

TERMS & CONDITIONS OF SALE

1. **FORMATION OF CONTRACT.** OUR ACCEPTANCE IS EXPRESSLY MADE SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN. None of the terms and conditions contained herein may be added to, modified, superseded or otherwise altered except in writing signed by ALLEGRO MICROSYSTEMS, INC. ("ALLEGRO"). All orders received from the PURCHASER by ALLEGRO shall be governed only by the terms and conditions contained herein, and, notwithstanding any terms and conditions which may be found in any purchase order, release order, website, or any other form issued by PURCHASER, ALLEGRO hereby objects to any additional or different terms and conditions and notifies PURCHASER that they are rejected. The delivery of products by ALLEGRO is conditioned upon PURCHASER's assent to the terms of this contract. PURCHASER accepts these terms by accepting delivery of the products, whether or not a copy of these terms are attached to or enclosed with the products upon delivery. All shipments are "EX WORKS" POINT OF SHIPMENT...PAYMENT TERMS 1% 10 DAYS NET 30.
2. **WARRANTY.** ALLEGRO warrants for a period of one (1) year from the date of shipment to PURCHASER that all products upon delivery to PURCHASER are free from defects in workmanship and material and shall conform to the specifications. If any product is defective in material or workmanship or fails to meet the requirements of PURCHASER's order, PURCHASER shall inform ALLEGRO and return such products for correction or replacement. ALLEGRO's liability for such rejected products is limited solely to the cost of transportation expenses plus the responsibility of either repairing, replacing or refunding the purchase price, at ALLEGRO's sole option, for such returned products. This warranty does not extend to any of our products which fail to operate by reason of improper installation, application, or inspection, or have been subject to misuse, neglect, or accident, or have been repaired or substantially altered outside our factory. THE WARRANTIES SET FORTH IN THIS SECTION ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES WHETHER STATUTORY, EXPRESS OR IMPLIED, AND THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ANY WARRANTIES OF NONINFRINGEMENT, AND ALL OTHER WARRANTIES, ARISING FROM COURSE OF DEALING OR USAGE OF TRADE ARE HEREBY EXCLUDED. The remedies provided herein are PURCHASER's sole and exclusive remedies for any failure of ALLEGRO to comply with its warranty obligations. Correction of the nonconformities in the manner and for the period of time provided herein shall constitute complete fulfillment of ALLEGRO's obligations regarding defective articles, whether the claims by the PURCHASER are based in contract, in tort (including negligence) or otherwise.
3. **PATENT INFRINGEMENT.** IN THE EVENT ANY ALLEGRO PRODUCT, OR ANY PART THEREOF, DELIVERED UNDER THIS CONTRACT IS ALLEGED TO INFRINGE ANY PATENT, EXCEPT AS PROVIDED IN THIS SECTION 3, ALLEGRO DISCLAIMS ANY OBLIGATION TO PURCHASER ARISING FROM THE UNIFORM COMMERCIAL CODE OR OTHERWISE REGARDING SUCH ALLEGED INFRINGEMENT AND, INCLUDING BUT NOT LIMITED TO, ANY CLAIM THAT ARISES FROM COMPLIANCE WITH PURCHASER'S DESIGNS, SPECIFICATIONS OR INSTRUCTIONS. If ALLEGRO products are held to infringe any third party's patent, ALLEGRO shall at its own expense and option use commercially reasonable efforts to procure for PURCHASER the right to continue using the products. If in ALLEGRO's judgment the foregoing is not commercially reasonable, ALLEGRO may, at its own discretion, replace such products with non-infringing ALLEGRO products or modify them so they become non-infringing products. If, in ALLEGRO's opinion, none of the foregoing alternatives are reasonably available to ALLEGRO, then ALLEGRO may discontinue the sale of the product. Where ALLEGRO's compliance with PURCHASER's designated designs, material usage, specifications, or information furnished by PURCHASER, results in an infringement, PURCHASER shall defend, indemnify and hold ALLEGRO harmless against any claim of infringement of any patent.
4. **CHANGES.** Any changes in PURCHASER's drawing or specifications required by the PURCHASER may be made only after an equitable adjustment to the price of products, mutually negotiated by both parties.
5. **TERMINATION/RESCHEDULING.** PURCHASER may terminate this contract for convenience by providing written notice to ALLEGRO not later than forty-five (45) calendar days prior to ALLEGRO's most recent acknowledged estimated ship date, provided, however, that PURCHASER's liability for such termination shall include the cost of completed items, work in progress, and raw materials purchased for PURCHASER. PURCHASER shall not reschedule order line items due for shipment in less than forty-five (45) calendar days. ALLEGRO has the right to invoke a handling/administrative charge of fifteen (15%) percent of the shipment value for any breach of the rescheduling provision herein. Either party may terminate this contract if the other party: a) fails to correct any breach within thirty (30) calendar days of a written cure notice; b) becomes insolvent; or c) files a petition in bankruptcy, and such proceeding has not been dissolved within sixty (60) calendar days.
6. **PRECIOUS METALS.** Should the price of precious metals or rare earth materials substantially increase from the cost in effect at the time of establishment of product pricing, Allegro reserves the right to invoke price adjustments to compensate for such increases.
7. **FORCE MAJEURE.** ALLEGRO shall not be held responsible for any delay or failure hereunder caused by fires, strikes, embargoes, government requirements, civil or military authorities, acts of God or by the public enemy, acts or omissions of carriers or other causes beyond ALLEGRO's control.
8. **LIMITATION OF LIABILITY.** ALLEGRO SHALL NOT BE LIABLE TO PURCHASER, WHETHER IN CONTRACT, IN TORT (INCLUDING NEGLIGENCE), UNDER ANY WARRANTY OR OTHERWISE FOR ANY SPECIAL, PUNITIVE, INDIRECT, INCIDENTAL OR CONSEQUENTIAL LOSS OR DAMAGE OR LOSS OF PROFITS OR REVENUES RESULTING FROM, ARISING OUT OF OR IN CONNECTION WITH THIS SALE OR FROM THE PERFORMANCE OR BREACH THEREOF, INCLUDING BUT NOT LIMITED TO, LATE DELIVERY, AND THIS LIMITATION OF LIABILITY SHALL SURVIVE ANY FAILURE OF THE ESSENTIAL PURPOSE OF ANY WARRANTY OR OTHER REMEDY PROVIDED HEREIN.
9. **EXPORT.** PURCHASER shall adhere to all applicable laws and regulations of the U.S. Export Administration.
10. **INDEMNIFICATION.** PURCHASER agrees to defend, indemnify and hold harmless ALLEGRO from and against any and all claims, including third party claims, which constitute a claim or claims beyond the remedies provided herein.
11. **GENERAL.** (a) If any of the provisions of this contract are invalid under any applicable statute or law, such provisions are, to that extent, deemed omitted, but this contract and the remainder of its provisions shall otherwise remain in effect. (b) No provision of this contract shall be deemed waived, amended or modified by either party, unless such waiver, amendment or modification is in writing and signed by the parties. (c) If any inspections are required, ALLEGRO reserves the right to limit inspection of proprietary processes and other areas as ALLEGRO may deem necessary. (d) All matters regarding this contract shall be interpreted in accordance with the laws of the Commonwealth of Massachusetts, and any controversy that cannot be settled directly shall be settled by arbitration, subject to the liability limitations set forth above, in accordance with the rules prevailing of the American Arbitration Association, and judgment upon the award rendered may be entered in any court having jurisdiction thereof. (e) ALLEGRO's products are not to be used in life support devices or systems, if a failure of an ALLEGRO product can reasonably be expected to cause the failure of that life support device or system, or to affect the safety or effectiveness of that device or system.