

## Standard Terms and Conditions of Sale

### 1. Definitions.

- (a) **“Buyer”** means the customer identified in the Seller’s quotation (**“Quotation”**).
- (b) **“Seller”** means the SK Siltron CSS, LLC.
- (c) Buyer and Seller are each a **“Party”** and collectively are the **“Parties.”**
- (d) An **“Affiliate”** means any entity directly or indirectly controlling, controlled by, or under common control with Seller, and “control” means the power to direct the management and policies of such entity directly or indirectly through ownership of at least fifty percent (50%) of the voting or other equity securities of such entity.
- (e) **“Product(s)”** means the SiC Wafer(s) sold to Buyer by Seller under the Sales Contract (defined below).
- (f) **“Terms and Conditions”** means this document.
- (g) **“Sales Contract”** means, collectively, (i) the Quotation, (ii) Buyer’s written purchase order accepted by Seller (**“Order”**) (but only with respect to identification and quantity of the Products ordered), and (iii) these Terms and Conditions.
- (h) **“Buyer’s Site”** means the location where the Products will be delivered, installed and used.

### 2. Controlling Document.

Seller agrees to sell and Buyer agrees to buy the Products specified in the Sales Contract for the Price (defined below) specified in the Sales Contract. SELLER’S ACCEPTANCE OF BUYER’S ORDER IS EXPRESSLY CONDITIONED ON BUYER’S ACCEPTANCE OF THESE TERMS AND CONDITIONS. Except for identification and quantity of the Products ordered, any term or condition proposed by Buyer, including any preprinted or customized term on Buyer’s Order, is expressly rejected.

### 3. Pricing.

The total price for the Products, and the applicable currency, are set forth in the Quotation (the **“Price”**). Unless the Quotation states otherwise, the Price excludes transportation, insurance, import and brokerage fees, license fees, customs duties, tariffs, and sales, use, value-added (VAT), excise or other taxes. Buyer shall pay all such charges, duties and taxes except taxes imposed on Seller’s net income.

### 4. Payment Terms.

- (a) Unless otherwise stated in the Quotation, Buyer shall pay the Price for each item of Product by an irrevocable Letter of Credit in the form set forth below (a **“Letter of Credit”**) as follows: ninety percent (90%) of the Price shall be due upon Shipment (defined below) and payable drafts at sight; and ten percent (10%) of the Price shall be due upon Final Acceptance (defined below) of each item of Equipment or ninety (90) days after Shipment, whichever occurs first.
- (b) Any required Letter of Credit shall be issued in favor of Seller in a form and by a bank acceptable to Seller no later than sixty (60) days before the date of first Shipment of the Product. The Letter of Credit shall be subject to the Uniform Customs and Practice for documentary credits (2007 revision or latest version) of the International Chamber of Commerce Pub 600. The Letter of Credit shall not expire earlier than sixty (60) days after final payment is due under the Sales Contract; Buyer shall amend the Letter of Credit as needed so that it does not expire before all payments are made to Seller. All issuing bank charges, reimbursing/paying bank charges, including acceptance commissions and amendment or extension charges for the Letter of Credit, shall be paid by Buyer. Advising bank and presenting bank charges and discount charges for the Letter of Credit shall be paid by Seller. Buyer will email or fax a copy of the proposed Letter of Credit to Seller’s Treasury Department for review and approval by Seller prior to Buyer submitting it to the opening bank.  
If the Letter of Credit is not in effect or is insufficient to pay the Price, Buyer shall pay the remaining Price by wire transfer. Seller will designate its account for wire transfers in writing. Except as provided in these Terms and Conditions, a Party may not set off against amounts it owes those amounts owed by the other Party. Late payments will bear interest at the rate of one and one-half percent (1.5%) per month (or the highest rate permitted by law, if less) from the date due until paid. In the event of any default in payment, Buyer shall pay all costs of collection. All payments are nonrefundable once made.
- (c) All payments shall be in U.S. dollars. Buyer shall pay for products in cash upon delivery, unless an earlier or later time for payment is specified herein or in the order acknowledgement (in which case payment shall be due at the time so specified). Each shipment shall be considered a separate and independent transaction, and payment for each shipment shall be due accordingly. Seller may, at its option, elect to extend credit to Buyer. If Seller extends credit to Buyer, unless otherwise agreed to in writing by Seller, invoices will be issued upon shipment and payment shall be due in full within thirty

(30) days from the invoice date or such other date specified in the Agreement. Seller reserves the right to change the amount of or withdraw any credit extended to Buyer. Unless otherwise specified in this Agreement or agreed to in writing by Seller, amounts owed for services will be invoiced monthly or, if sooner, upon completion of the work. Payment of such invoices is due within thirty (30) days from the invoice date. Amounts not paid when due shall be subject to interest at the rate of one and one-half percent (1.5%) per month or, if less, the maximum rate permitted by law. In the event of the bankruptcy or insolvency of Buyer, or the filing of any proceeding by or against Buyer under any bankruptcy, insolvency or receivership law, or in the event Buyer makes an assignment for the benefit of creditors, Seller may, at its election and without prejudice to any other right or remedy, exercise all rights and remedies granted in the case of default by Buyer under this Agreement.

**5. Shipment; Title Transfer; Risk of Loss.** Unless otherwise stated in the Quotation, all Products delivered pursuant to the terms of this Sales Contract shall be suitably packed for shipment in accordance with the Specification and marked for shipment to Customer's destination specified in the applicable Order. Shipment will be made EXW (Ex-Works, Incoterms 2010) Seller's facility, at which time risk and loss and title will pass to Customer when delivered to the transportation company at the shipment point. All freight, insurance and other shipping expenses, as well as any special packing expenses not included in the Quotation for the Products, will be paid by Customer. The Quotation contains an estimated lead time for each Product. Seller is not liable for delays in Shipment due to modification of the Specification (defined below) by Buyer. Seller retains, and Buyer hereby grants, a security interest (or charge, lien, or similar right under applicable local law) in each Product and in all proceeds from the sale or disposition thereof, until Buyer has made payment in full for the Product. Buyer will, upon request by Seller, provide all cooperation required by Seller to perfect such security interest. Seller reserves the right to repossess the Products upon default by Buyer. Parts that are replaced under the Sales Contract will become the property of Seller and will be provided to Seller. Seller at its sole discretion may transfer ownership of some used Parts to Buyer for disposal.

**6. Product Return.**

In the event Buyer rejects or revokes acceptance of any products for any reason, all risk of loss and/or damage to such products shall nonetheless remain with Buyer unless and until the same are returned at Buyer's expense to such place as Seller may designate in writing. Prior to returning any product for any reason, Buyer will notify Seller and obtain a return materials authorization (RMA) number and will follow Seller's RMA instructions.

**7. Performance.**

Seller will make a reasonable effort to observe the dates specified herein or such later dates as may be agreed to by Buyer for delivery or other performance, but Seller shall not be liable for any delay in delivery or failure to perform due to acceptance of prior orders, strike, lockout, riot, war, fire, act of God, accident, delays caused by any subcontractor or supplier or by Buyer, technical difficulties, failure or breakdown of machinery or components necessary for order completion, inability to obtain or substantial rises in the price of labor or materials or manufacturing facilities, curtailment of or failure to obtain sufficient electrical or other energy supplies, or compliance with any law, regulation, order or direction, whether valid or invalid, of any governmental authority or instrumentality thereof, or due to any circumstances or any causes beyond its reasonable control, whether similar or dissimilar to the foregoing and whether or not foreseen. As used herein, "performance" shall include, without limitation, fabrication, shipment, delivery, assembly, installation, testing and warranty repair and replacement, as applicable. Buyer agrees that any delay in delivery or failure to deliver or perform any part of this Agreement shall not be grounds for Buyer to terminate or refuse to comply with any provisions hereof and no penalty of any kind shall be effective against Seller for such delay or failure; provided, however, that if the delay or failure extends beyond six (6) months from the originally scheduled date either party may, with written notice to the other, terminate this Agreement without further liability for the unperformed part of this Agreement.

**8. Postponing or Cancelling Orders.**

Buyer may cancel an Order prior to the scheduled Shipment date by delivering written notice to Seller, and Seller confirming the cancellation by written notice, subject to Buyer's payment of the applicable cancellation charge ("**Order Cancellation Charge**"). Buyer may request a one-time postponement in Shipment for each Product of up to thirty (30) days from the scheduled Shipment date by delivering written notice to Seller; provided that any such postponement must occur within the same fiscal quarter as Seller's scheduled Shipment date. Buyer will be responsible for all applicable storage fees. If Buyer requests a delay in Shipment other than as permitted in this Section, Seller may treat such postponement request as a request for

cancellation and Buyer shall pay to Seller the applicable Order Cancellation Charge. Seller may apply payments already made to Order Cancellation Charges due. Buyer agrees that Order Cancellation Charges are reasonable and justified, do not constitute penalties, and constitute liquidated damages. Seller is entitled to an extension in Seller's time to perform, if Seller's ability to achieve Final Acceptance of a product is delayed for any reasons due to Buyer, including without limitation, the condition, availability and/or facilitation of Buyer's Site. Seller reserves the right to charge 100% of Price for custom made material that has no other sales outlet. Cancellation option is reserved for Bare Silicon Carbide substrates and is not offered on Epi Wafer Products.

<b>Days between cancellation notice and scheduled Shipment date</b>	<b>Cancellation Charge</b>
90 days or more	30% of the Price
60 – 89 days	50% of the Price
30 – 59 days	60% of the Price
Less than 30 days	70% of the Price

**9. Termination; Seller's Rights on Non-Payment.**

Either Party may terminate the Sales Contract (i) if the other Party materially breaches the Sales Contract, and fails to cure such breach within thirty (30) days after receipt of notice of that breach (provided that no cure period shall apply to payment obligations), or (ii) if the other Party transfers all or substantially all of its assets, files a voluntary petition for bankruptcy or has an involuntary petition for bankruptcy filed against it that is not dismissed within sixty (60) days, makes an assignment for the benefit of creditors, or becomes insolvent. In addition, without limiting any other rights under contract or applicable law, Seller may immediately suspend its Services or other obligations under this Sales Contract, and/or may postpone or cancel Shipment of one or more Products, if Buyer fails to (i) provide Seller with an Order at least ninety (90) days prior to the scheduled Shipment date; or (ii) pay any amount when due to Seller; or (iii) fails to cause the Letter of Credit to be issued when due. At Seller's option, Seller may (a) reschedule Shipment of the Product(s) upon Buyer's cure of such breach and resume its Services or other obligations; or (b) deem the Order to have been cancelled by Buyer as of the date of the breach, and Buyer will pay the applicable Order Cancellation Charge.

**10. Survival.**

This Sales Contract shall terminate the earlier of (i) as to each Product or Service upon expiration of the applicable Warranty Period or (ii) upon termination of the Sales Contract. Sections 1 (Definitions), 2 (Controlling Document), 4(b) (Payment Terms - Letter of Credit, Set-Off, and Late Payments), 8 (Postponing or Cancelling Orders), 10 (Survival), 11 (Licenses) (except to the extent licenses granted in Section 11 are terminated pursuant to the terms of that Section), 12 (Feedback and Benchmarking), 14(d) (Limited Warranty), 15 (Force Majeure), 16 (Limitation of Liability), 17 (Patent Indemnity and Use of Product), 18 (Confidentiality), 20 (Export Regulations), 21 (Governing Law), 22 (Dispute Resolution), 23 (Assignment), 25 (Order of Precedence), and 27 (Severability) of these Terms and Conditions survive the cancellation, termination or expiration of the Sales Contract regardless of cause.

**11. Licenses.**

Seller (or an Affiliate) grants to Buyer a limited, non-assignable, non-transferable, non-exclusive, royalty free license (without the right to sublicense) to use internally, solely with each Product as purchased from Seller or as identified in Seller's Quotation: (i) the patented methods and processes of Seller in existence as of the delivery date of a Product to Buyer's Site that documentation provided by Seller identified as appropriately utilizable in the Product; (ii) all Product-related documentation furnished by Seller ("**Documentation**"). Unless otherwise specified in Seller's Quotation, the licenses do not extend to the use of Documentation on or with Products not purchased from Seller, or modified by any third party, and any and all such use of such intellectual property is expressly not authorized.

Any Documentation is licensed, not sold, to Buyer. Any breach of the Sales Contract by Buyer automatically terminates this license. Buyer shall not modify, copy, publish, distribute or make available any Documentation licensed hereunder, except that Buyer may make a single archive copy of such Documentation, provided that it must retain all of the same copyright and proprietary markings that are included in the original. The term of the licenses granted in this Section is the duration identified in Seller's Quotation or, if none is specified, perpetual unless terminated in accordance with this Section.

## 12. Feedback and Benchmarking.

In the event Buyer provides to Seller test data and results, suggestions, recommendations, advice, and other feedback concerning Seller's Products and Services, including potential errors and improvements ("**Feedback**"), Buyer hereby grants to Seller a non-exclusive, royalty-free, paid-up, transferable, worldwide, perpetual, irrevocable license, with the right to sublicense, to use, reproduce, modify, distribute, and otherwise exploit the Feedback; to use, make, have made, sell, offer to sell, import, and otherwise transfer any Product based on, incorporating, or embodying the Feedback. Except to the extent applicable law will not enforce this requirement, Buyer shall not directly or indirectly reverse engineer or decompile any element of Products. Seller may use and disclose Data, whether alone or aggregated from other sources, for use in Seller's benchmarking, business and product development. Data will not be disclosed by Seller or otherwise made available to third parties in a manner that would enable such third party to identify the Data as belonging to or originating from Buyer or relating specifically to Buyer's business.

## 13. Final Acceptance.

A Product achieves "**Final Acceptance**" upon the first to occur of the following: (a) a successfully completed Final Acceptance Test (defined below); (b) ninety (90) days after Shipment of the Product (the "**FAT Deadline**"). Any failure in the Final Acceptance Test is to be verified by both Parties, and Seller will be allowed sufficient and reasonable time to remedy.

"**Final Acceptance Test (FAT)**" means one or more tests of Product conducted in accordance with Seller's normal procedures that demonstrates the Product meets or exceeds the performance specification identified in the Quotation.

## 14. Limited Warranty.

- (a) Seller warrants to Buyer that, for the applicable Warranty Period, each Product will be free from defects in material and workmanship, and each Product will conform to and perform in accordance with Seller's published specifications for such products. Unless otherwise stated in the Quotation, the "**Warranty Period**" shall be as follows: for each Product six (6) months after Final Acceptance, but in no event more than nine (9) months after the date of Shipment of such Product.
- (b) If a Product reproducibly fails to comply with Seller's express warranty in Section 12(a) (a "**Non-Conforming Product**"), and Buyer notifies Seller in writing of such failure and complies with this Section 13(b) within the applicable Warranty Period, Seller shall, during its normal business hours and at its option, use reasonable efforts to repair or replace the Non-Conforming Product. Buyer must grant Seller reasonable time and opportunity to take what Seller determines to be the necessary steps for making repairs or supplying replacements. If Seller requests the return of a Non-Conforming Product for warranty repair or replacement, Buyer will follow Seller's return material authorization ("**RMA**") process, and Seller will bear the cost to return the repaired Non-Conforming Product, or its replacement, to Buyer's Site. Buyer will provide all necessary documents to enable the Non-Conforming Product to be re-exported to its place of origin as designated by Seller and will cooperate with Seller to obtain permits to import the repaired Non-Conforming Product or its replacement free of import duty. In the event a Product that Buyer claims is a Non-Conforming Product is determined by Seller not to be defective, Buyer will be responsible for, and Seller will have the right to charge Buyer for, the replacement Product and for the handling costs associated with the return of the Non-Conforming Product, including a fifteen percent (15%) restocking charge for Products. This Section sets forth Buyer's sole and exclusive warranty remedies. Seller's liability and Buyer's sole remedy under this warranty is limited to repair or replacement of items determined by Seller to be defective or, at Seller's sole option, refund of the purchase price paid Seller for such items. Seller shall have no liability under this warranty unless Seller is notified in writing promptly upon Buyer's discovery of the defect and the defective items are returned to Seller.
- (c) Buyer will remove/drain all chemicals and chemical residues (solid, liquid, or gas) from Products prior to shipment to Seller, Seller's vendors, or other third parties. Buyer is responsible for transporting and disposing of all waste, including hazardous waste, generated by the Products, in accordance with applicable laws and regulations, regardless of whether such Products are under warranty. In addition, Buyer is responsible for preparing for shipment Products and components thereof that cannot be decontaminated without loss of RMA credit from Seller's third-party suppliers, consistent with applicable laws and regulations. Buyer will obtain the written approval of Seller, Seller's vendors, or other third-party recipients prior to initiating any Dangerous Goods / Hazardous Materials shipments to their facilities.
- (d) The foregoing warranties shall not cover any Products sold to, transferred to, leased to, or shared with a third party by Buyer; or defects caused by (i) misuse, neglect, accident or normal wear and tear; (ii)

unusual physical or electrical stress; (iii) modification without the prior written consent of Seller; (iv) service of a Product by anyone other than Seller or its authorized service provider; (v) parts purchased from a source other than Seller or its authorized supplier; (vi) relocation of the Product other than by Seller; (vii) environmental or facility conditions that are unsuitable for the Products; (viii) Buyer's failure to comply with preventive maintenance specified by Seller; or (ix) use of the Products inconsistent with their intended purpose or contrary to Seller's printed warnings, instructions or recommendations. Seller shall have no liability of any kind for failure of any equipment or other items in which the products are incorporated or for failure of the products caused by goods and services not supplied by Seller.

TO THE MAXIMUM EXTENT ALLOWED BY LAW, THE WARRANTIES SET FORTH IN THIS SECTION ARE THE SOLE AND EXCLUSIVE WARRANTIES, AND THERE ARE NO OTHER WARRANTIES REGARDING THE PRODUCTS, WHETHER WRITTEN, ORAL, IMPLIED, OR STATUTORY, INCLUDING ANY WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT, TITLE, OR FITNESS FOR A PARTICULAR PURPOSE, OR WARRANTIES THAT WOULD OTHERWISE ARISE FROM COURSE OF DEALING OR PERFORMANCE. BUYER REPRESENTS THAT IT HAS NOT RELIED ON ANY STATEMENT, REPRESENTATION OR WARRANTY OTHER THAN THOSE EXPRESSLY SET FORTH IN THIS SECTION.

Remedies of Buyer for any breach of warranty are limited to those provided herein to the exclusion of all other remedies, including, without limitation, incidental or consequential damages. No warranty or agreement varying or extending the foregoing warranty and limitation of remedy provisions may be relied upon by Buyer unless it is in writing and signed by the President or a Vice President of Seller. No representation or affirmation of Seller, whether by words or action, shall be construed as a warranty. If any model or sample was shown to Buyer, such model or sample was used merely to illustrate the general type and quality of the products and not to represent that the products would necessarily conform to the model or sample.

**15. Force Majeure.**

Neither Party shall be liable for default of any obligation in the Sales Contract if such default results from "**Force Majeure**," which means any event or circumstance beyond that Party's reasonable control, including but not limited to governmental acts or directives; strikes; acts of God; war; terrorism; riot; civil commotion; fire; flood; embargoes; delays in delivery; or failure to obtain or the withdrawal of any export or import license. If a Force Majeure event arises, which prevents a Party from performing its obligations, the dates and periods for performance of the obligations under the Sales Contract shall be adjusted by mutual agreement of the Parties, or if the Parties fail to agree, shall be extended by the duration of such Force Majeure event or circumstance plus a reasonable time to restart performance. Force Majeure shall not apply, however, to obligations of Buyer to make payments under the Sales Contract.

**16. Limitation of Liability.**

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL SELLER BE LIABLE IN CONTRACT, TORT OR OTHERWISE (INCLUDING FOR NEGLIGENCE), FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, OR FOR PROPERTY DAMAGE, LOST REVENUES, PROFITS OR GOODWILL, LOSS OF BARGAIN OR EXPECTATION, OR LOSS OF PRODUCTION, IN EACH CASE ARISING FROM OR RELATED TO THE SALES CONTRACT, THE PERFORMANCE BY SELLER THEREUNDER, OR THE PRODUCTS, REGARDLESS OF WHETHER OR NOT SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND REGARDLESS OF WHETHER THE REMEDIES IN THE SALES CONTRACT FAIL OF THEIR ESSENTIAL PURPOSE.

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW: (A) SELLER'S TOTAL LIABILITY FOR ANY CLAIM IN CONTRACT, TORT, OR OTHERWISE (INCLUDING FOR NEGLIGENCE) ARISING FROM OR RELATED TO THE SALES CONTRACT, THE PERFORMANCE BY SELLER THEREUNDER, OR THE PRODUCTS (INCLUDING AMOUNTS PAID OR INCURRED IN PERFORMANCE UNDER SECTION 12 OR SECTION 15), SHALL NOT EXCEED THE PRICE ACTUALLY PAID BY BUYER TO SELLER FOR THE PRODUCTS GIVING RISE TO SUCH CLAIM; AND (B) WITHOUT EXPANDING THE FOREGOING LIMIT, SELLER'S MAXIMUM AGGREGATE LIABILITY HEREUNDER (INCLUDING AMOUNTS PAID OR INCURRED IN PERFORMANCE UNDER SECTION 12 OR SECTION 15), FOR ANY AND ALL CLAIMS IN CONTRACT, TORT OR OTHERWISE (INCLUDING FOR NEGLIGENCE), SHALL IN NO CASE EXCEED FOR EACH PRODUCT, THE PORTION OF THE PRODUCT'S PRICE ACTUALLY PAID TO SELLER BY BUYER

UNDER THE SALES CONTRACT. THE EXISTENCE OF ANY OTHER LIMITATIONS OF LIABILITY SET FORTH HEREIN WILL NOT INCREASE THIS OVERALL AGGREGATE LIMIT.

Regardless of whether any remedy provided for hereunder fails of its essential purpose, the allocation of risk in these Terms and Conditions is material to this transaction, the limitations of liability in this Section will be given full effect, and Buyer acknowledges and agrees that Seller would not enter into this transaction without the limitations of liability herein.

**17. Patent Indemnity and Use of Product.**

Seller shall defend any suit or proceeding brought against Buyer by a third party, and Seller will reimburse Buyer for the damages actually paid by Buyer that are either finally awarded against Buyer in any such suit or proceeding or agreed to by Seller in a settlement of any such suit or proceeding, in each case to the extent the suit or proceeding is directly based on a claim that a Product infringes any apparatus claim under any third-party United States of America patent of such third party that has been examined and validly issued prior to Shipment of the Product to Buyer, all subject to the following: Buyer must notify Seller promptly in writing after Buyer becomes aware of the suit or proceeding (or the possibility of such suit or proceeding), and Buyer must give sole authority and control to Seller, with Buyer's full cooperation, to defend and settle the suit or proceeding. In addition, if in such suit all use of the Product by Buyer is enjoined, Seller shall (and if at any time Seller believes an infringement claim or finding is likely, Seller may), at Seller's expense and option, use commercially reasonable efforts to (a) procure for Buyer the right to continue using the Product; (b) replace the infringing Product with a non-infringing Product; or (c) modify the Product so that it becomes non-infringing. In no event will Seller be liable for any claim of infringement that alleges that a Product or its use infringes any process or method claim of any patent; or that arises from (a) Seller's compliance with Buyer's designs, formulae, processes, specifications, instructions or modifications, or with Buyer's requirements that a design be produced to perform a specific process; (b) the combination of the Product with equipment or elements supplied by anyone other than Seller; (c) a use of the Product inconsistent with the dedicated purpose at the time of sale of the Product or which did not comply with user instructions or documentation provided by Seller; (d) modification to all or any part of a Product by anyone other than Seller; or (e) products produced using the Product.

THIS SECTION STATES THE ENTIRE LIABILITY OF SELLER, AND BUYER'S SOLE AND EXCLUSIVE REMEDY, ARISING FROM OR RELATED TO ANY THIRD PARTY'S CLAIM THAT SELLER, THE PRODUCTS INFRINGE INTELLECTUAL PROPERTY RIGHTS. SELLER'S LIABILITY UNDER THIS SECTION IS SUBJECT TO THE LIMITS IN SECTION 14. Seller accepts no liability for, and Buyer shall hold Seller harmless against any expense or loss from infringement of patents, trademarks, or other intellectual property rights of others arising from Seller's compliance with Buyer's design, formulae, processes, specifications, or instructions, or with Buyer's requirements that a design be produced to perform a specific process.

Buyer may use the purchased wafers for research, development and production in all fields other than the bulk growth of silicon carbide-based materials. As a condition of sale, Buyer warrants that it will not use any of the purchased wafers in the bulk growth of silicon carbide-based materials or in the development of processes for bulk growth of such materials. Growth of one or more silicon carbide epitaxial layers on a single substrate having an aggregate epitaxial thickness of less than 150 microns will not be considered bulk growth for purposes of this Agreement. Buyer may not transfer the wafers to a third party before dicing unless Buyer gives the third party written notice of the limited license in substantially the following form: "This material is licensed for limited use and may not be used for the bulk growth of silicon carbide-based materials or the development of processes for the bulk growth of such materials." The sale of products or provision of services hereunder does not convey any express or implied license under any patent, copyright, trademark or other proprietary rights owned or controlled by Seller, whether relating to the products sold or any manufacturing process or other matter. All rights under any such patent, copyright, trademark or other proprietary rights are expressly reserved by Seller. Furthermore, Buyer agrees not to infringe, directly or indirectly, any patents of SK Siltron CSS LLC. or its subsidiaries with any combination or system incorporating a product sold hereunder.

**18. Confidentiality.**

- (a) The receiving Party agrees to disclose the disclosing Party's Confidential Information (defined below) only with Affiliates and those of the receiving Party's employees, contractors, and representatives who need to know that information to enable the receiving Party to perform the Sales Contract or to use the Products from Seller and who are legally required, by contract or otherwise, to maintain the

confidentiality of the information in accordance with this Sales Contract. Notwithstanding the foregoing, Buyer may not disclose any Confidential Information received or derived from Seller or its Affiliates to third party contractors (individuals and entities) that are in the business of the manufacturing of semiconductor, wafers, cells, modules, and/or panels.

- (b) The receiving Party shall protect the disclosing Party's Confidential Information with at least the care with which it protects its own confidential information of a similar nature but in any event, not less than a reasonable standard of care and shall be liable for any disclosure of the disclosing Party's Confidential Information by receiving Party's employees, contractors and representatives that breaches this Sales Contract. The disclosing Party's "**Confidential Information**" means any information or materials disclosed or made available by a Party to the other Party, provided that (1) in the case of a written or other tangible disclosure, the disclosing Party affixes a "Proprietary", "Confidential" or similar legend indicating the confidential nature of the information, or (2) in the case of an oral or visual disclosure, the disclosing Party makes an oral statement at the time of disclosure to identify the information as confidential and delivers to the receiving Party a written summary of the information confirming that the disclosing Party regards the same as Confidential Information within thirty (30) days of disclosure. Information identified as confidential by the disclosing Party at the time of disclosure pursuant to clause (2) of the preceding sentence shall be treated by the receiving Party as Confidential Information under this Agreement during the thirty (30) day period permitted for providing written confirmation. Notwithstanding the foregoing, Products, Documentation, drawings, specifications, designs, manuals, other reference materials for Products, and Personal Information shall be deemed Seller's Confidential Information regardless of marking. "**Personal Information**" means identifying information of Seller's or Affiliates' employees or contractors such as, name, email address, physical address, telephone number, and the like.
- (c) Confidential Information excludes information that the disclosing Party can demonstrate (i) is generally available to the public through no fault or act of the receiving Party; (ii) was already known to the receiving Party prior to its disclosure by the disclosing Party; (iii) was rightfully disclosed to the receiving Party by a third party, subject to no restrictions of confidentiality; or (iv) was developed by the receiving Party without reference to the disclosing Party's Confidential Information. Notwithstanding the foregoing, Confidential Information may be disclosed by the receiving Party to the extent disclosure is required by law or by the order of a tribunal with jurisdiction, provided the receiving Party notifies the disclosing Party of such mandatory disclosure as soon as reasonably possible; the disclosing Party is provided a reasonable opportunity to contest such disclosure, or to seek a protective order; and the receiving Party reasonably cooperates with the disclosing Party's efforts to do so.
- (d) The receiving Party acknowledges that disclosure or use of Confidential Information in breach of these Terms and Conditions may cause irreparable harm to the disclosing Party, and monetary damages may be difficult to ascertain or be an inadequate remedy for such breach. The receiving Party therefore agrees that the disclosing Party will have the right, in addition to all other rights and remedies, at law or in equity to seek injunctive relief for any breach or threatened breach of the obligations regarding disclosure or use of Confidential Information. The Sales Contract and the activities contemplated herein are considered Confidential Information of the Parties. Neither Party will issue any press release, advertising or other form of public disclosure with respect to the Sales Contract or the activities contemplated herein without the prior written approval of the other Party.

#### **19. Compliance with Laws.**

Each Party agrees to comply with any and all applicable laws, ordinances, rules, regulations and the like of all governmental units, agencies or entities affecting the operation of its business.

#### **20. Export Regulations.**

Both Parties shall comply with all applicable import and export control laws or regulations of any country with jurisdiction over the Parties or transactions occurring under the Sales Contract, and neither Party shall export, re-export or disclose goods, information, data or technology to persons or destinations in violation of those laws and regulations. Each Party specifically certifies that it will not transfer, export, or re-export to any country or entity subject to export control restrictions or embargoes under any applicable laws, regulations and the like, and Buyer certifies that it is not engaged in, and will not use or make available for use Equipment or any Part thereof for any activities related to, the proliferation of nuclear, chemical or biological weapons or missiles. Notwithstanding any provision within this Sales Contract, delivery delays resulting from export compliance and control issues shall neither subject Seller to any liabilities, nor excuse Buyer from any performance obligations under this Sales Contract. The failure of any Product to be licensable for export shall not be construed as a failure or breach by Seller of any obligation to Buyer.

**21. Governing Law.**

The Sales Contract will be governed by and interpreted in accordance with the laws of the State of Delaware U.S.A. The United Nations Convention on Contracts for the International Sale of Goods does not apply to the Sales Contract.

**22. Dispute Resolution.**

If any dispute arising out of or related to the Sales Contract is not resolved amicably by the Parties, such dispute shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce (“ICC”) in effect as of the date of the Quotation before three (3) arbitrators (unless otherwise mutually agreed by the Parties), with the first appointed by Buyer, the second by Seller and the third, who shall be the presiding arbitrator, by the other two (2) co-arbitrators, in consultation with the Parties (or, if such two (2) co-arbitrators fail to agree within sixty (60) days, by the ICC Court). The Expedited Procedure Provisions of the ICC Rules shall not apply. The seat of arbitration shall be New York and the language of the arbitration will be English. The Parties agree to apply the International Bar Association Rules on the Taking of Evidence in International Arbitration. The Parties undertake to maintain confidentiality as to the existence of the arbitration proceedings and as to all submissions, correspondence and evidence relating to the arbitration proceedings. This provision shall survive the termination of the arbitral proceedings. During the pendency of the arbitral proceedings, the Parties shall share equally the costs of such arbitration as assessed by the ICC. At the conclusion of the proceedings, the arbitrators shall have the discretion to award reasonable costs to the prevailing Party. Such costs will include the Parties’ costs, expenses, legal fees, and may also include the costs of the arbitrators and the administrative fees, and any other fees assessed by the arbitrators. The award rendered by the arbitrators may be entered in any court having jurisdiction over the Party or Parties to the dispute against which enforcement is sought, or a court in any other competent jurisdiction where the assets of said disputing Party or Parties are located. The written award of the arbitrators will be final and binding. Nothing in this Section prevents any Party from seeking interim relief in a court of competent jurisdiction, and such action shall not be incompatible with the agreement to arbitrate contained herein or the availability of interim measures of protection under the ICC Rules.

**23. Assignment.**

Neither Party may assign any right, delegate any obligation or transfer this Sales Contract, in whole or in part, without the other Party’s prior written consent, except that Seller may without Buyer’s consent (a) assign its rights to receive payments hereunder; (b) assign or delegate all or part of its rights or duties to any current or future Affiliate; and (c) subcontract all or any part of its Services or manufacturing obligations (provided that Seller will remain primarily responsible for performance). Any attempted assignment, delegation or transfer in violation of this Section is void and of no effect. This Sales Contract shall be binding upon and inure to the benefit of the Parties and their permitted successors and assigns.

**24. Integration and Amendment.**

The Sales Contract constitutes the entire agreement of the Parties with respect to the subject matter hereof. If there is a conflict, these Terms and Conditions control over the rest of the Sales Contract. The Parties have not entered into this Sales Contract based on any representations other than those contained in this Sales Contract.

**25. Order of Precedence.**

Any terms included in a Specification other than those describing Products performance requirements shall be void and of no effect. Buyer and Seller hereby agree that in the event of any conflict between these Terms and Conditions and the terms and conditions of Buyer’s Order or of the Specification, these Terms and Conditions shall govern and control. Fulfilment of Buyer’s Order does not constitute acceptance of any of Buyer’s terms and conditions and does not serve to modify or amend the Sales Contract. Acceptance and fulfilment of Buyer’s Order is expressly conditioned on Buyer’s assent to the Sales Contract, and Seller agrees to provide the Products and/or Services only pursuant to the Sales Contract.

**26. Waiver and Modification.**

No waiver or modification of or addition to any of these Terms and Conditions or to the Specification shall be binding on Seller unless expressly agreed to in writing by an authorized representative of Seller. A waiver of a right on one or more occasions does not operate as a waiver of that right if it arises again.



**27. Severability.**

If any provision of these Terms and Conditions is held to be unenforceable in whole or in part, such provision or part shall be enforced to the maximum extent permissible so as to effect the intent of the Parties, the enforceability of the remainder shall not be affected, and the unenforceable provision or part shall be replaced by a new provision or part that is enforceable and that accomplishes the intention of the Parties to the maximum extent allowed under applicable law.

**28. Notices.**

Any notice or other communication intended to have legal effect under the Sales Contract must be in writing and may be delivered: (i) personally; (ii) by courier service, all fees prepaid; or (iii) by email (with a confirming copy sent by courier on the next business day).