses related to any claims resulting from the production of articles or materials to Buyer’s specifications or from the production of articles or materials designed by Seller to meet Buyer’s requirements or arising out of the use of any equipment, materials, parts or machinery furnished by Buyer in producing articles, materials, parts or equipment to Buyer’s specifications.

13. LIABILITY

13.1 Notwithstanding anything to the contrary in the Contract, Seller will not be liable to Buyer or any party for any loss or damage to revenues, profits, other economic loss or goodwill or other special, incidental, indirect, punitive, contingent or consequential damages of any kind, arising out of, relating to or in connection with the Contract, or the transactions contemplated hereby, whether resulting from breach of contract, breach of warranty, negligence, strict liability, tort or other legal theory, even if Seller has been advised, knows or should have known of the possibility of such damages, and even if any of the limited remedies of the Contract fail to fulfill their essential purpose.

13.2 Subject to Section 13.1 and Section 6.1, in no event shall Seller’s cumulative, aggregate liability arising under, with respect to or in connection with the Contract exceed 50% of the lowest amount on any single Order Acknowledgement or related invoice for the Products.

14. DISPUTERESOLUTION.

In the event of any unresolved dispute between the parties with respect to the Contract, the matter shall be expeditiously submitted to an executive of each party who is authorized to represent and bind the respective party for further consideration and discussion to attempt to resolve the dispute. Time is of the essence. The parties shall mutually pursue, as promptly as possible and practically, an amicable settlement of the dispute in a reasonable, timely manner. If Buyer’s designated representative and Seller’s designated representative are unable to resolve a dispute within a reasonable time of not less than ninety (90) days, either party may pursue its rights and remedies consistent with the Contract and available at law or in equity. If either party incurs any legal fees, whether or not an action is instituted, in an effort to enforce the Contract or to recover damages or injunctive relief for breach of the Contract, the successful or prevailing party or parties shall be entitled to reasonable attorneys’ fees and other costs in addition to any other relief which such party may be entitled.

15. SECURITY INTEREST.

If any credit terms are extended in connection with the Contract, Buyer hereby grants to Seller a purchase money security interest to secure payment, performance and satisfaction of all present and future debts, obligations or other indebtedness of Buyer to Seller, in all Products acquired from Seller, as well as all other identifiable proceeds from the sale of such Products, and a security interest in any related accounts receivable. Buyer hereby irrevocably authorizes Seller from time to time to file a copy of any
initial financing statements, continuation statements and any amendments thereto to perfect its security interests and to provide any other information required to make any such filings. At Seller’s request, Buyer shall pay the cost of filing any initial financing statements, continuation statements or any amendments thereto or promptly reimburse Seller for the cost thereof, as applicable. Buyer shall provide Seller with thirty (30) days’ prior written notice of any name change, change in place of business, or, if more than one, its chief executive office, or its mailing address, its organizational number, type of organization, jurisdiction of organization or other legal structure. Buyer hereby appoints Seller as Buyer’s attorney-in-fact for the purposes of carrying out the provisions of this Section 15 and taking any action and executing any instrument which Seller may deem necessary or advisable to accomplish the purposes hereof, which appointment is irrevocable and coupled with an interest. This Section 15 is intended to enable Seller to avail itself, in addition to all other rights and remedies available at law, in equity or as contemplated in the Contract, of all rights and remedies of a holder of a purchase money security interest under the Uniform Commercial Code of the applicable jurisdiction and Buyer shall cooperate with Seller and take all necessary actions, including, without limitation, executing any additional documents requested by Seller, to cause it to receive all such rights and remedies.

16. EDIPURCHASE.

If Seller and Buyer agree to use an electronic data interchange (“EDI”) system to facilitate purchase and sale transactions, Buyer agrees that (i) it will not contest: (a) any contract of sale resulting from an EDI transaction under the provisions of any Law relating to whether agreements must be in writing or signed by the party to be bound thereby; or (b) the admissibility of copies of EDI records under the business records exception to the hearsay rule, the best evidence rule or any other similar rule, on the basis that such records were not originated or maintained in documentary form, and (ii) that these Conditions shall apply to any such transactions. Seller and Buyer will negotiate and agree on technical standards and methods to use in making EDI purchases, and will use reasonable security procedures to protect EDI records from improper access. In the event of a conflict, the business records maintained by Seller regarding EDI purchases made by Buyer shall be deemed to be conclusive.

17. INDEMNITY.

Except otherwise provided or limited in the Contract, Buyer shall indemnify and hold harmless Seller against any and all losses, damages and expenses (including attorney’s fees and other costs of defending any action) that it may sustain or incur as a result of the use, operation or possession of the Products by any customer of Buyer, Buyer, its affiliates, or its and their respective directors, employees, agents or representatives, the negligent or willful actor negligent or willful omission of Buyer, its affiliates, or its and their respective directors, employees, agents or representatives and/or the alteration or modification of the Products or the use or combination of the Products with other products, devices or services by any customer of Buyer, Buyer, its affiliates, or its or their respective directors, employees, agents or representatives.

18. GOVERNING LAW AND VENUE.

The Contract and all claims arising from the relationship between Seller and Buyer shall be interpreted, governed and enforced by the laws of the State of Illinois, United States of America, without regard to any conflict of laws principles and to the exclusion of the provisions of the United Nations Convention on the International Sale of Goods. All litigation between Seller and Buyer which may arise out of or in connection with the Contract or any transaction between them shall be subject to the exclusive jurisdiction of the courts of the State of Illinois, and each hereby consents to the jurisdiction of such courts. Any and all processes directed to Buyer in any such litigation may be served upon it outside of the State of Illinois with the same force and effect as if such service had been made within the State of Illinois. Nothing contained in the Contract shall prevent Seller from applying to the appropriate court in any part of the world for an injunction or other like remedy to restrain Buyer from committing any breach or anticipated breach of the Contract and for equitable relief.

19. LANGUAGES.

English shall be the governing language of the Contract. If the Contract or these Conditions are translated into another language from the English version and there is any conflict between the non-English version and the English version, the English version shall govern.

20. ASSIGNMENT.

Buyer’s rights, interests and obligations hereunder may not be assigned, transferred or delegated by Buyer without the specific prior written authorization of Seller. Any attempted assignment, transfer or delegation by Buyer will be wholly void and totally ineffective for all purposes.
21. SEVERABILITY.

If any provision of the Contract is for any reason held to be invalid, illegal or unenforceable by a court of competent jurisdiction, the remaining provisions of the Contract shall be unimpaired and shall remain in full force and effect, and the invalid, illegal or unenforceable provision shall be replaced by a valid, legal and enforceable provision that comes closest to the intent of the parties underlying the invalid, illegal or unenforceable provision.

22. ENTIRE AGREEMENT.

The Contract constitutes the terms and conditions to the contract of sale and purchase between Seller and Buyer with respect to the Products covered by the Contract, and supersedes any prior and contemporaneous written and oral agreements, understandings, representations and quotations with respect thereto (with the exception of any written agreements between Seller and Buyer which specifically identify themselves as governing in the event of a conflict). No modification hereof shall be of any force or effect unless in writing and signed by the party claiming to be bound thereby. Any provision of the Contract which, by its nature, would survive termination or expiration of the Contract shall survive any such termination or expiration.

23. FORCE MAJEURE.

Neither party shall be liable for damages under the Contract for a delay or failure in its performance of any obligation (except the obligation to make payments when due) under the Contract (including for the avoidance of doubt obligations arising under these Conditions and the documents referred to in these Conditions) as a result of causes beyond its reasonable control, including war, strikes, lockouts, embargoes, terrorism, insurrection, riots, inability to obtain materials or labor due to governmental acts, rules, regulations or directives, breakdown of machinery, accidents, fires, floods or other natural disasters. Upon the giving of prompt written notice to the other party of any such cause of a delay or failure in its performance of any obligation under the Contract, the time of performance by the party so affected shall be extended to the extent and for the period that its performance of such obligations is prevented by such cause. Seller may, during any period of shortage due to any of the above force majeure circumstances, allocate its available supply of Products among itself and its other buyers in such manner as Seller, in its sole judgment, deems fair and equitable.

24. WAIVER.

No failure of Seller to insist upon strict compliance by Buyer with the Contract or to exercise any right accruing from any default of Buyer shall impair Seller’s rights in case Buyer’s default continues or in case of any subsequent default by Buyer. Waiver by Seller of any breach by Buyer of the Contract shall not be construed as a waiver of any other existing or future breach.

25. COMPLIANCE WITH LAWS

25.1. In performing its obligations and exercising its rights under the Contract, Buyer shall, at all times, act ethically and in compliance with all applicable Laws of the United States and any jurisdiction in which Buyer is established or conducts operations relating to the Contract, including (without limitation) any applicable Laws in force from time to time regarding bribery, fraudulent acts, corrupt practices and/or money laundering and any applicable Laws in force from time to time regarding import/export regulations, tax and/or customs and duties (the “Import/Export Legislation”). Buyer expressly acknowledges that a Product may also be subject to the Import/Export Legislation of the country into which the Product is sold, and Buyer shall abide by such Import/Export Legislation.

25.2. Buyer shall ensure that the Products, and any other products or technology acquired from Seller under the Contract, will not be exported, sold, diverted, transferred or otherwise disposed of in violation of the Import/Export Legislation, either in their original form or after being incorporated into other items.

Malaysian Addendum to Terms and Conditions of Sale (Malaysia)

1. INTRODUCTION.
This Malaysian Addendum to Terms and Conditions of Sale (the “Addendum”) supplements the Terms and Conditions of Sale (the “Conditions”) regarding a contract as defined in the Conditions (the “Contract”). Terms not defined herein shall have the same meaning as in the Conditions. In case of any conflict between this Addendum and the Conditions, this Addendum shall prevail.

2. CHANGES.

Amending Clause 5 of the Conditions, subject to Buyer's consent in writing, Seller may at any time make such changes in design and construction of the Products as shall constitute an improvement in the judgment of Seller. Seller may furnish suitable substitutes for materials unobtainable because of priorities or regulations established by governmental authority or non-availability of materials from suppliers.

3. PAYMENT TERMS.

Amending Clause 8.1 of the Conditions, payments may be made in Ringgit Malaysia.

4. GOVERNING LAW.

This Malaysian Addendum (Sale) is governed by Malaysian law, without regard to any conflict of law principles and to the exclusion of the provisions of the United Nations Convention on the International Sale of Goods.