

## **O<sub>2</sub>MICRO INTERNATIONAL LIMITED STANDARD TERMS AND CONDITIONS OF SALE**

O<sub>2</sub>MICRO's products are offered for sale under the following terms and conditions ("Terms") between O<sub>2</sub>Micro International Ltd, and its affiliates and subsidiaries, ("O<sub>2</sub>MICRO") and purchaser of O<sub>2</sub>MICRO's products ("Buyer").

1. Order Acceptance. Notwithstanding any independent terms or conditions specifically agreed to in writing by O<sub>2</sub>MICRO, O<sub>2</sub>MICRO's acceptance of any order is expressly made conditional on Buyer's acceptance of the Terms. Commencement of performance and/or delivery shall be for the parties' convenience only and shall not be deemed or construed to be acceptance of any or all of Buyer's terms and conditions by O<sub>2</sub>MICRO which may be attached to any purchase order or other correspondence by Buyer.

2. Prices. O<sub>2</sub>MICRO's prices (including quotations) are subject to the following:

A. All prices are subject to change any time and without notice prior to delivery, regardless of any delay or backlog of said deliveries, if applicable.

B. Shipments will be billed at prices in effect on the date of acceptance of Buyer's order or at the prices in effect on the date of shipment.

C. Stenographic and/or clerical errors are subject to correction.

D. Prices do not include taxes, duties or transportation. Buyer shall be responsible for the payment of all export and import licenses, customs fees and duties, federal, state and local excise, sales, use, property and similar taxes levied upon O<sub>2</sub>MICRO.

E. Unless otherwise stated, prices are for standard products only and do not include technical data, support services, proprietary information, patent rights, etc.

3. Payment. All payments are to be payable to O<sub>2</sub>MICRO, due and sent to the address shown on the invoice. Unless otherwise directed in writing by O<sub>2</sub>MICRO, payment shall not be transmitted by any third-party person for transmittal to O<sub>2</sub>MICRO.

4. Terms of Payment. Upon approved credit by O<sub>2</sub>MICRO, payment for products shipped on an open account basis (subject to written approval by O<sub>2</sub>MICRO prior to shipment) shall be due thirty (30) days from date of invoice, or as otherwise agreed to in writing by O<sub>2</sub>MICRO. Buyers without credit approval will be required to pay for all orders in advance before shipment. O<sub>2</sub>MICRO and Buyer acknowledge that late payment by Buyer will cause O<sub>2</sub>MICRO to incur costs not contemplated, the exact amount of such costs being extremely difficult and impractical to fix. Such costs include, without limitation, processing and accounting charges, and additional interest charges, and late charges payable by O<sub>2</sub>MICRO. Therefore, if payment is not made when due, Buyer shall pay to O<sub>2</sub>MICRO, as liquidated damages, a 1-1/2% per month late fee of each overdue payment, or the maximum amount permissible by law. O<sub>2</sub>MICRO and Buyer agree that said sum is a fair and reasonable estimate of the costs that O<sub>2</sub>MICRO will incur by reason of late payment by Buyer. O<sub>2</sub>MICRO also reserves the right, in its sole discretion and at any time, to reschedule the delivery date, to change pricing, and to cancel order in case of late payment by Buyer.

5. Title and Risk of Loss. All sales are made Ex Works, point of shipment (INCOTERMS 2020). Risk of loss or damage shall pass to Buyer upon O<sub>2</sub>MICRO's delivery of products to the designated transportation company. O<sub>2</sub>MICRO reserves the right to arrange shipment, agree to applicable freight charges, and select the means of transportation and routing. Further, if transportation by Parcel Post is specified by Buyer, O<sub>2</sub>MICRO reserves the right to select an alternate means of economical transportation.

6. Delivery. O<sub>2</sub>MICRO reserves the right to make deliveries in installments. Partial shipments will be billed as made and payments therefore are subject to the terms of payment noted above. The delivery of part of any order will not obligate O<sub>2</sub>MICRO to make further deliveries. All delivery dates are approximate and are dependent in part upon prompt receipt of all necessary information from Buyer to complete an order. Buyer acknowledges and agrees that the order quantity for each line item must comply with the applicable Minimum Order Quantity ("MOQ"), which shall be based on full carton quantity. Buyer further acknowledges and agrees that each shipment must meet a minimum shipment value of not less than United States Dollars Ten Thousand (US\$10,000) per shipment. Any shipment that does not satisfy this minimum shipment value requirement may, at O<sub>2</sub>MICRO's sole discretion, be delayed, consolidated, rescheduled, or rejected. O<sub>2</sub>MICRO reserves the right, in its sole discretion, to allocate inventory and current production when, in its sole opinion, such allocation is necessary. Further, O<sub>2</sub>MICRO may, at its sole discretion, require the Buyer to pay additional charges to process any expedited delivery requests made by Buyer.

7. Contingencies. O<sub>2</sub>MICRO products shall not be used in the design, construction, operation or maintenance of any nuclear equipment, aviation, weaponry, life support or life critical medical devices or systems, including but not limited to use in any surgical implant into the human body, except with O<sub>2</sub>MICRO's express written approval. Any such use shall immediately void and invalidate any and all warranties for said product(s) and O<sub>2</sub>MICRO shall not be liable for any damages or claims resulting from such, including, without limitation, loss of life, property damage or bodily injury. O<sub>2</sub>MICRO shall not be responsible for any liability due to any delay in the performance of any order accepted by it due to unforeseen circumstances or to causes beyond its control, including, without limitation, acts of God, strikes, terror, war, riots, fire, accident, freight embargoes, lock-out of suppliers necessary to the execution of the order, failure or breakdown of components necessary to completion of the order, subcontractor caused delays, or the compliance with any law, regulation or order, whether valid or invalid, of any cognizant government body or any instrumentality thereof, whether now existing or hereafter created. Performance of an order shall be deemed suspended so long as any such circumstances or causes delay its execution. Whenever such circumstances or causes have been remedied, Buyer shall agree to accept continued performance under said order. As used herein, "performance" shall include, without limitation, fabrication, shipment, delivery, assembly, installation, testing and warranty repair or replacement. O<sub>2</sub>MICRO may modify specifications or manufacturing processes provided the modifications do not adversely affect the form, fit or function of the products.

8. Acceptance of Product. Each O<sub>2</sub>MICRO product shall be deemed to have been accepted by Buyer if it meets specifications as set forth in O<sub>2</sub>MICRO's respective datasheet in effect at time of shipment. Notwithstanding the foregoing, use of said product by Buyer, its agents, employees, or licensees for any purpose shall constitute acceptance of product by the Buyer.

9. Limited Warranty. Except as set forth in these Terms, O<sub>2</sub>MICRO warrants each part to be free from defects in material and workmanship for a period of one (1) year from date of shipment. THE FOREGOING WARRANTY IS SPECIFICALLY IN LIEU OF ALL OTHER WARRANTIES BY O<sub>2</sub>MICRO, EXPRESSED OR IMPLIED. NO IMPLIED WARRANTIES OF MERCHANTABILITY OF FITNESS FOR ANY PARTICULAR PURPOSE SHALL APPLY. O<sub>2</sub>MICRO NEITHER ASSUMES NOR AUTHORIZES ANY OTHER PERSON TO ASSUME ANY OTHER LIABILITIES IN CONNECTION WITH THE SALE OR USE OF ANY PRODUCT. THE FOREGOING WARRANTIES AND REMEDIES ARE FOR BUYER'S EXCLUSIVE BENEFIT AND ARE NOT TRANSFERABLE TO ANY THIRD PARTY OR CUSTOMER.

10. Limitation of liability. Buyer shall notify O<sub>2</sub>MICRO of any warranty claim as soon as such is discovered and obtain O<sub>2</sub>MICRO's written return authorization prior to the return shipment of products for breach of warranty pursuant to these Terms. Returned products hereunder shall be sent to a location designated by O<sub>2</sub>MICRO, with shipping charges prepaid by Buyer. When any product is returned for examination an inspection, Buyer shall assume full responsibility for damage resulting from improper packaging and damage or loss in transit. Buyer shall provide explicit information as to the nature of the claimed defects, specific operating conditions to which the products in question had been exposed and any other pertinent information which will enable O<sub>2</sub>MICRO to determine the cause of claimed warranty defects. O<sub>2</sub>MICRO has sole responsibility for determining the validity, nature and adjustment to which the Buyer is entitled (if any) relating to any and all warranty claims. In the event that any product has been returned hereunder without cause, is still serviceable, or if said product was misused (including, but not limited to, any violation of these Terms), stolen, vandalized, mishandled due to fire, water or other peril, or otherwise damaged subsequent to shipment to O<sub>2</sub>MICRO, Buyer will be notified of such O<sub>2</sub>MICRO and the product shall be returned to Buyer at Buyer's expense and Buyer shall assume any accrued charges by O<sub>2</sub>MICRO for testing and examination may be made on said products.

11. Order Changes.

A. Cancellation.

No order accepted by O<sub>2</sub>Micro may be canceled by Buyer except by mutual written agreement. In no event may Buyer cancel an order within sixty (60) days of shipment.

O<sub>2</sub>Micro reserves the right to cancel all or any part of a purchase order if Buyer supplies inaccurate information or if Buyer is in default under any of these Terms and Conditions. Buyer will be responsible to O<sub>2</sub>Micro for any costs or expenses incurred by O<sub>2</sub>Micro as a result of Buyer providing O<sub>2</sub>Micro inaccurate information.

O<sub>2</sub>Micro reserves the right to adjust the final invoice of shipped products pursuant to any price differentiation applicable to quantity delivered versus

quantity ordered. The buyer will be liable for any quantity price adjustments resulting from such cancellation.

O2Micro will ship all Products scheduled for delivery unless an exception is negotiated and agreed to in writing by both parties. Buyer will pay for storage charges and other fees incurred by O2Micro if O2Micro or a third party holds Products at Buyer's request pending instructions or rescheduled delivery. In the event of any cancellation of a Purchase Order, Buyer shall pay O2Micro: (a) the price for any Products manufactured to orders; (b) the cost of any work in process; (c) the cost of materials and components ordered with authorization to meet forecast; (d) a mark-up on the cost of work in process and the ordered materials and components; (e) restocking fees, change-order fees, overhead allocations and other applicable costs; and (f) any other charges and fees incurred by O2Micro as a result of said termination.

#### B. Rescheduled Orders.

Rescheduled orders may be subject to price adjustments as determined by O2Micro. Buyer may reschedule orders placed in accordance with the provisions of this Agreement subject to the following restrictions:

##### (a) STANDARD PRODUCT RESCHEDULE

Buyer shall give written notice to O2Micro up to sixty (60) days prior to the scheduled ship date. Buyer is permitted only one (1) reschedule which must fall within the same fiscal quarter as the original ship date unless an exception is negotiated and agreed to in writing by both parties. In no event may said rescheduling exceed six (6) months from the original schedule date.

##### (b) NON-STANDARD PRODUCT RESCHEDULE

Non-standard product includes programmed parts, custom marked parts, custom parts and other customer specific parts. Buyer shall give written notice to O2Micro up to ninety (90) prior to the scheduled ship date. Buyer is permitted only one (1) reschedule, subject to both parties mutual written agreement. Breach of any of these conditions may result in revocation of credit terms.

C. Default. If Buyer is in default of these Terms, or its payment obligations to O2MICRO, O2MICRO may, at its sole option, cancel future shipments or orders from Buyer. Said termination by O2MICRO hereunder shall not affect O2MICRO's rights and remedies under these Terms, including, but not limited to, any right to cancellation charges and quantity price adjustments. If O2MICRO makes any shipments or accepts any orders from Buyer after a default by Buyer, O2MICRO's actions shall not constitute any waiver of these Terms, nor shall such affect O2MICRO's legal remedies under these Terms.

12. Patents. Subject to the limitations of these Terms, O2MICRO will hold Buyer harmless, as set forth therein, in respect to any claims that the design or manufacture of any product in O2MICRO's standard line of products, or manufactured to the specifications set forth by O2MICRO, and furnished under these Terms, constitutes an infringement of any patent of the United States. O2MICRO will pay damages and costs, either i) awarded in a suit or ii) paid by O2MICRO (in its sole discretion) by way of settlement, which are based on any claim of patent infringement herein, provided that i) Buyer promptly notifies O2MICRO in writing of such claims of infringement; ii) O2MICRO is given the full authority to take over, defend or settle such through counsel of O2MICRO's choice; iii) Buyer shall provide information and assistance to O2MICRO in defending such. O2MICRO may, in its sole discretion, either a) procure for Buyer the right to continue using said product, b) replace said product with non-infringing products, or allow Buyer to return said products and refund an equitable portion of the selling price and transportation costs thereof. The Buyer shall hold O2MICRO harmless against any trademarks, patents, or other intellectual property rights arising out of Buyer's use of O2MICRO's products a) beyond the scope of O2MICRO's listed use thereof, b) Buyer's use of the products in violation of these Terms, c) O2MICRO manufacture of products in compliance with Buyer's designs, specifications or instructions; d) modification of the products by a party other than O2MICRO after delivery by O2MICRO; e) the use of any product or any part thereof furnished hereunder in combination with any other product, (f) the direct or contributory infringement of any process patent using any product furnished hereunder; or g) any other use by Buyer that is out of the control of O2MICRO or otherwise not warranted by O2MICRO. Where Buyer shall indemnify O2MICRO hereunder, O2MICRO shall not be liable for any costs or damages, and Buyer will indemnify, defend, and hold O2MICRO harmless from any expenses, damages, costs or losses resulting from any suit or proceeding based upon a claim arising from the foregoing. Sale of any product or any part thereof by

O2MICRO does not confer upon the Buyer any license under any patent rights, trademarks, copyrights or other intellectual property. THE FOREGOING STATES THE ENTIRE OBLIGATION AND THE EXCLUSIVE REMEDY OF EACH PARTY HERETO WITH RESPECT TO ANY ALLEGED PATENT, COPYRIGHT, MASKWORK, TRADEMARK OR OTHER INTELLECTUAL PROPERTY INFRINGEMENT BY ANY PRODUCT OR PART FURNISHED HEREUNDER.

13. Damages and Liability. Under no circumstances will O2MICRO be liable to Buyer (including, without limitation, Buyer's customers, partners, affiliates, manufacturers, or vendors) for lost revenues, lost profits, incidental, indirect, consequential, special or punitive damages resulting loss or damage of any kind, howsoever caused, including, but not limited to, breach of warranty or O2MICRO's obligations under these Terms, or by any other action by O2MICRO. In no event will O2MICRO be liable for any sum greater than the purchase price received by O2MICRO from Buyer for the product(s) which are the subject of any claims or dispute. O2MICRO shall not be liable for any liability to third parties for bodily injury, including death, resulting from O2MICRO's performance under these Terms. Subject to the limitations set forth under these Terms, O2MICRO's maximum liability to Buyer under these Terms shall not exceed the amount of products purchased and paid by Buyer from O2MICRO within the immediate twelve (12) months preceding the date of any such claim.

14. Assignment O2MICRO may assign all or any part of its rights and/or obligations hereunder to any O2MICRO subsidiary or an authorized distributor without Buyer's prior consent. Otherwise, neither party shall assign or delegate any of its obligations hereunder or assign any interest or rights without the prior consent of the other party.

15. Import and Export Controls. Any and all obligations of O2MICRO to provide products, as well as technical assistance, shall be subject in all respects to such laws and regulations as shall from time to time be applicable to the licensing and delivery of technology and products, including, if applicable, the Export Administration Regulations issued by the Department of Commerce, Bureau of Industry and Security. Without in any way limiting the provisions of these Terms, Buyer agrees that it will not export, re-export or transship, directly or indirectly, any of the products or technical data sold or disclosed to Buyer in violation of any applicable export laws and regulations.

16. Modifications. No modifications of, additions to, or deletions from these Terms shall be binding upon either party unless accepted in writing by an authorized representative of each. A waiver by O2MICRO of any default by Buyer shall not be deemed to be a continuing waiver or a waiver of any other default but shall apply solely to the instance to which the waiver is directed.

17. Controlling Law and Jurisdiction. These Terms, and all orders placed under these Terms, shall be governed by and construed in accordance with the laws of the Cayman Islands. The Buyer irrevocably agrees for the benefit of O2MICRO that the courts of the Cayman Islands are to have jurisdiction to settle any dispute which may arise in connection with these Terms. Buyer expressly waives any objections on the grounds of venue or forum nonconveniens, or any similar grounds or doctrine, and consents to service of process by mail or in any other manner permitted by Cayman Islands law.

18. Injunctive Relief. Buyer acknowledges that O2MICRO's confidential and proprietary information is unique property of significant value to O2MICRO, and any unauthorized use or disclosure thereof would cause O2MICRO irreparable harm that could not be adequately compensated by monetary damages. Accordingly, Buyer agrees that O2MICRO will be entitled to injunctive and preliminary relief to remedy any actual or threatened unauthorized use or disclosure of O2MICRO's confidential and proprietary information.

19. Entire Agreement. These Terms are intended as complete and exclusive statement of the agreement between O2MICRO and Buyer and supersedes all prior agreements and negotiations relating to the subject matter hereof. O2MICRO and Buyer each represent that the individual accepting and placing Buyer's purchase order under these Terms, respectively, has the power and authority to accept these Terms and acceptance thereof shall constitute a valid and binding obligation of each party hereunder.

Thank you for your order.