

**CYPRESS SEMICONDUCTOR CORPORATION  
SALES TERMS AND CONDITIONS  
REVISED JANUARY 24, 2014**

These Sales Terms and Conditions ("Agreement") apply to all sales of products and services by Cypress Semiconductor Corporation, a Delaware, USA corporation, or its wholly owned subsidiaries, (collectively, "Cypress") to the entity purchasing products or services ("Company"), unless authorized representatives of both Cypress and Company have executed and delivered to each other a separate written agreement governing the sale of products and services by Cypress to Company.

## **1 Applicability and Scope**

This Agreement is the exclusive and binding agreement between Cypress and Company governing the purchase of products or services by Company from Cypress. Company accepts this Agreement when it (a) signs it, either electronically or by hand, (b) uses the Products, or (c) pays for the Products. Cypress objects to any additional or different terms proposed by Company including those in Company's purchase order, request for quote, other documents or correspondence, and such terms will not apply unless accepted in writing by Cypress's authorized representative (for the purposes of this Agreement, a vice president or higher). Cypress's failure to specifically object to any communication from Company that contains additional terms and conditions shall not be deemed a waiver of the Agreement or an acceptance of Company's terms and conditions. Without limiting the generality of the foregoing, any terms and conditions of any order which are in addition to or inconsistent with the terms of the Agreement will be deemed stricken from such order, notwithstanding any acknowledgment or acceptance of such order by Cypress. CYPRESS'S SALE OF PRODUCTS OR SERVICES TO COMPANY IS MADE CONDITIONAL ON COMPANY'S ASSENT TO THESE TERMS. TO THE EXTENT ANY ORDER ACKNOWLEDGEMENT OR SHIPMENT OF PRODUCTS IS DEEMED AN ACCEPTANCE OF A PREVIOUS OFFER BY BUYER, ANY SUCH ACCEPTANCE IS EXPRESSLY LIMITED TO AND CONDITIONED ON ASSENT BY BUYER TO THE TERMS OF THIS AGREEMENT.

## **2 Definitions**

2.1 "Equipment" means any hardware product, and any related documentation.

2.2 "Software" means any firmware, standalone software products, sample software, or other software, and any related documentation provided by Cypress to Company whether with units of Equipment or via the Cypress website.

2.3 "Product" means any combination of Equipment and Software that Cypress sells, licenses, or otherwise provides to Company.

2.4 "Custom Product" means a Product that contains customer-specific programming, marking, or other specifications unique to Company.

2.5 "Standard Product" means a Product that is not defined as Custom Product.

## **3 Ordering and Delivery**

3.1 Orders. Company shall order Product by submitting written orders to Cypress. Every order placed by Company, (i) is subject to acceptance by Cypress and to Cypress' standard lead times and forecast requirements; and (ii) shall state the quantity, part number and description of each Product ordered, applicable prices, requested shipment dates and shipping instructions.

3.2 Shipment and Delivery. Cypress will use reasonable efforts to ship Product on or before Company's requested shipment dates so long as such shipment dates provide at least the stated lead time for the Product between the date Cypress receives the order and the shipment date. Delivery will be made EXW point of manufacture (per Incoterms 2010). Company shall provide Cypress with all information necessary for Cypress to ship Product. In the absence of specific written instructions from Company, Cypress will select the carrier, but such carrier will not be the agent of Cypress. Cypress will pack all Product shipped in accordance with standard commercial practices. Company shall notify Cypress within 10 days after delivery of any visible defects, quantity shortages or incorrect product shipments. Failure to so notify Cypress within 10 days will be deemed a waiver of the right to return Products based on visible defects, quantity shortages or incorrect product shipments. Title and risk of loss shall pass to Company at the time of delivery in accordance with the applicable delivery terms.

3.3 Reschedule or Cancellation by Company. By issuing written notice to Cypress ("Change Notice"), Company may cancel or reschedule any order for Standard Products scheduled for shipment at least thirty (30) days after the date Cypress receives the Change Notice. Any other cancellation or rescheduling shall be subject to a charge determined by Cypress but not to exceed the price of the Products that are the subject of such cancellation or rescheduling. No Change Notice shall be effective without Cypress's written confirmation of receipt of such Change Notice. Company may not cancel or reschedule any order for Custom Products.

3.4 Partial Shipments. Company agrees to accept partial shipments and to pay for Product comprising of a partial shipment, provided, however, that Cypress shall only submit an invoice for Product that it has shipped, unless otherwise agreed to in writing by the parties.

3.5 Cancellation by Cypress. Cypress reserves the right to cancel any orders placed by Company and accepted by Cypress as set forth above, or to refuse or

delay shipment thereof, if (a) Company fails to make any payment agreed to by Cypress and Company; (b) Company fails to meet reasonable credit or financial requirements established by Cypress, including any limitations on allowable credit; or (c) Company fails to comply with the terms and conditions of this Agreement. No such cancellation, refusal or delay will be deemed a termination (unless Cypress so advises Company) or breach of this Agreement by Cypress.

3.6 Discontinuation. Cypress reserves the right to discontinue the manufacture, sale or supply of products at any time. If, however, at any time during the term of the Agreement, Company purchases certain Products from Cypress on a regular basis, and such Products are to be discontinued ("Discontinued Product"), Cypress shall give Company prior written notice of such discontinuance and accept last-time-buy orders for such Discontinued Products in accordance with JEDEC Solid State Technology Association Standard JESD48 (Product Discontinuation). Last-time-buy orders may not be cancelled, rescheduled, returned or replaced (except as may be permitted under Section 6.3).

#### 4 Payment

4.1 Prices. Cypress shall provide Company with written price quotes upon request. If Company does not purchase the entire quantity upon which these prices were based, Company agrees to pay the specified higher price (if applicable) for the quantity actually purchased.

4.2 Taxes. Prices do not include customs duties or any sales, use, excise, ad valorem, VAT, or other taxes (collectively, "Taxes"), as required under applicable law, unless otherwise agreed in writing by an authorized representative of Cypress. When Cypress has the legal obligation to collect Taxes, the appropriate amount shall be invoiced to and paid by Company unless Company provides Cypress with a valid tax exemption certificate from the appropriate taxing authority. Buyer acknowledges that Cypress and certain of its wholly-owned subsidiaries ("Cypress Subsidiaries"), including without limitation Cypress Semiconductor Technology Ltd. (with its registered office at Intertrust Trustees (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands) and Cypress Semiconductor (Switzerland) Sarl (with an address at Le Tresi 6, 1028 Preverenges, Switzerland), have agreed to respective rights and obligations regarding the performance of this Agreement. In order to accommodate Buyer's procurement practices while respecting Cypress's worldwide distribution arrangements, Buyer acknowledges that either Cypress or one of the Cypress Subsidiaries may treat a purchase order addressed to one entity as having been addressed to the other or to both and either Cypress or one of the Cypress Subsidiaries may acknowledge orders, invoice, and collect on its own account or on behalf of the other Cypress entity.

4.3 Payment Terms. All prices under this Agreement are denominated in United States Dollars (US\$), and payments to Cypress shall be in United States currency drawn on a United States bank, unless otherwise agreed

in writing by an authorized representative of Cypress. Company will pay all invoices within 30 days after the date of such invoices. Cypress may change these credit terms if Company's financial condition changes. In the event that Company fails to pay on the due date, in addition to the unpaid balance, Cypress shall be entitled to interest at the lesser of the maximum rate allowed by law or one and one half percent (1-1/2%) per month on the unpaid balance. Each shipment made under Company's purchase order will be considered a separate and independent transaction. Company shall not set off against Cypress' invoices any amounts that Company claims are due to it. Company will bring any claims or causes of action it may have in a separate action and waives all rights it may have to set off or withhold payment for Product delivered by Cypress

4.4 Security for Purchases. Company grants to Cypress a purchase money security interest in all Product sold to Company which has not yet been paid for, including without limitation, goods, general intangible, and other personal property, and a security interest in all proceeds thereof, in order to secure payment to Cypress of all of Company's indebtedness to Cypress. Company shall execute all documents deemed necessary by Cypress to evidence, perfect, refile, and/or renew this security interest. Payment in full of the purchase price of all Product shall release Cypress's security interest on such Product or the proceeds thereof.

#### 5 Intellectual Property

5.1 General. Nothing in this Agreement will alter or transfer either party's ownership of any intellectual property.

5.2 Software. All Software is provided subject to the terms of the applicable license agreement, which will accompany such Software. In the event that Cypress provides Company with firmware without an accompanying license, Cypress grants Company, subject to the terms and conditions of this Agreement, a non-exclusive, non-transferable license to reproduce and distribute such firmware in binary code form only, only when installed on a Cypress hardware product.

5.3 Restrictions on Use of Software and Equipment. Except as expressly authorized in this Agreement or in the license agreement applicable to any Software, Company will not: (i) disassemble, decompile, or reverse engineer any Software or Equipment; or (ii) copy or otherwise reproduce any Software, in whole or in part; or (iii) remove, modify or otherwise tamper with any notice or legend on any Software or Equipment or any labeling on any physical media containing Software; or (iv) create derivative works from, adapt, modify, change or enhance any Software or Equipment without Cypress's prior written consent (provided that this restriction shall not limit Company's right to program Cypress' programmable Equipment products or incorporate them into Company's products); or (v) make any warranties, representations, promises or commitments on behalf of Cypress without the prior written authorization of Cypress.

5.4 Third Party Software. Cypress may sublicense third party software to Company under terms different from those in this Agreement or the license agreement applicable to any Software. For example, without limiting the foregoing, Company will receive open source software under the applicable open source license, and such software will be subject to all rights, terms, conditions, disclaimers, and limitations of such open source license.

## 6 Product Quality and Warranty

6.1 Product Changes. Cypress reserves the right to make modifications to its products at any time. If, however, at any time during the term of the Agreement, Company purchases certain Products from Cypress on a regular basis, and Cypress is going to change the form, fit, or function of such Products ("Changed Product"), Cypress shall give Company prior written notice of such Changed Product in accordance with JEDEC Solid State Technology Association Standard JESD46 (Customer Notification of Product/Process Changes by Semiconductor Suppliers).

6.2 Warranty. Cypress warrants that (a) all semiconductor Products delivered under this Agreement if properly used will conform to Cypress' published specifications and will be free from defects in material and workmanship for one (1) year following the date of shipment; and (b) all systems or board level Products delivered under this Agreement if properly used and serviced will perform to Cypress' published specifications and will be free from defects in material and workmanship for ninety (90) days following the date of shipment. All Software products are provided "AS IS" unless otherwise specified under a separate written agreement between the parties. Cypress does not warrant that Product to be delivered hereunder will be free from design defects or errors published as "errata" or as may be otherwise documented in the Product's datasheet or application notes.

6.3 Warranty Claims. If any Product fails to conform to the applicable warranty, then during the applicable warranty period, Cypress will replace such Product or credit Company's account with an amount equal to the price paid for any such Product returned by Company, provided that: (a) Company promptly notifies Cypress in writing, during the warranty period, that such Product failed to conform and furnishes a detailed explanation of any alleged deficiency; (b) Company promptly obtains an RMA number and promptly returns the Product to the location designated by Cypress at Company's expense; and (c) Cypress is reasonably satisfied that claimed deficiencies actually exist and were not caused by accident, misuse, neglect, alteration, improper installation, repair or improper testing. Cypress shall have a reasonable time to replace products or to credit Company's account. Returned or replaced Product units are subject to the applicable warranty for the greater of the period remaining (if any) in the warranty period of the original Product unit or 30 days. This Section 6.3 states Company's sole remedy and Cypress' sole liability for any non-compliance with the warranties provided under this Agreement.

6.4 Exclusions. The warranty provided under this Agreement does not cover, and Cypress expressly excludes from this warranty, non-production versions, such as beta and demonstration versions, engineering samples, test and development systems containing the Products and any Product version for which Cypress has not published a data sheet. If any Product covered by this agreement is designated for "developmental" or "experimental" use or for reference designs, no warranty whatsoever shall be applicable thereto and Company shall indemnify Cypress for any and all claims or liability asserted against Cypress in connection with such "developmental," "experimental" use or reference designs products. This warranty does not cover, and Cypress expressly excludes from this warranty, problems caused by accident, misuse, neglect, alteration, improper installation, repair or improper testing.

6.5 High Risk Applications. Products sold by Cypress are not designed, intended, or authorized for use as critical components in systems designed or intended for the operation of weapons, weapons systems, nuclear installations, life-support devices or systems, other medical devices or systems (including resuscitation equipment and surgical implants), pollution control or hazardous substances management ("Unintended Uses"). A critical component is any component of a device or system whose failure to perform can be reasonably expected to cause the failure of the device or system, or to affect its safety or effectiveness. Cypress is not liable, in whole or in part, and Company shall release Cypress from any claim, damage, or other liability arising from all Unintended Uses of Product. Company shall indemnify and hold Cypress harmless from and against all claims, costs, damages, and expenses, arising out of any claim, including claims for personal injury or death, arising from any Unintended Uses of Products.

6.6 Data Sheets. Cypress' data sheets are controlled specifications applicable to Products at the time of shipment. Cypress reserves the right to revise published data sheets and/or make changes to any Product at any time. Cypress assumes no responsibility for the use of any circuits or other products described in published data sheets (other than the Product purchased by Company from Cypress) and conveys no license under any intellectual property rights to any such circuits or products. Applications for any integrated circuits or other products contained in any publication are for illustration purposes only, and Cypress makes no representation or warranty that such applications will be suitable for the use specified.

6.7 Disclaimer. EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION 6, CYPRESS DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED OR STATUTORY, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, COURSE OF DEALING, USAGE OF TRADE, AND NON-INFRINGEMENT. CYPRESS SHALL NOT BE RESPONSIBLE FOR ANY PARTICULAR APPLICATION MADE OF ANY PRODUCT SOLD HEREUNDER. CYPRESS' WARRANTIES ARE FOR THE BENEFIT OF

COMPANY ONLY AND NOT FOR ANY THIRD PARTIES.

## 7 IP Indemnity

7.1 Indemnity. Cypress will defend or settle any suit or proceeding brought against Company based upon a claim that any Product furnished hereunder or part thereof, alone and not in combination with any other product, constitutes a direct infringement of any United States, European Union, or Japan patent or copyright, and pay all damages and costs finally awarded against Company provided that Company: (i) promptly notifies Cypress in writing of any such suit or proceeding, (ii) provides Cypress with sole control over the defense or settlement of such suit or proceeding, and (iii) provides reasonable information and assistance in the defense and/or settlement any such claim or action. Cypress will not be responsible for any costs, expenses or compromise incurred or made by Company without Cypress' prior written consent.

7.2 Limited Remedies. If the use of any Product is permanently enjoined, or Cypress determines at its sole discretion that it may be enjoined, Cypress may, at its sole discretion and at its own expense, procure for Company the right to continue using said Product, replace same with a non-infringing product, modify it so that it becomes non-infringing, or if Cypress is unable to reasonably do any of the above and if Company is enjoined from distributing the Product, Cypress will accept its return and credit Company the sum paid to Cypress by Company for the infringing Product less depreciation calculated on a forty eight month life.

7.3 Limitations. Cypress will not be liable for any costs or damages, and Company will indemnify, defend and hold Cypress harmless from any expenses, damages, costs or losses resulting from any suit or proceeding based upon a claim arising from (i) Cypress' compliance with Company's designs, specifications or instructions, (ii) modification or programming of the Product by a party other than Cypress, or (iii) the combination of a Product or any part thereof furnished hereunder with any other product.

7.4 Disclaimer. THE FOREGOING STATES THE ENTIRE LIABILITY AND OBLIGATION OF CYPRESS AND THE EXCLUSIVE REMEDY OF THE INDEMNIFIED PARTY WITH RESPECT TO ANY ALLEGED OR ACTUAL INFRINGEMENT OF PATENTS, COPYRIGHTS, TRADE SECRETS, TRADEMARKS, OR OTHER INTELLECTUAL PROPERTY RIGHTS.

## 8 LIMITATION OF LIABILITY

**IN NO EVENT SHALL CYPRESS BE LIABLE TO COMPANY OR ANY THIRD PARTY FOR ANY INDIRECT, CONSEQUENTIAL, INCIDENTAL, PUNITIVE OR SPECIAL DAMAGES WHATSOEVER, WITHOUT REGARD TO CAUSE OR THEORY OF LIABILITY (INCLUDING, WITHOUT LIMITATION, DAMAGES INCURRED BY COMPANY OR SUCH THIRD PARTY FOR LOSS OF BUSINESS PROFITS**

**OR REVENUE, BUSINESS INTERRUPTION, LOSS OF BUSINESS INFORMATION OR OTHER PECUNIARY LOSS) ARISING OUT OF OR RELATED TO THIS AGREEMENT, EVEN IF CYPRESS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT WILL CYPRESS BE LIABLE TO COMPANY OR ANY THIRD PARTY FOR MORE THAN THE TOTAL AMOUNTS PAID OR PAYABLE UNDER THIS AGREEMENT OVER THE 12 MONTHS PRECEDING THE EVENT GIVING RISE TO THE LIABILITY. COMPANY MAY NOT BRING AN ACTION IN CONNECTION WITH THIS AGREEMENT UNLESS SUCH ACTION IS COMMENCED WITHIN ONE (1) YEAR AFTER THE EVENT GIVING RISE TO THE LIABILITY.**

## 9 Miscellaneous

9.1 Relationship of Parties. The relationship between the Parties hereto shall be that of independent contractors, each being in full control of their own business. Under no circumstances shall either Party have the right or authority to act or make any commitment on behalf of or bind the other or represent the other as its agent in any way.

9.2 International Trade. The parties will comply with applicable import and export control laws and regulations and will not transfer, directly or indirectly, any product or technical data or the direct product thereof, to any country, until any government-required export license or approval is obtained. Upon request, Cypress will provide Company with the United States Export Control Classification Number for the Products. The country of origin for each Product will be stated on the commercial invoice accompanying each shipment.

9.3 Force Majeure. Nonperformance under this Agreement shall be excused, and neither party shall be liable for any loss, damage, penalty or expense, to the extent that such performance is rendered impossible or delayed by fire, flood, acts of God, actual or prospective terrorist acts, acts of the government, labor difficulties, riot or any other cause where the failure to perform or delay is beyond the reasonable control of the nonperforming Party and without the negligence of such Party.

9.4 Assignment. The rights and liabilities of the parties hereto will bind and inure to the benefit of their successors, executors or administrators, provided, however, that neither party may assign or delegate its obligations under this Agreement, in whole or in part, without the other party's prior written consent, except as follows: Either party may assign the Agreement (a) to a subsidiary, or (b) to a successor to all or substantially all of its assets, whether by sale, merger or otherwise. Any permitted assignee or transferee shall agree in writing to comply with all the terms and restrictions contained in this Agreement. Any assignment that fails to meet the provisions of this Section 9.4 shall be void and deemed a material breach of the Agreement.

9.5 Notices. Any notices required or permitted by the Agreement shall be in writing and shall be addressed to Company at the address that Cypress has on file for Company, and to Cypress at the following address: ATTN CFO, Cypress Semiconductor Corporation, 198 Champion Court, San Jose, CA 95134 USA. Notices shall be deemed given upon delivery or, where delivery cannot be accomplished due to the fault of the addressee, upon attempted delivery.

9.6 Modification and Waiver. The Agreement may not be amended, modified, waived, or changed in any respect except as agreed in writing and signed by Company and Cypress. A waiver by either party of any term or condition of this Agreement shall not be deemed or construed to be a waiver of any other term or condition of this Agreement. A waiver by either party of any term or condition of this Agreement in any instance shall not be deemed or construed to be a waiver of any such term or condition for the future, or of any subsequent breach thereof.

9.7 Severability and Interpretation. If any provision of the Agreement is held invalid or unenforceable by a court of competent jurisdiction, such provision shall be considered separate and apart from the remainder of this Agreement and the other provisions shall remain fully

valid and enforceable. In the event that provision is held to be overly broad as written, such provision shall be deemed amended to narrow its application to render the provision enforceable and shall be enforced as amended.

9.8 Governing Law. This Agreement is governed by the laws of the State of California without reference to conflict of laws principles. The validity, interpretation, effect, and enforcement of this Agreement shall be governed by the laws of the State of California without regard to conflict of laws principles. All disputes arising out of this Agreement shall be subject to the exclusive jurisdiction of the state and Federal courts located in Santa Clara County, California, and the parties agree and submit to the personal and exclusive jurisdiction and venue of these courts. THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT WILL NOT BE GOVERNED BY THE 1980 U.N. CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS.

9.9 Entire Agreement. This Agreement sets forth the entire agreement and understanding between Company and Cypress, and supersedes any other negotiations, agreements, understandings, oral agreements, representations or past or future practices, whether written or oral, by Cypress.

[End of Terms and Conditions.]