All Sales by Aehr Test Systems (ATS) are made with the following Terms and Conditions:

1. PRICES

Prices are exclusive of all federal, state, municipal, or other government, excise, sales, use, occupational, or like taxes or levies in force or enacted in the future. Any such tax, fee, or charge of any nature whatsoever imposed by any governmental authority on, or measured by, the transaction between ATS and Buyer shall be paid by Buyer in addition to the prices quoted or invoiced. In the event ATS is required to pay any such tax, fee, or charge, at any time of sale or thereafter, Buyer shall reimburse ATS.

2. DELIVERY

a. Delivery shall be made EXW ATS’s or one of its supplier’s facilities (Incoterms 2000) (“Delivery Point”) for all shipments. The time of delivery (“DelIVERY Date”) is the time that ATS notifies Buyer that the product is ready for shipment.

b. ATS shall use reasonable efforts to deliver the product on the date specified. However, ATS shall not be liable for any failure to meet such date.

c. Title to the products (except for licensed products) and risk of loss or damage to the products shall pass to Buyer upon delivery by ATS to the Delivery Point. Products held or stored at the Delivery Point after the Delivery Date shall be held at the risk and expense of Buyer. Such expenses will be invoiced to Buyer.

3. IMPORT/EXPORT

It is the Buyer’s sole responsibility to obtain all necessary import and export licenses and to fulfill any other requirements imposed by government entities for Buyer to receive the products. Buyer warrants to ATS that any such licenses will be obtained, and any other such requirements will be met, prior to the Delivery Date. ATS shall not be held liable for any loss, damages or penalty resulting from delay in delivery or cancellation due to Buyer’s failure to obtain or fulfill such requirements. Cancellation shall be subject to the charges set forth in Section 9.

4. SHIPMENT

In the absence of specific shipping instructions, ATS will ship by the method it deems most advantageous. Transportation and insurance charges will be paid by Buyer, or if prepaid, will be subsequently invoiced to Buyer. Unless otherwise agreed,atacquire or legislate to the type of packaging it deems appropriate. When special or export packaging is requested or, in the opinion of ATS, required under the circumstances, the cost of the same, if not set forth on the invoice, will be separately invoiced.

5. TERMS OF PAYMENT

Payment terms are subject to approved credit limits by ATS and are subject to change at any time. ATS will submit an invoice to Buyer requesting payment for each shipment. For standard products and international delivery, Buyer will pay subject to a letter of credit. For custom products and international delivery, Buyer will make payment to ATS as follows: 30% within 20 days after receipt of order, 70% subject to a letter of credit. For standard products and domestic delivery, Buyer will make payment to ATS within 30 days from the invoice date. For custom products and domestic delivery, Buyer will make payment to ATS as follows: 30% within 20 days, 30% within 30 days, 30% within 60 days, and 10% within 90 days from shipment date. Any invoiced amount not received within thirty days of the invoice date shall be subject to a service charge of one and one-half percent (1.5%) per month or the maximum rate permitted by law, whichever is less. ATS reserves the right to withhold any shipments or its performance if ATS has not been paid in accordance with these Terms and Conditions or as otherwise set forth in the invoice.

6. WARRANTY AND LIMITATION OF WARRANTY

ATS warrants that the systems and system upgrades sold by ATS design and manufacture will be free from defects in material and workmanship and perform to applicable ATS specifications for a period of one (1) year from the date of shipment. Burn-in boards (BIBs), Performance Test Boards (PTBs), DiePat® carriers, and spares are subject to ATS design and manufacturing and are warranted for a period of 90 days from the date of shipment. The liability of ATS hereunder shall be limited to repairing or replacing such defective units which are returned free of charge to ATS’s plant after receiving return authorization from ATS, or, if not practical, at ATS’s option, repairing or replacing at ATS’s option, repairing or replacing at ATS’s expense and returning to Buyer for credit. This warranty shall not extend to costs and expenses relating to the repair of such defective units, including labor, travel expenses, or any other expense directly relating to the repair of such units.

Provisions, however, shall not apply to any patented equipment, device, or parts specified by the parties in writing by a corporate officer of ATS. Buyer shall not convey any license, expressly or by implication, estoppel or otherwise, under any patent claim with respect to trademarks and service marks with respect to any product or component thereof. These provisions, however, shall not apply to any patented equipment, device, or parts specified by the parties in writing by a corporate officer of ATS. Buyer shall not convey any license, expressly or by implication, estoppel or otherwise, under any patent claim with respect to the use of the equipment or any part furnished hereunder in combination with other equipment or materials not furnished by ATS. In case the equipment furnished by ATS in such use in and of itself to constitute infringement and its use enjoined, ATS, at its option, reasonable time will be given to Buyer for the buyer to continue using said equipment suspending the injunction by procuring for Buyer a license or otherwise, or replace such equipment with non-infringing equipment, or remove the enjoined equipment and refund the sums paid, less a reasonable sum for use and damage. These provisions, however, shall not apply to any patented equipment, device, or parts specified by Buyer that are manufactured by ATS. The foregoing states the exclusive liability and obbligation (express, implied, statutory, or otherwise) of ATS arising out of any infringement or claim of infringement of any intellectual property right.

11. ACCEPTANCE OF SOFTWARE LICENSE

If the product contains any software or firmware packages licensed by ATS, Buyer agrees to abide by the terms of the applicable ATS software license. Such applicable license may not be transferred, assigned, or sublicensed to any third party.

12. SECURITY INTEREST

ATS reserves a purchase money security interest in goods sold and the proceeds thereof, in the amount of the purchase price. In the event of default by Buyer in any of its obligations to ATS, ATS shall have the right to repossess the goods sold hereunder without liability to Buyer. These security interests will be satisfied by payment in full. A copy of the invoice may be filed with appropriate authorities at any time as a financing statement and/or chattel mortgage to perfect ATS’s security interest. On request of ATS, Buyer shall execute financing statements and other instruments that ATS may request to perfect ATS’s security interest.

13. DATA AND PROPRIETARY RIGHTS IN DATA

Portions of the data supplied are proprietary to ATS. ATS retains for itself all proprietary rights in and to all designs, engineering details, and other data pertaining to any product sold unless such rights are assigned under written agreement by a corporate officer of ATS. Buyer shall not disclose ATS proprietary data to any third party without prior written consent from ATS, and Buyer shall only use such data in connection with the ATS products.

14. SALE CONVEYS NO LICENSE

The products are for sale and are sold by ATS subject in every case to the condition that such sale does not convey any license, expressly or by implication, estoppel or otherwise, under any patent claim with respect to which ATS can grant licenses covering complete equipment, or any assembly, circuit combination, method, or process in which such products are used as components. ATS expressly reserves all its rights under such patent claims.

15. COMPLIANCE WITH LAWS

Unless specifically included herein, ATS does not represent that its products meet any local, state, or Federal laws, ordinances, regulations, and the like. Compliance with such requirements is the responsibility of Buyer.

16. ENTIRE AGREEMENT

This contract is the entire agreement and nothing herein shall constitute the entire agreement between ATS and Buyer. ATS shall not be bound by any terms of Buyer’s order which are inconsistent with the terms herein set forth. Acceptance by Buyer of these terms may be made either by written acceptance, or by Buyer taking delivery of any products described on the ATS invoice.

This contract may not be modified, supplemented, qualified or interpreted by any trade usage or prior course of dealing not made a part of the contract by its express terms. Buyer hereby acknowledges that he has not entered into this agreement in reliance upon any warranty or representation by any person or entity except for the warranties or representations specifically set forth herein.

17. WAIVER

The failure by ATS to enforce at any time any of the provisions of this contract, or to exercise any election or option provided herein, shall in no way be construed as a waiver of such provisions or options, nor in any way affect the validity of this agreement or the right of ATS to enforce each and every such provision.

18. DISPUTE RESOLUTION

This contract shall be construed and the legal relations between the parties determined in accordance with the laws of the State of California, United States of America, applicable to contracts made and to be performed therein. The state courts of the County of Santa Clara, State of California (or if there is exclusive federal jurisdiction, the United States District Court for the Northern District of California) shall have exclusive jurisdiction over any dispute under or arising out of this Agreement, and Buyer hereby consents to the jurisdiction of such courts. In the event of any legal action to enforce any right under this Agreement, the prevailing party shall be entitled to collect its reasonable attorney’s fees and costs.

405-47000-04