

**Purchase Order Address:**

MULTEK TECHNOLOGIES LIMITED  
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 18 Cybercity,  
 Ebene, REPUBLIC OF MAURITIUS

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<b>Quotation</b>
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**Company** : **Finisar**  
**Attention** :  
**Customer PN** : **1176540\_revA02**

**Date** : **2014-09-20**  
**RFQ#** : **20140920005**

Thank you for your inquiry, we are pleased to provide quotation for the requested flexible circuits as follow:

**1. Quotation Summary**

Item	Bare FPC/RFPC Price(USD)	BOM Price (USD)	Assembly Price(USD)	Total Price (USD)	MOQ (pcs)	Remark
<b>Prototype Price</b>	<b>\$1,000</b>	<b>\$1,500</b>	<b>\$1,000</b>	<b>\$3,500</b>	<b>N/A</b>	Lot charge with 250 pcs samples
<b>MP Price</b>	<b>\$0.60</b>	<b>\$6.02</b>	<b>\$0.46</b>	<b>\$7.08</b>	<b>1000</b>	EAU-10K pcs

Remark:

1. The tooling cost base on 10k/year and the panel is 48up/set.
2. Assume the FPCA assembly standard follows IPC-A-610 class2.
3. Assume DI water cleaning process with water solution solder paste.
4. Assume ICT test time is 24s per unit and the tester cost is around \$1400. Any change the cost must be update.

**2. Tooling Summary**

Item	Prototype Tooling Price	MP Tooling Price
Outline Tool-1	\$1,000	\$1,000
Outline Tool-2	\$1,000	\$1,000
Top Coverlay Tool	N/A	\$5,00
Bottom Coverlay Tool	N/A	\$1,000
E-test/CAD/Artwork/NRE	N/A	\$1,000
SMT Tooling/Fixture	\$3,534	\$10,434
<b>Total</b>	<b>\$5,534</b>	<b>\$14,934</b>

Remark: MP Tooling charge based on run-rate of 10K/Year.

**3. Production Lead-time, Payment & Shipment Terms**

<b>Lead Time of FPC/RFPC</b>	<ul style="list-style-type: none"> <li>Production first article parts will ship 3~4 weeks after receipt of order.</li> <li>Lead time for follow on production orders is 4 weeks with forecast, or 6 weeks without forecast.</li> <li>Actual lead time depends on material and factory loading.</li> </ul>
<b>Lead Time of BOM</b>	N/A
<b>Shipment Term</b>	FCA HONG KONG
<b>Payment Term</b>	<ul style="list-style-type: none"> <li>Payment terms are net 30 days.</li> <li>Production tooling will be invoiced 100% upon order placement and 100% upon shipment of first article circuits.</li> </ul>

**4. Technical Summary**

Conditions			
Card Size	9.5*16.9mm	Material	See below stackup
Array Size	N/A	Thickness (mm/inch)	See below stackup

# of Layers	3L	Copper (ext/int)	1oz RA copper with button plating
Construction	FPC	Surface Finishing	ENIG
# of Holes	19	Line & Space (ext)	Min 0.1 / 0.1 mm
Smallest Hole	0.25mm	Line & Space (int)	Min 0.1 / 0.1 mm
Impedance (Y/N)	Y	Outline Profiling	Punching
Micro Via Size (Qty)	N/A	LPI Solder Mask(Y/N)	N/A
Blind / Buried Via	N/A	Pre-bending (Y/N)	N/A
X out criteria	Single unit shipment		

Remarks & Pricing Assumption						
<ul style="list-style-type: none"> <li>This quote is budgetary pending review of the finalized design and specifications.</li> <li>All prices shown are in USD.</li> <li>Actual delivery schedules must be negotiated with and confirmed by Multek Flexible Circuits upon receipt of order.</li> <li>Assumed stackup as below ;</li> </ul>						
"A"	"B"	"C"	Type	Customer Fab drawing	Multek Material Nominal	Finished thickness
						A B C
		FR4	Stiffener	775 um	775 um	- - 775 um
		AD	Adhesive	25 um	25 um	- - 20 um
			Coverlay	25 um	25 um	25 um 25 um 25 um
				25 um	50 um	40 um 40 um 40 um
		L1	FCCL	35 um	35 um	35 um 35 um 35 um
		L2		75 um	75 um	75 um 75 um 75 um
				35 um	35 um	35 um 35 um 35 um
			Adhesive	50 um	50 um	50 um 50 um 50 um
			FCCL	50 um	50 um	50 um 50 um 50 um
		L3		35 um	35 um	35 um 35 um 35 um
				25 um	50 um	40 um 40 um 40 um
			Coverlay	25 um	25 um	25 um 25 um 25 um
			Adhesive	25 um	25 um	20 um - -
		AD	Stiffener	250 um	250 um	250 um - -
		FR4				
*Impedance control				Total:	680 um	410 um 1205 um
				Target:	665.48 um	386.08 um 1198.9 um
				Tol:	±127um	±127um ±127um

#### Term and Conditions

Lead-time is quoted in business days (excludes weekends & holidays) and is subject to the availability of material and may change within 24 hours notice. Lead-time for non-standard materials, approximately three weeks and is subject to confirmation. Prices are valid for 30 days from date of quote. Purchase order & data files, as stated below, must be received no later than 10:00AM for that day to be applied.

All quote information is subject to change after receipt of Gerber data files, fabrication drawings & specifications. Prices are only applicable for new purchase orders unless specified. Acceptance of a purchase order is contingent upon satisfactory credit approval. Deliveries may be subject to applicable local sales taxes, VAT.

Multek standard Terms and Conditions are applied. Unless otherwise negotiated or modified herein, these terms and conditions apply to this quotation and to all purchase orders placed against this quotation. This quote is provided in accordance with the Multek Warranty Policy Terms and Conditions.

**Customer is responsible for any excess and obsolete material/component resulted from ECO including MOQ.**

**Excess and Obsolete will be reviewed and settled on quarterly/monthly basis or on EOL stage.**

**Excess material resulted from MOQ will be reviewed in quarterly basis to settle E&O liability.**

**Excess and obsolete material due to pull out delivery schedule for three months need to be settled from customer immediately.**

#### Policy for Cancellations

- 45 calendar days for the order
- 60 days for standard material
- 90 days for "special" material

#### ADDITIONAL NOTES :

- Minimum Order per Delivery : = \$

**We thank you for the opportunity and we are looking forward to receive your order!**

# TERMS AND CONDITIONS OF SALE

All purchase orders ("Order(s)") submitted to Multek by Buyer and all Multek sales to Buyer are subject to these terms and conditions ("Terms and Conditions") and Multek and its affiliates ("Multek") specifically object to and reject any different or additional terms or conditions contained in any Order or any other document submitted by Buyer, even if such Order or other document has been signed on Multek's behalf. Multek's acceptance of any Order is expressly conditioned on Buyer's assent to these terms and conditions.

If this document is being sent as an Order acknowledgement, the following should be completed:

Buyer Name: \_\_\_\_\_ Buyer Order No.: \_\_\_\_\_  
Date of Acknowledgement: \_\_\_\_\_ Payment Terms: According to RFQ on first page  
Shipping Address: As Specified In Order Total Price: \_\_\_\_\_

1. These Terms and Conditions constitute the parties' entire agreement regarding its subject matter, superseding any oral or written communications unless such terms are expressly incorporated. No waiver of any of these terms and conditions shall be effective unless made in writing and signed by an authorized Multek representative. Terms or conditions in an Order or other Buyer document which in any manner purport to alter, modify, change, suspend or add to these Terms and Conditions shall be deemed excluded from such Order and waived by Buyer.

2. After Multek has commenced performance, Buyer cannot modify, cancel or alter an Order without Multek's written consent. Any cancellation, modification, or alteration shall be subject to the terms herein and conditions negotiated at such time, including protection of Multek against loss.

3. These Terms and Conditions authorize Multek, in accordance with its standard purchasing practices, to acquire materials, parts, components and other items (collectively, "Materials") reasonably necessary to fulfill the Order. Buyer shall pay Multek for Materials acquired at the conclusion of performance or the termination or cancellation of the Order, whichever occurs first, together with applicable Taxes and Multek's standard materials handling charge.

3. All sums are payable in U.S. currency within 30 days after invoicing by Multek, and are exclusive of all taxes, duties, charges and assessments (other than taxes based on Multek's net income) applicable to the Order ("Taxes"). Buyer agrees to pay all applicable Taxes, and reimburse Multek for any Tax Multek is required to pay or collect with respect to the Order. Buyer checks or other forms of payment shall be applied against the amounts owed by Buyer, with full reservation of all of Multek's rights and shall not result in an accord and satisfaction of Buyer's liability, regardless of any legends, notations, restrictive endorsements or other statements made on or in connection with such checks or payments. Buyer agrees to pay one and one-half percent (1.5%) monthly interest on all late payments.

4. If Multek determines in its discretion that Buyer's credit has become impaired, Multek may suspend performance until such time as full payment or satisfactory security for deliveries made has been received and Multek is satisfied as to Buyer's credit for future deliveries. If Buyer fails to make payment in full or refuses to provide satisfactory security, then Multek may enforce payment of the full purchase price for products already delivered or in process, and may either cancel the unfinished portion of the Order, or may proceed with the Order, in which latter case, Multek shall be entitled to such extension of time for performance as is necessitated by the suspension.

5. Products will be packaged and packed for shipment in accordance with Multek's standard commercial practices. All deliveries are ExW Multek's facility (Ex Works Incoterms 2000). Title to products (except title to non-Buyer software and documentation delivered with products) and all risk of loss shall pass to Buyer upon delivery, and Buyer claims for damage occurring in transit shall be made directly with the carrier. The products delivered by Multek will be inspected and tested by Buyer within ten (10) days of receipt at the "ship to" location on the applicable Order. Products not rejected during said period will be deemed accepted.

6. Multek will use commercially reasonable efforts to honor any Buyer-requested ship dates but shall not be liable for delays due to causes beyond its reasonable control, including but not limited to, acts of God, acts of Buyer, strikes, inability to obtain material or parts, transportation delays, accidents or any contingency the non-occurrence of which was a basic assumption on which Multek agreed to perform. Buyer's acceptance of products upon delivery shall constitute Buyer's waiver of any claim for damages on account of delays in delivery or performance.

7. The warranty hereunder is set forth in the Multek Warranty Terms and Conditions, attached hereto and incorporated herein by this reference.

8. MULTTEK'S LIABILITY TO BUYER UNDER ANY LIABILITY THEORY WHATSOEVER, INCLUDING WITHOUT LIMITATION, BREACH OF WARRANTY, SHALL BE LIMITED TO DIRECT DAMAGES IN AN AMOUNT NOT EXCEEDING THE LESSER OF \$100,000 U.S. OR THE TOTAL PRICE PAID TO MULTTEK FOR THE PARTICULAR PRODUCT(S) GIVING RISE TO BUYER'S CLAIM. IN NO EVENT SHALL MULTTEK BE LIABLE TO BUYER OR ANY THIRD PARTY FOR (1) PERSONAL INJURY RESULTING DIRECTLY OR INDIRECTLY FROM THE DESIGN, MATERIAL, WORKMANSHIP, OPERATION OR INSTALLATION OF THE ITEMS TO WHICH THESE TERMS AND CONDITIONS APPLY OR (2) ANY "COVER" DAMAGES (INCLUDING INTERNAL COVER DAMAGES WHICH THE PARTIES AGREE MAY NOT BE CONSIDERED "DIRECT" DAMAGES). EXCEPT FOR A PARTY'S BREACH OF AN INDEMNITY OBLIGATION HEREUNDER, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, LOSS OF PROFITS, LOSS OF USE OR DATA, OR INTERRUPTION OF BUSINESS, ARISING OUT OF THESE TERMS AND CONDITIONS OR THE SALE OF PRODUCTS, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND WHETHER SUCH LIABILITY IS ASSERTED ON THE BASIS OF CONTRACT, TORT (INCLUDING THE POSSIBILITY OF NEGLIGENCE OR STRICT LIABILITY) OR OTHERWISE, EVEN IF THE PARTY HAS BEEN WARNED OF THE POSSIBILITY OF ANY SUCH LOSS OR DAMAGE, AND EVEN IF ANY OF THE LIMITED REMEDIES IN THIS AGREEMENT FAIL OF THEIR ESSENTIAL PURPOSE. MULTTEK IS PERFORMING WORK PER SPECIFICATIONS PROVIDED BY BUYER, AND SHALL NOT BE LIABLE FOR SAFETY OR REGULATORY COMPLIANCE OF THE PRODUCT(S), INCLUDING BUT NOT LIMITED TO ENSURING THAT THE PRODUCTS MEET APPLICABLE GOVERNMENT REGULATIONS AND/OR STANDARDS.

9. Multek shall have the right to set off any monies it owes Buyer against any amounts that Buyer may owe to Multek.

10. Neither party shall disclose, without the prior written consent of the other or unless required by legally constituted authority (and only then upon notice to the originating party to permit the party to oppose disclosure), any technical or business information of a confidential or proprietary nature ("Confidential Information") coming into the possession of the receiving party in the course of performance and connected with the business of the originating party. Neither party will use the Confidential Information of the other party for any purposes or activities other than those specifically authorized herein. This provision shall not apply to any information that is or becomes publicly available without a breach of this provision, or is disclosed by a third party without similar restriction on the third party's rights, or is already known in the relevant industry, or is independently developed without use of or reference to the other party's Confidential Information.

11. These Terms and Conditions shall remain in effect from the Acknowledgement date above, or if none, the date of Order submission, until the completion of performance, unless sooner terminated as provided in this section. Either party may terminate the Order immediately if the other party fails to perform a material obligation that remains unremedied 15 days following written notice of the

failure. A party's insolvency, or its filing, or being the subject of, a petition in bankruptcy; or its making an assignment for the benefit of its creditors; will be deemed a material breach that cannot be cured, entitling the other party to terminate the Order with immediate effect upon notice to the party. The right to terminate is in addition to any other remedies available to the non-breaching party. The obligations to make payment, protect Confidential Information and to indemnify the other party pursuant to these Terms and Conditions shall survive the termination or cancellation hereof.

12. Buyer represents and warrants that (i) it has the right to make available to Multek all data and information it provides hereunder (the "Buyer Furnished Information" or "BFI"), (ii) the BFI is suitable for manufacturing the products and/or performing the services hereunder, and (iii) use of the BFI to manufacture products and/or perform services, including the incorporation of furnished software into the products and the delivery and use of the products, will not directly or indirectly infringe on the intellectual property rights of any third party or contribute to such violation or infringement. Buyer will defend, indemnify and hold Multek harmless from all claims, actions, judgments, awards, expenses (including reasonable attorneys' fees) and awarded damages assessed against Multek, or agreed to be paid by Multek in a settlement, that arise from a claim against Multek that (a) the product, or any Materials, or the BFI or the software supplied to Multek by or on Buyer's behalf for use with or incorporation into the product, directly or indirectly infringes any third party's intellectual property rights; or (b) product design flaws or Material(s) defects resulted in property damage, death or personal injury or (c) a product or Material(s) fail to comply with any applicable laws, regulations, standards or rules, including but not limited to those related to safety and environmental protection. Multek will give Buyer prompt written notice of any claim, suit or action, authorize Buyer to defend or settle the claim, suit or action, as Buyer sees fit, and reasonably cooperate with Buyer's defense or settlement, at Buyer's request and expense using attorneys reasonably acceptable to Multek.

13. These Terms and Conditions shall be governed by and interpreted in accordance with the laws of the state of California and the parties hereby consent to the personal and exclusive jurisdiction and venue of the California state courts and the Federal courts located in Santa Clara County, California. Notwithstanding the foregoing, except with respect to enforcing claims for injunctive or equitable relief, any dispute, claim or controversy arising from or related in any way to any Order hereunder or these Terms and Conditions, or the interpretation, application, breach, termination or validity thereof, including any claim of inducement hereof by fraud (collectively, "Disputes") will be submitted for resolution by binding arbitration in accordance with the Comprehensive Arbitration Rules & Procedures of JAMS. The arbitration will be held in Santa Clara County, California and it shall be conducted in the English language. Judgment on any award in arbitration may be entered in any court of competent jurisdiction. The Federal Arbitration Act shall govern the arbitrability of all Disputes. Each party shall pay its own expenses in connection with the resolution of Disputes pursuant to this section, including attorneys' fees. IN THE EVENT OF ANY DISPUTE BETWEEN THE PARTIES, WHETHER IT RESULTS IN PROCEEDINGS IN ANY COURT IN ANY JURISDICTION OR IN ARBITRATION, THE PARTIES HEREBY KNOWINGLY AND VOLUNTARILY, AND HAVING HAD AN OPPORTUNITY TO CONSULT WITH COUNSEL, WAIVE ALL RIGHTS TO TRIAL BY JURY, AND AGREE THAT ANY AND ALL MATTERS SHALL BE DECIDED BY A JUDGE OR ARBITRATOR WITHOUT A JURY TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW. In the event of any lawsuit between the parties arising out of or related to these Terms and Conditions or any Order hereunder, the parties agree to prepare and to timely file in the applicable court a mutual consent to waive any statutory or other requirements for a trial by jury. The parties specifically agree that the 1980 United Nations Convention on Contracts for the International Sale of Goods, as may be amended from time to time, shall not apply to these Terms and Conditions or any Order hereunder.

14. Buyer may not assign any of its rights or delegate any of its obligations hereunder without Multek's prior written consent, and any purported assignment or delegation without such consent shall be void.

## Multek Warranty Terms and Conditions

Multek's corporate policy is to provide its customers with high quality products meeting or exceeding agreed-upon customer specifications. The products supplied by Multek to which these Terms and Conditions shall apply are as follows ("Products"):

- PCB (Printed Circuit Boards) – rigid or rigid-flex
- FPC (Flexible Printed Circuit Boards)
- FPCA (Flexible Printed Circuit Boards Assembly)
- LCD (Liquid Crystal Displays)
- LCM (Liquid Crystal Modules)
- TP (Touch Panels)

**1) Express Limited Warranty.** Multek warrants to customer ("Customer") that the Products will have been manufactured by Multek in accordance with mutually agreed-upon specifications and be free from defects in workmanship under normal use and service for a period of one year, subject to Section 2 below, from the date of manufacture using date-codes WYYY (week/year) or YYWW (year/week) or other significant/unique identifier on the Products, subject to the exceptions and limitations contained herein. In case of removal of the date code/unique identifier by the Customer, the Customer is responsible for maintaining traceability of Product, via the unique Multek identifier, from the time of receipt by Customer. Failure to do so will render this express limited warranty void on such Product. For purposes of these Terms and Conditions, a "Defective Product" or "Defect" shall mean a Product that does not meet this express limited warranty, subject to Section 2 with respect to surface finishes, and subject to the other exceptions and limitations herein, and which Defect is validated by Multek.

Specifications must be mutually agreed upon and signed by Customer and Multek, and may not be modified except by signed written agreement between Customer and Multek.

**2) Shelf Life and Moisture Control Warranty Term.** The term of Multek's warranty coverage for Defects in surface finishes shall be limited to the shelf life for the applicable finish. The shelf life for standard surface finishes is as follows:

Hot Air Solder Level (HASL)	One year
Organic Surface Preservative (OSP)	One year
Electroless Ni Immersion Au (ENIG)	One year
*1) refer also to Multek ENIG warranty letter	
Electroless Ni Electroless Pd Immersion Au (ENEPIG)	One year
Electrolytic NiAu	One year
Selective ENIG/OSP	One year
Immersion Tin	Six months
Immersion Silver	Six months
Electrolytic NiAu or ENIG (Bonding Applications)	Six months
Exposed ITO or silver traces	Two months

In the event a surface finish other than those outlined above is used, the shelf life shall be equal to the manufacturer's specified shelf life.

Products to which this surface finish warranty applies are as follows:

- PCB (Printed Circuit Boards) – rigid or rigid-flex
- FPC (Flexible Printed Circuit Boards)
- TP (Touch Panels)

**Warranty coverage shall not apply to Defects in surface finishes or Defects in prepregs or laminates when the shelf life for such finish has been exceeded or one of the following temperature, humidity or exposure time controls has not been met:**

### **2.1 Receiving Inspection by Customer:**

**If original packages need to be opened for physical inspection, the inspection shall be conducted under the following conditions:**

- Temperature controls are 21 degrees Celsius, +/- 3 degrees
- Humidity controls are max. 60 % RH
- Maximum exposure time is 24 hours

**If Products are not used within the maximum exposure time of 24 hours, they must be properly resealed in the same manner as originally sealed.**

## 2.2 Customer Warehouse Storage and Stock Room:

The original packages shall be stored under the following conditions :

- Temperature controls are 21 degrees Celsius, +/- 3 degrees
- Humidity controls are max. 60 % RH

## 2.3 Opening for Assembly by Customer:

When Products are taken out of original packages, reflow and soldering process shall be completed within 24 hours. The workshop ambient conditions shall be controlled at 25 degrees Celsius, +/- 5 degrees and max. 60% RH and the assembly shall be completed within 72 hours.

2.4 For Products requiring surface mount (SMT) or other high temperature post processing, Customer must pre-bake in accordance with IPC\_JPCA-6202 Appendix 1 and IPC-A-610E 3.3.1. Noncompliance with these industry guidelines resulting in product damage will void the express limited warranty set forth in Section 1 and 2 above.

3) **Obligations.** Multek's obligations under its express limited warranty are limited to, in Multek's sole discretion, repair or replacement by Multek of Defective Product. If Multek, in its sole discretion, opts to issue a credit in lieu of repair or replacement, the amount of such credit for such Defective Product(s) shall be limited as set forth in Sections 4 and 5 below.

4) **Credit in Multek's Sole Discretion.** In the event that Multek, in its sole discretion, opts to issue a credit, Multek reserves the right to review the bill of material related to the Defective product prior to issuing a credit. The amount of credit shall be limited as follows: If the bill of material (BOM) is not provided by Customer, the maximum credit obligation is according to the table below. If the BOM is provided by Customer, Multek will pay a maximum credit according to the table below unless an alternate cost has been agreed in writing by both parties in advance.

The BOM information shall consist of the Item Description, Quantity, Unit Price, Manufacturer Name and Manufacturer Part Number.

5)

Product shipped by Multek	Product returned by Customer	If BOM is provided by Customer	If BOM is not provided by Customer
PCB (rigid)	PCB (rigid)	1 X PCB Price	1 X PCB - Price
PCB (rigid)	PCBA Assembly	max. 10 X PCB - Price	max. 3 X PCB - Price
FPC (flexible)	FPC (flexible)	1 X FPC - Price	1 X FPC - Price
FPC (flexible)	FPCA Assembly	max. 3 X FPC - Price	1 X FPC - Price
FPCA Assembly	FPCA Assembly	1 X FPCA - Price	1 X FPCA - Price
Rigid-flex PCB	Rigid-flex PCB	1 X Rigid-flex PCB - Price	1 X Rigid-flex PCB - Price
Rigid-flex PCB	Rigid-flex PCBA Assembly	max. 3 X Rigid-flex PCB - Price	1 X Rigid-flex PCB - Price
LCD	LCD or LCM	1 X LCD - Price	1 X LCD - Price
LCM	LCM or LCM Assembly	1 X LCM - Price	1 X LCM - Price
TP (Touch Panel)	TP or TP Assembly	1 X TP - Price	1 X TP - Price

SECTIONS 3-5 ABOVE SET FORTH CUSTOMER'S SOLE AND EXCLUSIVE REMEDY AND MULTEK'S SOLE LIABILITY FOR MULTEK'S BREACH OF WARRANTY HEREUNDER. FOR THE AVOIDANCE OF DOUBT, IN NO EVENT WILL MULTEK BE LIABLE FOR ANY TESTING, SORTING, LINE DOWN OR ADMINISTRATIVE COSTS/FEE'S OR ANY PENALTIES OR FEES WHICH CUSTOMER IS REQUIRED TO PAY TO A THIRD PARTY(IES). THE EXPRESS LIMITED WARRANTY HEREIN APPLIES ONLY TO PRODUCTS MANUFACTURED IN THE COURSE OF FULL-SCALE PRODUCTION THAT HAVE BEEN SUBJECT TO ALL APPLICABLE TESTING AND QUALITY STANDARDS.

6) **Notice.** In order to assist Multek in meeting its Customer service objectives, Customer shall advise Multek in writing within 30 calendar days of discovering Defective Product, except as otherwise set forth in paragraph 9 in which case, Customer shall notify Multek within 24 hours.

Within a reasonable amount of time after notice of Defective Product from Customer, Multek will either issue Customer a Return For Verification (RFV) number or a Return Material Authorization (RMA) number or advise Customer of an alternative remedial plan. A prior written authorization in the form of an RFV/RMA must be obtained from Multek before any items can be returned to Multek pursuant to a warranty claim. Once the RFV/RMA is issued, Customer has two (2) weeks to provide evidence of return/tracking information for the requested number of Products to Multek for failure verification or analysis. If the Product is not returned within two (2) weeks, Multek reserves the right to cancel the RFV/RMA request and Multek shall have no further liability hereunder for such Product(s).

If the defect is found to be unrelated to the delivered Product, or no Defect is found, or one of the exclusions herein applies, Multek shall invoice the Customer who shall pay the cost associated with the invalid return, including but not limited to freight, labor and material. Product that is not reported to Multek as defective in writing within 30 calendar days of Customer's discovery of such defect will not be covered under warranty.

**7) Web Based Services.** In an effort to expedite warranty service, Multek has developed and launched a web-based RFV/RMA process. In addition, Multek uses a web-based, closed-loop CARPM (Corrective Action/Rapid Problem Solving Methodology) to handle customer complaints. Multek's goal is to provide a comprehensive CARPM back to our valued Customer within 7 working days. Each CARPM is reviewed and approved by the Corporate Vice President of Quality Assurance.

**8) Disposal Option.** Multek may request that Customer destroy or scrap Product at Multek's cost rather than returning it to Multek under an RFV/RMA. Multek reserves the right to witness the destruction of Defective Product or request a statement from the Customer stating that the Defective Product has been scrapped.

**9) Defect Rate.** Multek and Customer shall agree on an acceptable Defect rate for each Product manufactured by Multek and such rate shall be documented in writing. Defect rate will be measured in DPPM's, which shall be defined as the number of Defective Products divided by total shipment quantity multiplied by 1 million from the date the part number was first shipped. Only failures associated with a Multek Product itself shall be considered Defective. Issues such as incorrect labels, mixed packages, etc., shall not be used for DPPM calculations and will not be subject to warranty coverage.

If the Defect rate at the Customer's site exceeds 3000 DPPM, the Customer must stop production and sale immediately and notify Multek in writing within 24 hours. Multek shall have no further liability hereunder with respect to Products produced after the Defect rate at the Customer's site exceeds 3000 DPPM.

**10) Limitations.** Notwithstanding anything else in this Agreement, this express limited warranty does not apply to, and Multek makes no representations or warranties whatsoever with respect to: (i) Product that is processed outside of industry standard conditions and/or material supplier specifications and/or Multek specifications or environmental controls; (ii) Product that has been subject to unapproved or improperly administered rework, repair, component upgrades or other modifications or excessive and/or localized thermal damage or exposure which might compromise material integrity; or (iii) Product defects or damage related to post-delivery processes or assembly; or (iv) components or materials; (v) defects resulting from the specifications or the design of the Products; (vi) Product that has been abused, damaged, altered or misused by any person or entity after title passes to Customer; (vii) first articles, prototypes, pre-production units, test units or any other non-production units; (viii) defects resulting from tooling, designs or instructions produced or supplied by Customer; (ix) any defects arising as a result of Black Pad, related wetting issues or related interfacial fractures; (x) and defects that would not have occurred but for the Product's use or combination with other software or hardware; (xi) any other issues expressly excluded in these Terms and Conditions from warranty coverage. Customer shall be liable for costs or expenses incurred by Multek related to the foregoing exclusions to Multek's express limited warranty.

**11) DISCLAIMER.** THE EXPRESS LIMITED WARRANTY SET FORTH IN SECTION 1 IS IN LIEU OF ALL OTHER WARRANTIES. MULTEK MAKES NO REPRESENTATIONS AND NO OTHER WARRANTIES OR CONDITIONS ON THE PERFORMANCE OF ANY WORK, OR THE PRODUCTS, EXPRESS, IMPLIED, STATUTORY, OR IN ANY OTHER PROVISION OF THESE TERMS AND CONDITIONS OR COMMUNICATION WITH CUSTOMER, AND MULTEK SPECIFICALLY DISCLAIMS ANY IMPLIED WARRANTY OR CONDITION OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT. MULTEK NEITHER ASSUMES NOR AUTHORIZES ANY OTHER PERSON OR PARTY TO ASSUME FOR MULTEK ANY OTHER LIABILITY IN CONNECTION WITH THE SALES OF THE SAID ITEMS.

**12) Warranty to Customer Only.** Customer will provide its own warranties directly to any of its end users or other third parties. Customer will not pass through to end users or other third parties the warranties made by Multek herein. Furthermore, Customer will not make any representations to end users or other third parties on behalf of Multek, and Customer will expressly indicate that the end users and third parties must look solely to Customer in connection with any problems, warranty claim or other matters concerning the Product.

**13) Severability.** If any provision hereof is deemed unenforceable or invalid by an arbitrator or court of competent jurisdiction, said provision shall be limited or eliminated to the minimum extent necessary such that these Terms and Conditions shall otherwise survive and remain in full force and effect.

**14) Terms and Conditions of Sale.** These Terms and Conditions are incorporated into and subject to Multek's Terms and Conditions of Sale.