



DELTA ELECTRONICS (AUSTRALIA)
Terms and Conditions for Sale of Goods

These Terms and Conditions for Sale of Goods ("T&C") shall apply to all forecasts, quotations, offers to sell, purchase orders ("POs", each of which is a "PO") and deliveries provided or accepted by Delta, its subsidiaries or affiliates (collectively referred to as "Delta"). These T&C form a part of the contract made between Delta and its customers ("the Customer") with respect to the sale of goods ("Products"), reflecting all of the Customer's rights and Delta's obligations and responsibilities for each PO. General terms of business on the part of the Customer shall apply only if confirmed by Delta beforehand in writing. These T&C apply and supersede all other terms and conditions, even if Delta acknowledges that the Customer's terms and conditions may be or are contrary to the T&C when Delta delivers Products to the Customer.

1. Prices

1.1 Unless otherwise stated or referred to in writing by Delta, all prices quoted by Delta are ex-work under the INCOTERMS 2010 rules or its latest version and shall exclude transportation, insurance, taxes, customs, tariffs, fees, duties and other similar related charges.

1.2 The price, quantity, quality and specification of goods shall be those set forth in Delta's quotations or valid price lists.

1.3 The Customer may not assign any of its rights or obligations under the T&C without the prior written consent of Delta.

1.4 If the transaction is undertaken by Delta's legal entity in the European Union, Delta is entitled to claim interests for any late payment at the rate per annum of the European Central Bank reference rate plus eight percent (8%). Delta is also entitled to claim compensation for reasonable costs in recovering incurred debt or a minimum compensation amount of EUR\$40 in accordance with Article 5 of Directive 2011/7/EU on combating late payment in commercial transactions.

1.5 If the transaction is undertaken by Delta's legal entity outside the European Union, Delta is entitled to claim interests for late payment in accordance with the local laws and regulations where Delta's undertaking entity resides.

2. Delivery

2.1 Delivery methods are based on the prevailing market conditions at the time Delta accepts Customer's PO.

2.2 Delivery dates are approximate unless otherwise agreed in writing.

2.3 Acceptance of the Products shall constitute a waiver of all claims arising from a delay in delivery.

2.4 Partial delivery of goods ordered is permissible.

2.5 Delta may extend delivery schedules or, at its option, cancel the Customer's PO in full or in part without incurring liability in the event that the Customer breaches the T&C.

2.6 Unless otherwise stated in writing by Delta, the Customer is obliged to inspect the Products upon delivery and shall notify Delta of any defect found within seven (7) calendar days after the receipt of the Products. If the Customer fails to notify Delta within the prescribed period, the Customer shall be deemed to have accepted such goods. Any costs and expenses related to the inspection and acceptance of the Products shall be borne by the Customer.

2.7 After Delta's notification of readiness for shipment, if shipment or supply is deferred at the request of the Customer or delayed for reasons attributable to the Customer, Delta may charge storage costs to the Customer. The Customer agrees to pay such storage costs to Delta within thirty (30) calendar days upon the receipt of notice from Delta.

3. Title and Risk

(A) Risk:

3.1 Unless otherwise agreed to in writing by both parties, risk of loss or damage to the Products shall pass to the Customer in accordance with the provisions of the INCOTERMS 2010 rules specified by Delta.

3.2 If no provision of the INCOTERMS 2010 rules is specified by Delta, risk of loss for shipments shall pass to the Customer at the time the Products are transferred onto a commercial transportation carrier for shipment.

3.3 The Customer shall pay or promptly reimburse Delta for all demurrage, detention charges, delivery re-routing or re-scheduling of any Product. Delta reserves the right to deliver a Letter of Indemnity or other documents in lieu of a Bill of Lading.

(B) Retention of Title:

3.4 If the transaction is undertaken by Delta's legal entity outside the European Union, the performance of the retention of title is subject to the local laws and regulations where Delta's undertaking entity resides.

3.5 If the transaction is undertaken by Delta's legal entity in the European Union:

3.5.1 Delta shall retain title to all Products delivered to the Customer until the purchase price for the Products (including interests and costs) has been paid in full.

3.5.2 The retention of title applies to claims that Delta may have against the Customer if the Customer fails to meet one or more of its obligations to Delta.

3.5.3 So long as the Products are encumbered by the retention of title, the Customer is not permitted to sell these Products

3.5.4 The Customer shall exercise reasonable care with regard to the Products subject to the retention of title by maintaining insurance against fire, theft, explosion and water damage, and shall ensure the Products subject to the retention of title are sufficiently defined and identifiable.

3.5.5 If a third party alleges to have rights with regard to the Products subject to the retention of title and wishes to exercise its rights or create any encumbrance on the Products in question, the Customer must inform Delta within twenty four (24) hours after becoming aware of the situation. In such event, Delta is entitled to temporarily or permanently remove the Products or have them removed from the Customer, repossess the Products and/or store them or have them stored elsewhere.

3.5.6 If the Customer fails to fulfil its obligations under any agreement concluded with Delta or if Delta has good cause to believe that the Customer will fail to fulfill its duties under the agreement, Delta is authorized to repossess or resell the Products delivered to the Customer. Delta shall enjoy priority over Customer's other creditors if the Customer has filed for bankruptcy or enters into a payment arrangement with one or more of its creditors.

3.5.7 In the event that Delta wishes to exercise its ownership rights under this section, the Customer hereby authorizes, now and in the future, unconditionally and irrevocably, Delta or any third parties designated by Delta, to enter all of the locations where the Products subject to the retention of title are located and repossess or resell them.

3.5.8 All costs relating to the exercise of the retention of title, including the costs of transportation and storage, will be borne by the Customer.

4. Termination or Change

4.1 The Customer may not terminate, suspend performance, reschedule or cancel delivery or issue a "hold" order in whole or in part, without Delta's prior written consent or without terms that will compensate Delta for any loss or damage resulting from such an action.

4.2 The Customer's liability for failing to comply with this section shall include, but is not limited to, the price of the Product delivered or held for disposition, the price of services already performed and the work in progress, incurred costs, reasonable allocation of general and administrative expenses, and Delta's loss of profits.

4.3 The Products will be insured against theft, breakage, damage in transit, fire and water damage, and other insurable risks at the request and cost of the Customer.

5. Terms of Payment

5.1 Unless otherwise agreed in writing, the Customer shall pay the price of the Products within the payment period stated in the Delta quotation. Any banking charges associated with the Customer's payment shall be borne by the Customer.

5.2 Each shipment of the Products under each PO shall be considered a separate and independent transaction and payments thereunder shall be made accordingly.

5.3 If the Customer fails to make a payment when due:

5.3.1 Delta may (1) suspend or withhold further shipments of the Products under the same or other POs until all outstanding amounts are paid; (2) require advance cash payments on further shipments; (3) cancel the Contract or the applicable shipment for delivery; (4) require the Customer to return to Delta or its designee any Bill of



Lading or other document issued or to be issued in favor of the Customer; (5) take any other action Delta deems appropriate in its sole discretion; or (6) pursue any remedies available at law or as provided in the Contract.

5.3.2 The Customer shall reimburse Delta for Delta's costs of collection, including legal fees and disbursements, and shall pay 1.5% of all past-due balances per month as a penalty.

5.4 If Delta believes reasonable doubt exists as to the Customer's financial solvency, or if the Customer is past due in payment of any amount owed to Delta, Delta shall have the right, without prejudice to any other remedies, to suspend performance, decline to ship, or stop any Product in transit until Delta receives payment of all amounts owed to Delta or receives adequate assurance of such payment.

5.5 The Customer acknowledges that both the amounts invoiced by Delta and the shipments in progress are included in the Customer's credit limit with Delta. If at any time the Customer exceeds its credit limit, the Customer shall, within seven (7) business days, make payment sufficient to recover its outstanding credit to maintain its credit limit and will continue to pay invoices on or before their due date. The Customer is not entitled to offset or reduce any payments due to Delta unless otherwise agreed to in writing by Delta.

6. Compliance with Laws and Export Control

6.1 The Customer shall be responsible for obtaining all licenses and permits to export or import the Products and shall comply, with all applicable laws and other requirements, including but not limited to, those regarding labeling, safety and usage, handling and disposal of hazardous materials, import and export of materials, and with all other applicable laws and regulations.

6.2 Customer hereby acknowledges that the Products supplied by Delta under this T&C may be subject to the export control laws and regulations of the United States, Taiwan and certain other countries. Customer shall comply with all such export control laws and regulations, and shall not sell, supply, export, re-export, transfer or divert any of the Products in a manner contrary to, or in violation of, any of those export control laws and regulations. Without limiting the generality of this Section 6.2, Customer agrees that it will not sell, supply, export, re-export, transfer or divert any of the Products directly or indirectly to: (i) any country or region subject to a United States Government export embargo, or any person or entity located in any such country; (ii) any person or entity listed on any United States Government's list of prohibited and restricted parties; or (iii) any other person or entity for use, directly or indirectly, in any activities related to the proliferation of nuclear, chemical or biological weapons, or any ballistic missiles, rockets or unmanned aerial vehicles. To the extent that any export license, permit or other government authorization is required under any of those export control laws and regulations in order for Delta to supply the Products to Customer, Delta shall have no obligation, and shall be excused from performance, under this T&C, in the event that Delta is unable to obtain such export license, permit or other government authorization.

6.3 Any product export classification made by Delta shall be for Delta's internal use only and shall not be construed as a representation or warranty regarding the proper export classification for such product or whether an export license or other documentation is required for the exportation of such product. This Section shall survive termination of this T&C.

7. Force Majeure

7.1 Delta shall not be liable for any failure to deliver or any delay in the performance of the T&C or for any loss or damages suffered by the Customer if such failure or delay is directly or indirectly caused by, or in any manner arises from events and causes beyond Delta's reasonable control, including but not limited to accidents, acts of God, acts and omissions of any governmental authority, declared or undeclared wars, terrorism, pandemics, explosions, strikes or other labor disputes, fires and natural calamities (including floods, earthquakes, storms and epidemics), changes in the law, and delays in obtaining (or the inability to obtain) labor, materials or services through Delta's usual sources at normal prices, riots, embargoes, fuel shortages, power shortages, materials or supply shortages, delay or default of common carriers, transportation delays, or without limiting the foregoing, any other cause or causes, whether or not similar in nature to any of these specified herein or which are beyond Delta's reasonable control.

7.2 Delta shall have the additional right, in the event of the occurrence of any contingency above, to cancel any PO or any part thereof without resulting in any liability, or to extend the date of

delivery for a period of time equal to the time actually lapsed by the reason stated above. Furthermore, in the event that Delta, for any reason, is not able to produce enough Products to satisfy all outstanding POs, Delta retains the right and sole discretion to allocate the Products amongst its customers.

8. Warranty

8.1 Unless otherwise stated or referred to in writing, Delta provides the warranty in this section to the Customer for a period of twelve (12) month warranty period from date of shipment of the products.

8.2 Unless otherwise stated or referred to in writing, Delta warrants that to Delta's best knowledge, the Products sold and manufactured by Delta (1) conform to Delta's specifications; and (2) are free from defects in materials and workmanship (under normal usage, provided that Delta's operation and maintenance instructions are followed by the Customer).

8.3 Normal wear and tear shall not be considered as a defect.

8.4 EXCEPT AS EXPRESSLY STATED IN THIS SECTION 8, ALL OTHER REPRESENTATIONS, WARRANTIES, T&C, ORAL OR WRITTEN, EXPRESS OR IMPLIED, ARISING FROM THE COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE, QUALITY OF INFORMATION, QUIET ENJOYMENT OR OTHERWISE (INCLUDING IMPLIED WARRANTIES, TERMS OR CONDITIONS OF MERCHANTABILITY, AND FITNESS FOR A PARTICULAR PURPOSE, TITLE, NON-INTERFERENCE, OR NON-INFRINGEMENT) ARE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EXCLUDED FROM THIS AGREEMENT.

8.5 Upon any failure of a Product to comply with the warranty under Section 8, Delta's sole obligation, and the Customer's sole remedy, is for Delta, at its option, to promptly repair or replace such unit of Product and return it to the Customer. The Customer shall return the Products covered by this warranty after completing and submitting a failure report to Delta.

8.5.1 Delta shall replace or repair the Products free of charge within warranty period

8.5.2 The Customer shall bear all of the risk, and all of the costs and expenses associated with Products that have been returned to Delta for which there is no defect found.

8.6 The Customer shall notify Delta in reasonable detail of any claim arising from the Products. Unless otherwise stated or referred to in writing, the Customer shall notify Delta of all claims regarding quantity, quality and/or evident defects and/or lack of conformity within seven (7) days after the Customer's receipt of the Products.

8.7 Notwithstanding the foregoing, the Customer shall not be entitled to any remedy if (1) the price of the Products has not been paid in full or (2) Product defects are resulted from the manufacture, packaging or delivery in accordance with the Customer's instructions; (3) Product defects are resulted from the Customer's alteration, disassembly, modifications or repair without Delta's prior written authorization; (4) cause of actions arise from Products that are used or operated in a way other than the intended purpose for which Products were designed; and (5) cause of actions arise from Products (excluding batteries) that have been in storage or immobilized for more than one (1) year after delivery or arise from batteries that have been in storage or immobilized for more than six (6) months.

8.8 This warranty is non-transferable and is applicable only to the original Customer. This warranty shall not be extended, altered or modified except by written instrument executed by Delta.

8.9 Any warranty claims made by the Customer under this section shall be made within warranty period.

9. Epidemic Failure

Unless otherwise stated or referred to in writing, the Customer agrees not to terminate, revoke, rescind, abandon or withdraw POs, transactions, or contracts between the parties, or to claim damages or compensation against Delta when the percentage of defective Products produced in the same lot are less than or equal to ten (10) percent.

10. CONFIDENTIAL INFORMATION

10.1 Unless otherwise stated in a separate Non-Disclosure Agreement executed by the parties, Customer acknowledges that all information and materials that come into Customer's possession or knowledge in connection with past and future purchases of Products from DELTA and which has been marked, identified, accepted as confidential or proprietary by the circumstances of its disclosure and the improper disclosure or use of which will be damaging to Delta are confidential information ("Confidential Information").

10.2 Customer agrees to hold all Confidential Information in



confidence, to disclose Confidential Information only to those of its employees having a need to know, and not to disclose Confidential Information to any other party. Customer agrees that it will not use any of Delta's Confidential Information without Delta's consent, and to the fullest extent permissible under applicable law, will not modify, reverse engineer, reverse-compile, reverse assemble, synthesize or in any way use any of Delta Confidential Information for any purposes other than the intended purpose at the time of Delta's disclosure.

11. Indemnification

11.1 When Products are solely designed and made by Delta, Delta will defend the Customer in any claim against the Customer where it is asserted that a third party's valid and enforceable intellectual property rights in the country of delivery has been directly infringed by the Products ("Claim"). Delta will indemnify the Customer against the final judgment entered by a court of competent jurisdiction or for any settlements arising out of a Claim, provided that Customer (1) promptly notifies Delta in writing of the Claim within thirty (30) days after receiving such claims; and (2) cooperates with Delta in defense of the Claim by granting Delta full and exclusive control of the defense or settlement.

11.2 If a Claim is made or is likely to be made, Delta may, at its discretion, (1) procure for the Customer the right to continue using the Product; or (2) replace the Product with one that is non-infringing or modify a Product so that it becomes non-infringing. If Delta determines that none of those alternatives are commercially feasible, the Customer shall return the Products and Delta shall refund the Customer remaining net book value of the Product calculated according to generally accepted accounting principles.

11.3 Notwithstanding the above, Delta has no obligation to defend and indemnify any Claim against the Customer, and the Customer shall defend and indemnify Delta for all losses and expenses arising out of any Claim brought by a third party against Delta where it is asserted that a third party's intellectual property rights have been infringed by the Products when (1) Delta has complied with designs, specifications, instructions provided by the Customer, a third party on the Customer's behalf, or industry standards (for examples, IEEE, LTE, etc.); (2) modification of a Product has been made by the Customer or a third party; or (3) the Claim arises from Customer's combination, use of the Product with non-Delta products, software or business processes (4) hardware, software, components incorporated in the Products.

11.4 This section constitutes Delta's entire obligation and the Customer's sole remedy regarding any third party claims for intellectual property infringement.

12. LIMITATION OF LIABILITY

12.1 Exclusion of Certain Damages. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT WILL DELTA BE LIABLE FOR ANY SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING, BUT NOT LIMITED TO, LOST PROFITS OR REVENUE, LOST DATA, LOSS OF USE, LOST BUSINESS OPPORTUNITIES OR OTHER ECONOMIC ADVANTAGE, OR LOSS OF GOODWILL), OR FOR THE COSTS OF PROCURING SUBSTITUTE PRODUCTS, ARISING OUT OF, RELATING TO OR IN CONNECTION WITH THIS T&C OR THE USE OR PERFORMANCE OF ANY PRODUCTS OR SERVICES PROVIDED BY DELTA, WHETHER SUCH LIABILITY ARISES FROM ANY CLAIM BASED UPON CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), PRODUCT LIABILITY OR OTHERWISE, WHETHER OR NOT DELTA HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGES. FOR THE AVOIDANCE OF DOUBT, THE PARTIES HEREBY EXPRESSLY AGREE THAT THE CATEGORIES OF DAMAGES DESCRIBED HEREIN CONSTITUTE SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES REGARDLESS OF WHETHER SUCH DAMAGES WOULD BE CONSIDERED DIRECT DAMAGES UNDER ANY APPLICABLE LAW GOVERNING THE PARTIES' AGREEMENT. THE PARTIES HAVE AGREED THAT THESE LIMITATIONS WILL SURVIVE AND APPLY EVEN IF ANY LIMITED REMEDY SPECIFIED IN THIS T&C IS FOUND TO HAVE FAILED OF ITS ESSENTIAL PURPOSE.

12.2 Total Liability. DELTA'S TOTAL LIABILITY TO CUSTOMER UNDER THIS T&C, FOR ALL CAUSES OF ACTION AND UNDER ALL THEORIES OF LIABILITY, WILL BE LIMITED TO THE PAYMENTS ACTUALLY RECEIVED FROM CUSTOMER IN THE PRECEDING SIX(6) MONTHS FOR THE PARTICULAR PRODUCTS GIVING RISE TO SUCH LIABILITY

12.3 Basis of Bargain. The parties expressly acknowledge and agree that Delta has set its prices and entered into this contractual relationship in reliance upon the limitations of liability specified herein, which allocate the risk between Delta and Customer and form an essential basis of the bargain between the parties.

13. License and Ownership

13.1 To the extent that the Product contains software Delta owns, Delta hereby grants to the Customer a non-exclusive, non-transferable, non-sublicensable license to use the software and related documentation in the territory where the Product is received.

13.2 The Customer's use of the Product evidences its acceptance of this license and the T&C.

13.3 Title to the software shall at all times remain with Delta.

13.4 The Customer acknowledges that the software, all enhancements, related documentation, trade secrets embedded in the software and the derivative works will remain the sole property of Delta.

13.5 The Customer agrees to treat the software and related documentation as confidential and agrees not to copy, reproduce, sub-license, or otherwise disclose the software and related documentation to third parties.

13.6 The Customer agrees not to disassemble, decompile, reverse engineer, create derivative works from or otherwise translate, customize, localize, modify, add to, or in any way, alter, rent, or loan the software or related documentation.

14. Governing Law and Venue

14.1 These T&C shall be governed, construed, interpreted and enforced in accordance with the laws of Australia, without regard to any rules governing choice of laws. The 1980 United Nation Convention on Contracts for the International Sale of Goods does not apply to these T&C.

14.2 Any dispute, suit or action arising out of or relating to these T&C or the sales of Products supplied by Delta, whether based in contract or tort, shall be submitted to the exclusive jurisdiction of the District Court where the Delta primary place of business locates in Australia.