

## iWatt GENERAL TERMS AND CONDITIONS OF SALE

1. **General:** THE GENERAL TERMS AND CONDITIONS OF SALE CONTAINED HEREIN ("Agreement") APPLY TO ALL QUOTATIONS MADE AND PURCHASE ORDERS ENTERED INTO BY iWatt, INC. ("iWatt") WITH BUYER ("Buyer") FOR THE SALE OF Products("Products") AND PROVISION OF Services ("Services") TO Buyer. SOME OF THE TERMS SET OUT HERE MAY DIFFER FROM THOSE IN Buyer's PURCHASE ORDER AND SOME MAY BE NEW. ALL QUOTATIONS MADE AND PURCHASE ORDERS ACCEPTED BY iWatt ARE CONDITIONAL ON Buyer's ASSENT TO THE TERMS SET OUT HEREIN IN LIEU OF THOSE IN Buyer's PURCHASE ORDER. iWatt's FAILURE TO OBJECT TO PROVISIONS CONTAINED IN ANY COMMUNICATION FROM Buyer SHALL NOT BE DEEMED A WAIVER OF THE PROVISIONS CONTAINED HEREIN. Any additional or different terms or conditions provided by Buyer ("Buyer Terms") are deemed to be a material alteration of this Agreement and are hereby objected to by iWatt and shall be deemed inapplicable to this Agreement. Notwithstanding any requirement by Buyer that Buyer Terms apply, Buyer's acceptance of Products will constitute Buyer's acceptance of this Agreement. In the event that for any Buyer Terms are deemed to be the offer, iWatt hereby rejects such offer and proposes that a contract be formed on the terms of this Agreement. This Agreement shall be applicable whether or not it is attached to or enclosed with the Products or Services as long as Buyer has obtained or otherwise accessed a copy of this Agreement.
2. **Prices, Taxes:** iWatt has the right to change prices for Products and Services at any time. Any purchase order ("Purchase Order") placed by Buyer after a price change will be subject to the new price. In the event of a price drop by iWatt, iWatt will extend the new lower price to Buyer for any Products covered by a Purchase Order accepted by iWatt but not already delivered. Any written price quotation provided by iWatt in connection with this Agreement shall become void unless accepted by Buyer within 30 days, or unless revoked by iWatt prior to acceptance. Each Purchase Order placed by Buyer shall have a purchase order identification number, shall identify the iWatt part numbers for Products, shall define the quantities of each Product, shall reference iWatt's then applicable prices, and shall request a specific delivery date. Upon receiving a Purchase Order from Buyer, iWatt will issue an order acknowledgement that references the purchase order identification number, confirms the Product part numbers and the ordered quantities, accepts or rejects in iWatt's discretion any delivery terms that are inconsistent with the F.O.B. terms in this Agreement (provided that in the absence of explicit rejection by iWatt, the delivery terms in this Agreement shall prevail), and defines the delivery dates for the Products ("Order Acknowledgment"). As long as iWatt's Order Acknowledgment does not materially alter the quantity of Products ordered by Buyer, the Purchase Order and respective Order Acknowledgment will constitute a contract between iWatt and Buyer with respect to the corresponding Products, but in any event subject to the terms and conditions of this Agreement ("Order"). Buyer's Purchase Orders shall comply with iWatt's standard lead times. If a Buyer Purchase Order requests that iWatt ship Products within a shorter time period than iWatt's applicable lead times or requests that iWatt ship Products in a quantity that exceeds by more than 5% the quantity in Buyer's original forecast, iWatt will attempt to deliver such Products within the time frame requested, but Buyer shall incur additional fees, not to exceed 10% of the original Price of the respective Products, above what is reflected in the written price quotation. Unless otherwise specifically provided herein, the amount of any present or future sales, revenue, withholding, excise or other tax, fee or charge applicable to the Products covered by this transaction or the manufacture or sale thereof, shall be added to the purchase price and shall be paid by Buyer, or in lieu thereof, Buyer shall provide iWatt with such evidence of tax exemption as may be reasonably requested by iWatt, including without limitation a tax exemption certificate issued by applicable taxing authorities. Buyer will reimburse iWatt for any such tax, fee or charge, at the time of sale or thereafter, that iWatt is required to pay.
3. **Payment:** Terms of payment are net 30 days from the date when iWatt ships each lot of Products and issues an invoice to Buyer for the respective Products. In the event that payment is not received within such 30-day period, any unpaid balance shall bear interest at the rate of 1.5% (one and one-half percent) per month (or the maximum amount allowed by law, if lower). The amount of credit may be changed or withdrawn completely by iWatt at any time. On any order for which credit is not extended by iWatt, shipment or delivery shall require, at iWatt's election, cash with order (in whole or in part), or C.O.D. or sight draft attached to the bill of lading or other shipping documents, and all costs of collection shall be paid by Buyer. If, in the judgment of iWatt, the financial condition of Buyer at any time does not justify continuance of Order fulfillment on the terms of payment originally agreed upon, iWatt may stop production and charge Buyer an appropriate cancellation fee and/or require full or partial payment in advance; and in the event of the bankruptcy or insolvency of Buyer, or in the event any proceeding is brought by or against Buyer under the bankruptcy or insolvency laws, iWatt shall be entitled to cancel any Order then outstanding without waiving its claim for damage or other remedies.
4. **Cancellation:** An Order may be canceled by Buyer only upon the payment of reasonable cancellation charges, which will include but not be limited to expenses already incurred for labor and material costs, overhead and commitments made by iWatt. Notwithstanding the foregoing, Buyer may, without payment of such charges, cancel any Order with respect to any Products that are scheduled to be delivered more than ninety (90) days after the date when iWatt receives Buyer's written notice of cancellation. In the event of cancellation, Buyer will have no rights in partially completed goods.
5. **Rescheduling:** BUYER shall have the right to: (a) at least thirty (30) calendar days prior to the Acknowledged Shipment Date of a Purchase Order, with written notice at that time, reschedule the Acknowledged Shipment Date provided that (i) any such reschedule of the Acknowledged Shipment Date shall not be effective without iWatt written confirmation, and (ii) BUYER shall bear any costs incurred by iWatt in connection with such change; (b) orders for custom products are Non-Cancelable and Non-Returnable within product Lead Time.
6. **Title and Delivery:** All sales are made F.O.B. iWatt's shipping location, or such other location designated by iWatt, to an agent of the Buyer, including a common carrier, notwithstanding any prepayment of freight by iWatt. Buyer will be responsible for shipping charges, and will reimburse iWatt for all shipping costs that iWatt incurs. Risk of loss shall pass to Buyer at the time the Products are delivered to such common carrier, and Buyer shall provide whatever insurance against loss or damage it considers necessary once the Products are shipped by iWatt. IWATT SHALL NOT BE LIABLE FOR ANY DELAY IN TRANSPORTATION OF THE Products. Loss or delay of Products during transportation shall not relieve Buyer of payment obligation. In the event of any default by Buyer, iWatt may decline to make further shipments without in any way affecting its rights under this Agreement.

7. **Shipping Dates:** All shipping dates are estimates only and are dependent upon prompt receipt of all necessary information from Buyer. iWatt will use commercially reasonable efforts to ship the goods on the date specified in the Order Acknowledgment. Shipments may be made in installments, with Products being delivered in separate lots. iWatt shall be excused from performance and shall not be liable for any delay in delivery or for non-delivery, in whole or in part, caused by the occurrence of any contingency beyond the reasonable control of iWatt, including but not limited to, war (whether an actual declaration thereof is made), sabotage, insurrection, riot or other act of civil disobedience, actual or threatened act of terrorism or of any other public enemy, failure or delay in transportation, act of any government or any agency or subdivision thereof affecting the terms of this contract or otherwise, judicial action, labor dispute, accident, defaults or suppliers, fires, explosion, flood, storm or other act of God, shortage of labor, fuel, raw material or machinery or technical or yield failures.
8. **Acceptance:** Buyer shall have 10 days after delivery to inspect and to test each Product shipped by iWatt to Buyer. During such 10-day period, if Buyer determines that any such Product fails to meet the specifications set forth in iWatt's documentation for the respective Product, Buyer may reject such Product by notifying iWatt in writing of such rejection, obtaining a returned material authorization ("RMA") number from iWatt, and returning the rejected Product to iWatt, at Buyer's expense, within 10 days after receipt of such RMA number. Any Product not rejected by the Buyer within the 10-day acceptance period under this Section shall be deemed accepted by the Buyer at the end of such 10-day acceptance period.
9. **Security Interest:** iWatt reserves, until full payment has been received, a purchase money security interest in the Products sold. Buyer agrees to execute any document appropriate or necessary to perfect the security interest of iWatt, or in the alternative, iWatt may file this Agreement as a financing statement and/or chattel mortgage.
10. **Assignment:** Neither party may assign its rights or obligations under this Agreement or any Order without the prior written consent of the other party, whether expressly or by operation of law, except that a party may assign this Agreement (together with all Orders) in connection with the transfer of all or substantially all of its assets relating to this Agreement. This Agreement shall bind and inure to the benefit of the parties and their permitted successors and assigns.
11. **Product Changes.** iWatt reserves the right, at its sole discretion and without notice, to discontinue manufacturing or supplying any Product it has not promised to deliver to Buyer under a specific Order entered-into by the parties. iWatt also reserves the right, at its sole discretion and without notice, to change any Product subject to a specific Order or specifications at any time so long as such changes or improvements do not materially affect the Product's performance, operation or reliability.
12. **Technical Data:** Buyer shall not, without iWatt's prior written consent, use, duplicate, or disclose any data or information relating to any Product or Service made available by iWatt under this Agreement, including any information related to the functionality, performance, pricing, application. or construction of the Products delivered or disclosed by iWatt to Buyer, for any purposes other than for the installation, operation or maintenance of Products purchased hereunder. The foregoing shall not apply to any information that is known publicly or becomes known publicly independent of Buyer.
13. **Ownership:** iWatt owns and shall retain all right, title and interest in and to any patents, copyrights, mask work rights, trade secrets, trademarks and other intellectual property rights in and to all Products. Buyer shall not, and shall not cause or permit any third party to, reverse engineer, decompile or otherwise deconstruct any Product (including any related software provided by iWatt), except to the extent any applicable laws limit or prevent this prohibition.
14. **Governing Law and Venue:** This Agreement and performance by the parties hereunder shall be construed in accordance with the laws of the State of California, U.S.A., without regard to provisions on the conflicts of laws or the U.N. Convention on Contracts for the International Sale of Goods. Any action arising out of any dispute between any of the parties with respect to any of the transactions contemplated hereby shall be brought in the federal or state courts located in Santa Clara County, California, and each of the parties hereto hereby submits itself to the exclusive personal jurisdiction of such courts for purposes of any such action. Buyer agrees that service upon Buyer in such action or proceeding may be made by first class mail, certified or registered, to such Buyer's address last appearing on the records of iWatt.
15. **Warranty:** iWatt warrants that for a period of 12 months from the date of shipment of each Product by Seller that Product will be free from material defects in materials and workmanship, except that for any Products delivered in wafer or die form the warranty the duration of the warranty shall be thirty (30) days. The date of shipment by iWatt is set forth on the packaging material in which the iWatt's Product is shipped. This limited warranty extends only to Buyer and may not be passed through by Buyer. Buyer's sole and exclusive remedy under this warranty shall be, at iWatt's option and expense, the repair, replacement or refund of the purchase price, of any Product sold which does not comply with this warranty. iWatt's obligations under this limited warranty are subject to Buyer's compliance with iWatt's then-current RMA procedures.

The foregoing warranty shall not apply to Products that are or have been (a) marked or identified as prototype, sample or beta, (b) loaned or provided to Buyer at no cost, (c) sold "as is," (d) repaired, altered or modified except by iWatt, (e) not installed, operated or maintained in accordance with instructions supplied by iWatt or (f) subjected to abnormal physical or electrical stress, misuse, negligence or to an accident.

EXCEPT AS EXPRESSLY PROVIDED ABOVE, IWATT MAKES NO OTHER WARRANTY, EXPRESS, IMPLIED OR STATUTORY, WITH RESPECT TO Products OR Services, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF TITLE, AVAILABILITY, RELIABILITY, USEFULNESS, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NONINFRINGEMENT, OR ARISING FROM COURSE OF PERFORMANCE, DEALING, USAGE OR TRADE. EXCEPT FOR THE ABOVE WARRANTY, IWATT'S Products AND Services ARE PROVIDED "AS-IS," AND IWATT DOES NOT WARRANT THAT IWATT'S Products WILL MEET BUYER'S REQUIREMENTS OR BE UNINTERRUPTED, TIMELY, AVAILABLE, SECURE OR ERROR-FREE, OR THAT ANY ERRORS IN ITS Products WILL BE CORRECTED.
16. **Indemnity:** With respect to Products and Services manufactured, and respectively provided solely to iWatt's design and specifications, iWatt shall defend any suit or proceeding brought against Buyer (subject, however, to the limitation contained in the second succeeding sentence) so far as based on a claim that any such Products or Services furnished hereunder constitute an infringement of any valid United States copyright, United States patent, or United States mask work rights, or a misappropriation of any United States trade secret, if notified promptly of such claim in writing and given authority, information and assistance in the

defense of same, and iWatt shall pay all damages and costs awarded therein against Buyer. iWatt assumes no liability, consequential or otherwise, for, and Buyer agrees to hold iWatt harmless against infringement of patent claims arising as a result of combination of Products with, or integration of Products into, any equipment, system, device, component, assembly, circuit, combination, method or process in which any Products may be used. iWatt shall also not have any liability for, and Buyer shall indemnify, defend and hold iWatt harmless against, all expenses, damages, costs or losses resulting from any suit or proceeding brought against iWatt for infringement of copyright, patent, trademarks or other intellectual property rights or for unfair competition arising from compliance with Buyer's design, specifications, or instructions or any use of Products by Buyer or Buyer's customers. THE FOREGOING STATES THE SOLE AND EXCLUSIVE LIABILITY OF IWATT AND THE SOLE AND EXCLUSIVE REMEDY OF BUYER WITH RESPECT TO ANY ALLEGED COPYRIGHT, PATENT OR OTHER INTELLECTUAL PROPERTY RIGHT INFRINGEMENT BY Products AND Services IN CONNECTION WITH THIS Agreement, INCLUDING UNDER ALL Purchase Orders AND Order Acknowledgments. NO COST OR EXPENSES UNDER THIS PARAGRAPH SHALL IN ANY EVENT BE INCURRED FOR THE ACCOUNT OF IWATT WITHOUT ITS PRIOR WRITTEN CONSENT.

17. **Limitation of Liability:** IWATT SHALL NOT BE LIABLE FOR COSTS OF PROCUREMENT OF SUBSTITUTE PRODUCTS OR SERVICES, NOR FOR ANY LOSS OF BUSINESS, LOSS OF USE OR OF DATA, INTERRUPTION OF BUSINESS, LOST PROFITS OR GOODWILL, OR OTHER INDIRECT, SPECIAL, INCIDENTAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES OF ANY KIND ARISING OUT OF THIS Agreement, EVEN IF IWATT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS, AND NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. THIS EXCLUSION INCLUDES ANY LIABILITY THAT MAY ARISE OUT OF THIRD-PARTY CLAIMS AGAINST BUYER. UNDER NO CIRCUMSTANCES SHALL iWatt's TOTAL LIABILITY OF ALL KINDS ARISING OUT OF OR RELATED TO THIS Agreement AND ALL Orders (INCLUDING ANY WARRANTY CLAIMS UNDER SECTION 14 AND INDEMNIFICATION CLAIMS UNDER SECTION 15), REGARDLESS OF THE FORUM AND REGARDLESS OF WHETHER ANY ACTION OR CLAIM IS BASED ON CONTRACT, TORT OR OTHERWISE, EXCEED EITHER OF THE FOLLOWING: (A) WITH RESPECT TO ANY SINGLE CLAIM, THE TOTAL AMOUNT PAID BY BUYER TO IWATT HEREUNDER FOR THE Products AND Services ACTUALLY GIVING RISE TO SUCH LIABILITY OVER THE TWELVE (12) MONTHS PRIOR TO THE DATE WHEN SUCH CLAIM IS FIRST MADE, AND (B) IN THE EVENT OF MULTIPLE CLAIMS ARISING UNDER THIS Agreement, THE TOTAL AMOUNT PAID BY BUYER TO IWATT UNDER THIS Agreement FOR THE Products AND Services ACTUALLY GIVING RISE TO LIABILITY UNDER ALL SUCH CLAIMS. THE FOREGOING LIMITATION IN THIS SECTION 16 IS CUMULATIVE, WITH ALL PAYMENTS TO Buyer FOR CLAIMS OR DAMAGES BEING AGGREGATED TO DETERMINE SATISFACTION OF THE LIMIT, AND THE EXISTENCE OF ONE OR MORE CLAIMS WILL NOT ENLARGE THAT LIMIT. BUYER ACKNOWLEDGES THAT THESE LIMITATIONS SHALL APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. NO CLAIM, SUIT OR ACTION SHALL BE BROUGHT AGAINST iWatt IF MORE THAN ONE YEAR AFTER THE RELATED CAUSE OF ACTION HAS TRANSPIRED.

agreements, whether oral or written, between the Buyer and iWatt with respect to the subject matter hereof. This Agreement may not be modified, supplemented, qualified, or interpreted except in writing signed by Buyer and iWatt. The failure by iWatt to enforce at any time any of the provisions in this Agreement will in no way be construed as a waiver of such provisions.

18. **Entire Agreement:** This Agreement between Buyer and iWatt in connection with the Products and Services provided by iWatt constitutes the entire agreement between iWatt and Buyer and supersedes all previous communications, representations and