

**JASPER DISPLAY CORPORATION  
SALES TERMS AND CONDITIONS**

**THESE SALES TERMS AND CONDITIONS CONSTITUTE THE ENTIRE AGREEMENT (THE “AGREEMENT”) BETWEEN JASPER DISPLAY CORPORATION (“JDC”) AND THE BUYER INDICATED ON THE FACE HEREOF OR ON THE ORDER (“BUYER”) WITH RESPECT TO SALES OF JDC PRODUCTS (“PRODUCTS”). JDC WILL NOT BE BOUND BY ANY TERMS OF BUYER’S ORDER THAT ARE IN ADDITION TO OR INCONSISTENT WITH THE TERMS HEREIN. ACCEPTANCE BY BUYER OF THESE TERMS WILL BE DEEMED MADE AT THE EARLIER OF BUYER’S (1) ACCEPTANCE OR ACKNOWLEDGMENT OF RECEIPT OF THESE TERMS WITHOUT WRITTEN OBJECTION THERETO, (2) PLACEMENT OF A PURCHASE ORDER WITH JDC THAT REFERS TO A VALID JDC QUOTATION OR THIS AGREEMENT, OR (3) FAILURE TO DELIVER TO JDC WRITTEN NOTICE OF ITS REJECTION OF THIS AGREEMENT WITHIN FIVE DAYS FOLLOWING DELIVERY OF JDC PRODUCTS.**

**1 General:** This Agreement applies to all quotations, purchase orders, and acknowledgments relating to JDC Products, whether purchased off the shelf or pursuant to any services provided by JDC or its affiliates, unless otherwise expressly set forth in a separate written agreement executed by authorized representatives of JDC and Buyer. Acceptance of any Buyer order by JDC is made only on the express condition that the terms and conditions of this Agreement shall govern. JDC’s failure to object to provisions contained in any communication from Buyer will not be deemed a waiver of any provision herein. Any additional or different terms proposed by Buyer shall be deemed material, are objected to, and are hereby rejected by JDC, unless specifically accepted in writing by JDC.

**2 Taxes, Payment:** All prices are exclusive of all withholding, excise, sales, use and similar taxes, fees, or charges in each case imposed now or in the future by any governmental authority on the transactions or amounts payable hereunder. Buyer will reimburse JDC for any such tax, fee or charge, at the time of sale or thereafter. The terms of payment are, unless otherwise agreed in writing by JDC, a wire transfer of the amount set forth on the invoice in advance of shipment in favor of JDC in immediately available funds. All payments will be made in U.S. dollars unless otherwise agreed in writing. JDC has the right to charge interest on late payments at the rate of 1 ½% per month, or the maximum amount allowed by law, if lower, from the due date until paid. If Buyer’s financial condition changes or Buyer’s payment history makes it advisable, JDC may at any time change payment terms. If any proceeding is brought by or against Buyer under bankruptcy or insolvency laws, JDC has the right to cancel any outstanding orders.

**3 Cancellation and Rescheduling:** An order may be cancelled by Buyer only upon payment of reasonable cancellation charges, which shall include but not be limited to costs already incurred for labor and material costs, overhead, commitments made by JDC, and a reasonable profit. If Buyer cancels, Buyer will have no rights in partially completed goods.

**4 Title; Delivery; Acceptance:** All sales are made Ex Works (Incoterms 2000) JDC’s or its affiliates’ plant in Taiwan or shipping point designated by JDC. Buyer shall be responsible and reimburse JDC for any shipping charges incurred by JDC, including but not limited to, transportation charges and all taxes, duties, and any other

governmental assessment applicable to any shipment. Title (subject to any software license agreement) and risk of loss shall pass and transfer to Buyer at the time the Products are delivered to the carrier, and Buyer shall be responsible to provide insurance against loss or damage. In the event of any default by Buyer, JDC may decline to make further shipments without in any way affecting its rights under this Agreement. Notwithstanding anything contained in this Agreement, Buyer acknowledges and agrees that all shipping dates are estimates only. All Products will be deemed accepted by Buyer upon delivery to the Buyer's designated agent or common carrier, and Buyer waives any right of revocation.

**5 Security Interest:** JDC still retains ownership of the sold Product before the payment is received in full. JDC reserves, until full payment has been received, a purchase money security interest in the Products sold hereunder and all proceeds thereof. Buyer agrees to execute any document appropriate or necessary to perfect the security interest of JDC, or in the alternative, JDC may file this Agreement and/or any invoice as a financing statement and/or chattel mortgage. JDC reserves all rights granted to a secured creditor under the California Commercial Code, including the right to repossess the Products upon default by Buyer. Buyer agrees to assist, at JDC's expense, in JDC's repossession of the Products upon such default.

**6 Proprietary Rights:** JDC retains ownership of all patents and other intellectual property rights in the Products and related designs, data, and materials. The Products are offered for sale and sold on the condition in every case that such sale does not convey any license, express or implied, under any patent or other intellectual property right of JDC, and all such rights are reserved. Buyer's use of any firmware or software provided or included with or embedded in the Products (collectively, "Licensed Materials") will be subject to the terms of a separate written software license agreement executed by authorized representatives of JDC and Buyer. If no such software license agreement is executed by Buyer, then Buyer agrees that the Licensed Materials are subject to the following terms:

**6.1** Licensed Materials are the property of JDC. Title and copyrights to the Licensed Materials, in whole and in part and all copies thereof, are, and will remain, the sole and exclusive property of JDC. All rights to the Licensed Materials not specifically granted in this Agreement are reserved by JDC.

**6.2** Licensed Materials may be supplied in either (i) source code form, such as VHDL or Verilog form or in C language source form ("Modifiable Form"), or (ii) a format other than source code, such as in netlist form or encrypted netlist form or in machine-executable, binary form ("Restricted Form").

**6.3** Subject to the terms and conditions of this Agreement, JDC hereby grants Buyer the following nonexclusive, nontransferable, non-assignable, perpetual (unless Buyer breaches the scope of the license), royalty-free license: (a) to execute and use the Licensed Materials supplied by JDC in Restricted Form for Buyer's own use with the Product; (b) to sublicense the rights granted in clause (a) hereof to Buyer's contractors, provided that: (i) all such use is for the sole benefit of Buyer, (ii) such contractor is not a competitor of JDC, and (iii) Buyer shall be responsible for all use of the Licensed Materials by the contractor; and (c) to sublicense the rights granted in clauses (a) and (b) hereof to Buyer's parent or subsidiaries ("Buyer's Affiliates"), provided that Buyer shall be responsible for all use by Buyer's Affiliates and their contractors of the Licensed Materials.

**6.4** If JDC supplies the Licensed Materials in Modifiable Form to Buyer then, in addition to Section 6.3, subject to the terms and conditions of this Agreement, JDC hereby grants Buyer the following nonexclusive,

nontransferable, non-assignable, perpetual (unless Buyer breaches the scope of the license), royalty-free license: (a) to modify and use the Licensed Materials supplied by JDC in Modifiable Form, provided that: (i) such modifications are limited to enabling such Licensed Materials to program a programmable logic device that operates with the Product in Buyer's system level hardware product, and (ii) such use is limited to Buyer's own use of the Licensed Materials in Modified Form with the Product; (b) to sublicense the rights granted in clause (a) hereof to Buyer's contractors, provided that: (i) all such modification and use is for the sole benefit of Buyer, (ii) such contractor is not a competitor of JDC, and (iii) Buyer shall be responsible for all modification and use by the contractor of the Licensed Materials; and (b) to sublicense the rights granted in clause (a) and (b) hereof to Buyer's Affiliates, provided that Buyer shall be responsible for all modification and use by Buyer's Affiliates and their contractors of the Licensed Materials.

**6.5** If JDC approves, in writing, the distribution of the Licensed Materials by Buyer, then in addition to Section 6.3 and 6.4, subject to the terms and conditions of this Agreement, JDC hereby grants Buyer the following nonexclusive, nontransferable, non-assignable, perpetual (unless Buyer breaches the scope of the license), royalty-free license: (a) to distribute the Licensed Materials, including modifications of the Licensed Materials supplied by JDC in Modifiable Form, solely in a machine executable, binary form of firmware ("Bitstream"), provided that the Bitstream is programmed into a programmable logic device that operates with Product supplied by JDC or its authorized distributors in Buyer's or its Affiliates' system-level hardware product; and (b) to sublicense the rights granted in clause (a) hereof to its Affiliates, provided that Buyer shall be responsible for all distribution by Buyer's Affiliates of the Licensed Materials.

**6.6** Except as expressly permitted in Sections 6.3, 6.4, and 6.5, if at all, Buyer may not: (a) modify the Licensed Materials for any purpose, or (b) distribute, rent, lease, loan, lend, time-share, sublicense or otherwise transfer or provide the Licensed Materials to any third party. In no event may Buyer modify, reverse engineer, decompile or disassemble Licensed Materials that are supplied in Restricted Form. Buyer shall not, and shall not permit any third party to, provide or sublicense the Licensed Materials, or modifications thereof, to any of JDC's competitors.

**6.7** In all cases, Buyer shall: (a) maintain the confidentiality of the Licensed Materials as the proprietary trade secrets of JDC; and (b) not make the Licensed Materials available in any form to any person other than to employees and contractors of Buyer or its Affiliates as permitted in accordance with Sections 6.3, 6.4, and 6.5, if at all, who have a genuine "need to know" for purposes authorized by this Agreement, and who are bound by obligations of confidentiality.

**6.8** In the event of any conflict, ambiguity, or inconsistency between the terms of this Agreement and the terms of any separate written software license agreement executed by authorized representatives of JDC and Buyer, with respect to Licensed Materials, the terms of the software license agreement executed by JDC and Buyer shall govern the Licensed Materials.

**7 Assignment:** Buyer shall not assign or transfer this Agreement or any rights or obligations hereunder, by operation of law or otherwise, without the prior written consent of JDC. Any assignment in violation hereof shall be void and invalid.

## **8 Governing Law and Jurisdiction:**

**8.1** The United Nations Convention on Contracts for the International Sale of Goods does not apply to this Agreement in all cases.

**8.2** Unless otherwise agreed by JDC and Buyer in writing, any dispute, controversy, difference or claim arising out of or relating to this Agreement, including the existence, validity, interpretation, performance, breach or termination thereof or any dispute regarding non-contractual obligations arising out of or relating to this Agreement (collectively, “Disputes”) shall be referred and resolved as follows:

(a) **North America:** If the delivery or shipping address or corporate address of Buyer is in North America, JDC and Buyer agree that this Agreement shall be governed by and construed in accordance with the laws of the State of California, U.S.A., without regard to any conflicts of laws principles that would require the laws of another jurisdiction to apply. Buyer and JDC consent to the exclusive jurisdiction of, and venue in, the state court of Santa Clara County, California, U.S.A., or the federal court of the Northern District of California, U.S.A.

(b) **Outside North America:** If the delivery or shipping address or corporate address of Buyer is outside North America, JDC and Buyer agree that this Agreement shall be governed by and construed in accordance with Hong Kong law, without regard to any conflicts of laws principles that would require the laws of another jurisdiction to apply. Buyer and JDC agree that Disputes, if any, shall be referred to and finally resolved by arbitration administered by the Hong Kong International Arbitration Centre (HKIAC) under the HKIAC Administered Arbitration Rules in force when the Notice of Arbitration is submitted. The seat of arbitration shall be Hong Kong. The number of arbitrators shall be three. The arbitration proceedings shall be conducted in Chinese.

The final determination as to the delivery or shipping address or the corporate address of Buyer being selected for deciding the governing law and jurisdiction of this Agreement shall be at the sole discretion of JDC.

**9 Limited Warranty:** The warranty card accompanying the Product (“Warranty Card”) sets forth the limited warranty and remedies provided by JDC for the Product. If no Warranty Card accompanies the Product, then Buyer agrees that JDC does not warrant that Product and the Product is provided on an “AS IS” basis. Some Products such as, but not limited to, standard wafers, customized Products, new engineering stage Products, and samples are not warranted by JDC. JDC shall have no liability or obligation for any Product rendered defective or non-conforming, in whole or in part, due to neglect; misuse; electrical or electromagnetic stress; excess humidity; accident; fire or other hazard; alteration, modification or repair by anyone other than JDC; installation of unauthorized parts or software; improper testing, handling, storage, transportation, operation, interconnection, or installation; failure to continually provide a suitable installation or operation environment; or any other cause beyond the range of normal use of the Products. Licensed Materials are only subject to the warranty (if any) in the applicable software license agreement. EXCEPT FOR THE EXPRESS WARRANTY STATED IN THE APPLICABLE WARRANTY CARD, ALL PRODUCTS ARE PROVIDED “AS IS” WITHOUT WARRANTY OF ANY KIND, WHETHER EXPRESS, IMPLIED, OR STATUTORY. JDC EXPRESSLY DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, AND NON-INFRINGEMENT. BUYER ACKNOWLEDGES THAT IT HAS RELIED ON NO WARRANTIES NOT EXPRESSLY SET FORTH IN THE APPLICABLE WARRANTY CARD.

**10 Infringement:** Subject to Section 11, JDC will at its own expense defend any suit instituted against Buyer by a third party based on a claim that the Products furnished hereunder infringe any United States patent, copyright or trade secret of such third party and will pay the damages finally awarded against Buyer in such suit or agreed to by JDC in settlement thereof; provided that Buyer gives JDC prompt written notice of any claim of infringement, gives JDC sole control of the defense and settlement of any such claim, and provides reasonable cooperation in the defense and settlement thereof. Notwithstanding the foregoing, JDC will have no liability for any claim of infringement arising out of modifications made by anyone other than JDC, conformance by JDC to specifications provided by Buyer, or combination of Products with any products, equipment, or materials not furnished by JDC. If an infringement claim is made, or if JDC believes an infringement claim is likely, JDC may at its option and without obligation either secure for Buyer the right to continue to use the affected Products, replace such Products with non-infringing products, or require return of the affected Products and provide a refund of the purchase price. This provision does not apply to any products, equipment, or parts not manufactured by JDC or to any software. THE FOREGOING STATES JDC'S ENTIRE LIABILITY AND OBLIGATION WITH RESPECT TO INTELLECTUAL PROPERTY INFRINGEMENT CLAIMS.

**11 Limitation of Liability:** JDC SHALL NOT BE LIABLE FOR COSTS OF PROCUREMENT OF SUBSTITUTE PRODUCTS, NOR FOR ANY LOSS OF BUSINESS, LOSS OF USE OR OF DATA, INTERRUPTION OF BUSINESS, LOST PROFITS OR GOODWILL, OR FOR INDIRECT, SPECIAL, INCIDENTAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES OF ANY KIND ARISING OUT OF OR RELATED TO THE PRODUCTS OR THIS AGREEMENT, EVEN IF JDC HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGES. JDC'S TOTAL CUMULATIVE LIABILITY TO BUYER ARISING FROM OR RELATED TO THIS AGREEMENT SHALL IN NO EVENT EXCEED THE PRICE PAID BY BUYER FOR THE PRODUCTS TO WHICH THE BUYER'S CLAIM RELATES.

**12 Excluded Applications:** The Products shall not be used within any life support system, nuclear equipment or facility, aircraft navigation or communication systems, air traffic control systems, weapons systems, or other systems where malfunction can reasonably be expected to result in personal injury or death, without the prior written consent of JDC approving the specific use of the Product.

**13 Export Control:** The Products and technical data or information provided hereunder may be subject to U.S. export control laws and regulations and may be subject to export or import regulations in other countries. Buyer agrees to comply strictly with all such laws and regulations and obtain all required licenses to export, re-export, or import the Products and technical data and information provided hereunder.

**14 Entire Agreement:** This Agreement, together with the applicable software license agreement, constitutes the entire agreement between JDC and Buyer, and supersedes all previous communications, course of dealing representations and agreements, whether oral or written, between Buyer and JDC with respect to the subject matter hereof. This Agreement may not be modified, supplemented, qualified, or interpreted except in writing signed by an officer of Buyer and JDC. The failure by JDC to enforce at any time any of the provisions in this Agreement will in no way be construed as a waiver of such provisions. If any provision of this Agreement is unenforceable as written, the remainder of this Agreement will remain in effect and the unenforceable provision will be limited or eliminated to the minimum extent necessary so that this Agreement will otherwise remain in full force and effect

and enforceable. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party will not be applied in connection with the construction or interpretation of this Agreement.