

## STANDARD TERMS AND CONDITIONS OF SALE

1. DEFINITIONS
  - 1.1 "Sale Conditions"  
The General Terms and Conditions set out herein.
  - 1.2 "Sale Contract"  
An agreement for the sale of a Product. This incorporates the Sale Conditions by reference. Where the Customer places an order on Azoteq it will constitute a valid "Sale Contract" upon Azoteq's acceptance of the order.
  - 1.3 "Product"  
The electronic equipment or components set out on the relevant customer order that has been accepted by Azoteq.
  - 1.4 "Specifications"  
Azoteq's officially published specifications and/or data sheets in respect of the Product or customer specific specifications, as agreed upon.
  - 1.5 "Warranty Period"  
30 Days after delivery of the Product" or, if such non conformity cannot reasonably be discovered within such 30 day period, within 10 days of discovery of such non conformity, but in no event later than six months of delivery of the Product.
2. APPLICABILITY OF SALE CONDITIONS  
These Terms of Conditions shall apply to a Sale Contract.
3. DELIVERY AND ACCEPTANCE.
  - 3.1 Deliveries of the Product will be according to Incoterms 2010 FCA Hong Kong Azoteq Warehouse.
  - 3.2 Delivery shall be completed when the Product is handed over and signed for, at the specified place, if products are transported by the Customer, his agent or a carrier engaged (whether by Azoteq or Customer) to transport the Product of for the Customer.
  - 3.3 The signature of any employee or agent of the Customer which appears on Azoteq's official delivery note, waybill or invoice, or the delivery note or waybill of any authorised independent carrier, will constitute conclusive evidence of delivery of Product purchased.
4. ADDITIONAL CHARGES AND VARIATIONS IN PRICES  
With the exception of Export Clearance and delivery to the specified place of Delivery, The Customer shall, in addition to the charges provided for in terms of each Sale Contract, pay all taxes, rates, or Governmental levies imposed in respect of the Product resulting from each Sale Contract, other than taxes based on the gross income of Azoteq.
5. PRICES, PAYMENT TERMS AND CREDIT FACILITIES  
The Customer shall pay to Azoteq, at such place as Azoteq may advise the Customer from time to time, the purchase price as determined in accordance with the Sale Contract in question.

- 5.1 Upon successful credit application, the purchase price is payable within 30 (thirty) days from the date of invoice;
- 5.2 Such payment shall be made in full in United States Dollars, without any deduction or set-off, and free of bank exchange or other charges or commission.
- 5.3 If any amount is not paid in full on the due date then Azoteq may, without prejudice to any rights it may have, immediately suspend the carrying out of its obligations in terms of any other Agreement between the Customer and Azoteq.
- 5.4 Notwithstanding the granting of credit facilities, Azoteq shall be entitled at any time, without prior written notice, in their sole discretion to withdraw the credit facilities and to demand payment of any amount owing to Azoteq by the Customer.
- 5.5 Azoteq reserves the right to review the extent, nature and duration of any credit facilities granted to the Customer at all times.
- 5.6 The Customer undertakes to notify Azoteq within a period of seven (7) days of any change of address or any changes in the information set out in the application for credit/schedule of customer's particulars signed by or on behalf of the Customer, accompanying the delivery of any Product sold to Customer.
- 5.7 All credits shall be handled as separate financial transactions from the original invoice. There shall be no reduced payment by Customer for anticipated credits to be received, either at the time of the payment of original invoice or at the time of providing the credit request.

## 6. OWNERSHIP

- 6.1 Ownership in the Product shall remain with Azoteq until the purchase price, inclusive of any Price Variation, and any applicable taxes have been paid in full by the Customer to Azoteq.
- 6.2 Intellectual property rights associated with the product vests in Azoteq, or Azoteq's Product in question.

## 7. RISK ON DELIVERY

Risk of loss or damage to the Product shall pass to the Customer upon delivery of the Product in question.

## 8. WARRANTIES

- 8.1 Azoteq warrants that, when delivered, the Product will be free from defects in material and workmanship, and will conform to the Specifications. The warranty does not extend to any Product that has been subjected to:
  - Improper installation or storage.
  - Improper maintenance.
  - If the Product has been used for any purpose other than that for which it was designed.
  - Repairs or alterations not authorised by Azoteq.
  - Accidents, damage, abuse or misuse.
  - Abnormal or unusual operating conditions or applications.
  - Operating conditions or applications above the rated capacity or specifications of the Product.
- 8.2 Azoteq undertakes promptly to provide free of charge corrections to or replacements for any part which does not so comply and conform as is warranted in Clause 8.1 hereof, where

such non-compliance or non-conformity is notified in writing to Azoteq within the Warranty Period.

- 8.3 All defective Products are to be returned to Azoteq facility at the Customer's expense. Azoteq's obligations under the warranty of Clause 8.1 hereof shall be limited to correction or replacement (at Azoteq's option) of defective or non-conforming parts of Product.
- 8.4 The above warranty is in lieu of all other warranties expressed or implied, and accordingly Azoteq does not give any warranty or guarantee or make any representation in respect of the Product or the fitness of the Product or any part thereof of any particular purpose, whether or not that purpose is known to Azoteq.

## 9. INDEMNITY AND EXCLUSIONS

- 9.1 The Product shall be exempt from and shall not be liable under any circumstances for any indirect, special or consequential damages of any nature or any loss of profit or other special damages of any nature of any breach by Azoteq of its obligations under these General Terms and Conditions and each Sale Contract to which these Terms and Conditions apply.
- 9.2 Subject to and without in any way limiting the exemption in 9.1, the liability of Azoteq to the Customer for any damages sustained by the Customer from any cause whatsoever, including any damages arising out of Azoteq's negligence or that of its employees, agents or subcontractors, shall in any event be limited, in respect of all claims of any nature whatever that may be made by the Customer in terms of or in relation to any Sale Contract to the amount received by Azoteq from the Customer in respect of the Sale Contract in question.
- 9.3 Insofar as any of the services to be rendered by Azoteq in terms of each Sale Contract are rendered by any of its employees, agents or subcontractors, the provision of 9.1 and 9.2 are stipulated for their benefit as well as that of Azoteq and they shall each be exempted accordingly.
- 9.4 The Customer shall not have any claim of any nature whatever against Azoteq for any failure by Azoteq to carry out any of its obligations under each Sale Contract to which these Terms and Conditions apply as a result of vis major, including but without being limited to any strike, lock-out, shortage of labour or materials, delays in transport, accidents of any kind, any default or delay by a sub-contractor or supplier of Azoteq, riot, political or civil disturbances, the elements, or any other act of God, any act of any State or Government or any other authority, or any other cause whatever beyond Azoteq's control.

## 10. SUB SYSTEMS

It is the responsibility of the Customer to ensure that the Specifications be agreed upon by a third party(s) if the Product forms part of or is integrated into a system supplied to the Customer by the third party(s).

## 11. INTERPRETATION

- 11.1 The headings in this document shall not be taken into account in the interpretation thereof and unless the context otherwise requires, terms used herein shall bear the meanings normally ascribed to them in the electronics industry.
- 11.2 The singular includes the plural and vice versa.

12. SOLE AGREEMENT

These Terms and Conditions read with the applicable Sale Contract shall constitute the exclusive record of the agreement between Azoteq and the Customer relating to the sale of the Product by Azoteq to the Customer, and accordingly:

12.1 no warranty, representation, undertaking, guarantee or other terms or condition of whatever nature whether express or implied not contained and/or recorded herein or in each Sale Contract shall be binding; and

12.2 no variation, modification or waiver of any provision thereof, or consent to any departure therefrom by any party, shall be of any force or effect unless the same is recorded in writing and signed by a Director of Azoteq and an authorised officer of the Customer.

13. ASSIGNMENT

Neither party shall be entitled to cede its rights or delegate its obligations in respect of any Contract to which these Terms and Conditions apply without the prior written consent of the other party, such consent not to be unreasonably withheld.

14. OVERDUE ACCOUNTS

14.1 The Customer shall be liable for interest at the ruling Prime Overdraft Rate of a South African registered commercial bank, nominated by the Customer, plus 2%, and calculated daily in arrears on all overdue amounts. Such payments shall be made in full in United States Dollars without any deduction and free of bank exchange and other charges or commission.

14.2 A certificate by any manager or assistant manager of the bank, nominated in terms of 14.1 by the Customer, shall be conclusive proof in any court of law of the Prime Overdraft Rate.

15. BREACH

15.1 Azoteq may cancel each Contract to which these Terms and Conditions apply without notice to the Customer if the Customer:

15.1.1 fails to pay any amount due to Azoteq on due date for payment thereof; or

15.1.2 commits any other material breach of any of these Terms and Conditions and fails to remedy that breach within thirty days of receipt of written notice by Azoteq to remedy that breach; or

15.1.3 is placed under a provisional or final winding-up or sequestration or judicial management order or in any way attempts to compromise with its creditors.

15.2 The Customer may cancel each Contract to which these Terms and Conditions apply if Azoteq commits any material breach of these Terms and Conditions and fails to remedy that breach within thirty days of receipt of written notice from the Customer to remedy that breach.

15.3 Upon termination in terms of 15.1 or 15.2 above for any reason whatsoever:

15.3.1 all amounts then owed by the Customer to Azoteq shall immediately become due and payable; and

15.3.2 Azoteq may retake possession of any Product in respect of which ownership has not passed to the Customer

15.4 Either party's rights in terms of this clause shall not be exhaustive and shall be in addition to its common law rights.

16. APPLICABLE LAW

The Sales Contract shall be governed, construed, interpreted and take effect in accordance with the laws of the Republic of South Africa. If any provision hereof shall be held to be invalid, illegal or unenforceable the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

17. DOMICILIA AND NOTICES

For all purposes under the Agreement or any amendment thereof, or with regard to any matter arising there out or in connection therewith, the parties choose as their domicilium citandi et executandi the address specified on the relevant Sale Contract, provided that either party shall be entitled to nominate a substitute address as that party's domicilium citandi et executandi, by written notice to that effect given to the other party. Any notice required or permitted to be given by either party to another in terms of the Agreement shall be in writing addressed in the name or the latter (and in the case of Azoteq marked for the attention of its Managing Director), and shall be delivered to the addressee at the addressee's domicilium citandi et executandi established for the time being in terms thereof.