

BUYER WILL ONLY ACCEPT GOODS AND / OR SERVICES PURSUANT TO THESE STANDARD TERMS AND CONDITIONS OF PURCHASE (THE "STANDARD TERMS") AND THE CADENCE SUPPLIER REQUIREMENTS MANUAL (THE "MANUAL") OR ANY MODIFICATION TO THE SAME MADE IN ACCORDANCE WITH THE PO TERMS. These Standard Terms outline certain, but not all, of Seller's obligations and Buyer's rights as to any purchases of goods and / or services (the "Goods and / or Services") ordered by or to be sold to Buyer. The Manual, as it may be modified from time to time, is herein incorporated by reference. Consult the current Cadence Supplier Requirements Manual for a definitive version and a definition of capitalized terms.

1. Modification

Any additional or different terms or conditions submitted by Seller shall be deemed objected to by Buyer and shall be of no effect, nor in any circumstance binding, upon Buyer unless specifically accepted in writing by Buyer's Chairman of the Board, President, Executive Vice-President—Supplier Management, Executive Vice-President—Finance, or Executive Vice-President for Purchasing (each a Buyer's Executive Representative or "BER"). If Seller wants to reject, object to, or otherwise modify any of these PO Terms, notice of the same (i) must be given to a Buyer's Executive Representative in a document clearly entitled "Objections to Buyer's General PO Terms" and (ii) shall be deemed proposals for different terms and conditions, which shall only be effective if accepted in writing by an appropriate Buyer's representative. Only a BER has authority to modify, delete or otherwise change any of the PO Terms. Only a BER or the Buyer's purchasing agent as to the relevant Goods and / or Services being sold by Seller (each an "Authorized Purchaser" or "AP") is authorized to commit Buyer to purchase terms and conditions which do not conflict with the PO Terms. All such purchases and changes must be in writing and signed by an authorized Buyer representative. Buyer may change at any time the PO Terms pursuant to procedures outlined in the Manual. Buyer shall post the then-current Manual and any then-pending changes thereto at the following Buyer Contact Sites: Buyer's internet site at www.cadenceinnovation.com or any AP or BER office. Seller shall be responsible for monitoring at least monthly a minimum of one Contact Site for pending changes in the Manual. See the Manual, especially Sections 0.3 and 1.02.01-1.02.02, for supplemental provisions.

2. Acceptance and Contract Terms:

Contracts to furnish Buyer Goods and / or Services may only be formed as follows: (i) Buyer offers to Seller a purchase order form for specific Goods and / or Services and Seller accepts within 5 days by returning to Buyer the acknowledgement copy of the purchase order form signed by Seller; or (ii) Buyer detrimentally relying on Seller's notice of its intention to commence or commit itself to performance; or (iii) Seller delivers to Buyer Goods and / or Services which Seller has reason to believe Buyer wanted to purchase and the same are used by Buyer; or (iv) Seller offers to Buyer Goods and / or Services with the specific quantity, delivery and price for which Buyer has agreed to accept such Goods and / or Services and Buyer accepts such offered quantity, delivery and price; or (v) Seller has previously sold to Buyer goods or services; Buyer orders similar Goods and / or Services, and Seller does not notify Buyer within 5 days of placing the order that it will not deliver such Goods and / or Services as ordered; and, in each such event, all and only the PO Terms as defined in Section 0.2 of the Manual shall constitute the contractual relationship between Seller and Buyer. All Goods and / or Services sold by Seller will be considered part of an integrated contract. See the Manual, especially Section 1.02.01, for supplemental provisions.

3. Specifications, Quality and Warranty: ZERO DEFECTS ARE REQUIRED AS TO ALL GOODS AND / OR SERVICES

Seller is responsible for and hereby represents and warrants that all Goods and / or Services to be furnished to Buyer are merchantable and free from defect in design, material and workmanship and will meet or exceed both (A) the applicable requirements of all Engineering Specifications and (B) the standards of merchantability, functionality, and fitness for purposes intended by Buyer and its Customer(s) of which Seller has been advised or which may be reasonably inferred from all circumstances of which Seller should reasonably be aware. Seller agrees to bear the burden to do a reasonable investigation of all of the same. Seller further warrants that all information (to the extent to which it creates a higher standard than imposed above) furnished to Buyer by or on behalf of Seller, including, but not limited to, certifications, specifications, advertising brochures or performance claims delivered or communicated to Buyer before or during Seller's performance of any PO issued hereunder, is accurate and may be relied upon by Buyer. All of the warranties set forth in the PO Terms shall run to Buyer and to Buyer's Customer(s) and are in addition to those otherwise provided or implied by law, or customarily given by Seller with respect to similar Goods and / or Services. See the Manual, especially Section 1.03, for supplemental provisions.

4. Inspections and Acceptance:

Buyer's acceptance of the Goods and / or Services will be subject to (i) inspection and testing by the Buyer to the extent commercially reasonable and (ii) as to latent defects or processing capabilities, subject to actual production use. Final acceptance or rejection of Goods and Services will be made as promptly as practicable thereafter. IN ANY CASE, BUYER'S FAILURE TO INSPECT AND ACCEPT GOODS AND BUYER WILL ONLY ACCEPT GOODS AND / OR SERVICES PURSUANT TO THESE STANDARD TERMS AND CONDITIONS OF PURCHASE (THE "STANDARD TERMS") AND THE CADENCE SUPPLIER REQUIREMENTS MANUAL (THE "MANUAL") OR ANY MODIFICATION TO THE SAME MADE IN ACCORDANCE WITH THE PO TERMS. These Standard Terms outline certain, but not all, of Seller's obligations and Buyer's rights as to any purchases of goods and / or services (the "Goods and / or Services") ordered by or to be sold to Buyer. The Manual, as it may be modified from time to time, is herein incorporated by reference. Consult the current Cadence Supplier Requirements Manual for a definitive version and a definition of capitalized terms. SERVICES, OR BUYER'S ACCEPTANCE OF GOODS OR SERVICES, SHALL NOT RELIEVE

SELLER OF ITS OBLIGATION TO MEET THE QUALITY SPECIFICATION OR FOR ANY LIABILITY FOR BREACH OF SELLER'S OBLIGATIONS. See the Manual, especially Section 2.01, for supplemental provisions.

5. Delivery and Advance Manufacture:

Seller must meet its contractual obligations as to delivery, quantity, quality and timing requirements exactly, such terms being of the essence. Early, late, under, and over shipments or non-conforming quality are unacceptable and Buyer may at any time setoff from amounts owed to Seller any costs incurred by Buyer or pursue its other legal remedies because of any failure by Seller to meet these requirements. See the Manual, especially Section 1.04, for supplemental provisions.

6. Title

Title to all Goods other than Goods purchased on a consignment, progress payment or similar basis, will pass to Buyer when delivered to and accepted by Buyer. Title to all materials, designs, tools (including, but not limited to, molds, dies, jigs, and fixtures), patterns, drawings and other Goods supplied by Buyer to Seller, paid for by Buyer, developed by Seller in part or in whole for use in the manufacture of or for incorporation into the Goods and / or Services, or which incorporate Buyer's Confidential Information shall be the exclusive property of Buyer. See the Manual, especially Section 1.07, for supplemental provisions.

7. Intellectual Property; Confidentiality

Buyer generally shall have the sole ownership rights to any intellectual property, including, but not limited to, all inventions, patents, copyrights, trade dress, trade secrets, trademarks, designs, products, processes, manufacturing methods or other information (together, "Intellectual Property") Developed (i) by Seller in connection with the PO, (ii) by Buyer and Seller jointly, or (iii) by or for Buyer. Seller shall keep secure and confidential and not transfer or otherwise divulge to any third party confidential financial, business, scientific, technological, economic, engineering and other information of or concerning Buyer. See the Manual, especially Section 1.06, for supplemental provisions.

8. Claims of Violations of the Rights of Others

Seller shall defend, at its own expense, any suit, arbitration or other process brought against Buyer based on a claim that any Goods and / or Services supplied by Seller to Buyer constitute an infringement of or misuse or improper revelation of any trade secret, patent or other intellectual property or confidential information. See the Manual, especially Section 1.08, for supplemental provisions.

9. Indemnification:

A. Product Liability:

Seller will indemnify and save Buyer harmless of and from any and all costs, expenses, fees, judgments or payments owed by or made by Buyer as a result of damages caused wholly or in part by a defect in Seller's Goods or Services. See the Manual, especially Section 1.03.06, for supplemental provisions.

B. Workers and Premises Liability:

In the event Seller, its employees, agents, subcontractors or lower-tier subcontractors enter premises occupied by or under the control of Buyer or its Customer in the performance of this PO, Seller agrees that it will indemnify and hold harmless Buyer and its Customers, their officers, directors and employees from any loss, cost, damage, expense, or liability by reason of property damage or personal injury.

C. Supplier Safety and Hazardous Risks Training:

Before coming on Buyer's premises, all of Seller's employees, agents and independent contractors are to be trained and proficient in the proper identification, handling and disposal of hazardous materials or materials that inherently or in their handling or use create a safety risk so that there is a reasonable expectation that each such handling and disposing will be without any error whatsoever. In addition to any liability otherwise imposed by law or by the PO Terms, Seller shall be liable for all damages (including indirect and consequential), costs (including actual attorneys fees), penalties and fines resulting from its failure to ensure that such training is then current and such personnel are then proficient. See the Manual, especially Section 1.09, for supplemental provisions.

10. Cancellation for Cause:

A. Buyer has the right to cancel at its option at any time, or from time to time (without any regard to its waiver of prior rights), at no cost to Buyer, all or any part of a PO:

1. on account of any material violation (time, quantity, quality and delivery being of the essence) of the PO Terms;
2. for any Goods and / or Services for which no written Release has been issued;
3. for (i) any Goods for which a written Release has been issued, but which were manufactured or committed to purchase by Seller in advance of the Goods Start Date or (ii) any materials which Seller committed to purchase in advance of the Raw Material Authorization Date;
4. for any Goods and / or Services on which Seller fails to make progress (or suffers any manufacturing disruption, including, but not limited to, one caused by force majeure) so as to jeopardize Seller's performance of such PO and Seller does not cure such failure within a period of ten (10) days (or such longer period as a BER may in writing authorize) after receipt of Notice from the Buyer specifying such failure;
5. for any Goods and / or Services as to which Buyer reasonably anticipates delivery will not be made as required hereunder and Seller does not give adequate assurances that deliveries will be as required; or
6. in the event of Seller's insolvency, the execution of an assignment for the benefit of Seller's creditors or the execution of a composition with Seller's creditors.

B. Regardless of any delay, Buyer may elect for any of the foregoing reasons to cancel at its option at any time or from time to time part or all of the related PO and Seller hereby waives any claim that it may have that Buyer waived its right to so cancel by delay or otherwise working with Seller to improve the situation.

C. If Buyer exercises its cancellation right, Buyer shall have the right to (i) purchase the Goods and / or Services from a third party and / or (ii) take possession of any unfinished Goods or materials not readily available to Buyer and needed to complete the Goods and / or Services and to complete or cause to have completed the performance of any PO and / or (iii) require that Seller provide Buyer with sufficient quantities of Goods and / or Services to complete existing Customer orders. Seller agrees to reimburse Buyer on Buyer's demand for any excess costs incurred over the PO price(s) agreed to by, or apportioned to, Buyer for such incomplete work.

D. In the event of any breach of a PO, including under A.1., 4. or 5., above, Seller shall be liable for all damages (including indirect and consequential), costs (including actual attorneys fees), penalties and fines resulting from its failure to do so, regardless of any action taken or not taken by or on behalf of Buyer to cancel the order. See the Manual, especially Section 1.12.01, for supplemental provisions.

11. Termination for Convenience:

In addition, Buyer may, at its option, terminate for convenience and only owe Seller its unavoidable out-of-pocket costs. See the Manual, especially Section 1.12.02, for supplemental provisions.

12. Assignment:

Seller may not assign any PO, or any portion thereof, except as expressly provided in the Manual. See the Manual, especially Section 1.13.06, for supplemental provisions.

13. Subcontracting:

Seller agrees to obtain Buyer's written approval before subcontracting any PO as required in the Manual. See the Manual, especially Section 1.13.02, for supplemental provisions.

14. Advertising:

Seller shall not, without first obtaining the written consent of Buyer, in any manner advertise or publish the fact that Seller has furnished or contracted to furnish to Buyer any Goods and / or Services. See the Manual, especially Section 1.13.07, for supplemental provisions.

15. Taxes:

Buyer will not pay Seller any state or local sales, use, value added, federal excise tax or other tax unless separately stated and itemized in the PO. See the Manual, especially Section 1.13.08, for supplemental provisions.

16. Technical Representatives:

The issuance of advice, approvals, or instructions by Buyer's technical personnel or other representatives shall not affect Buyer's rights or Seller's obligations. See the Manual, especially Section 1.13.09, for supplemental provisions.

17. Waiver:

The failure of Buyer at any time to enforce or to insist upon strict compliance of Supplier with any of these Standard Terms and Conditions, or to promptly exercise any right or option herein provided, or to require at any time performance by the Seller of any of the PO Terms, will in no way be construed to be a waiver thereof, or in any way to affect the validity of a PO or any part thereof, or the rights of Buyer thereafter to enforce each and every PO Terms. See the Manual, especially Section 1.13.16, for supplemental provisions.

18. Handling and Disposal of Hazardous Materials:

Seller must properly identify and package all materials which are inherently hazardous or in their handling or use can create a safety risk, properly handle all such materials when controlled by Seller or used by Seller on Buyer's premises, and properly dispose of any such material which Seller controls or uses on Buyer's premises but are not fully consumed. See the Manual, especially Section 1.13.05, for supplemental provisions.