



VEECO INSTRUMENTS INC. AND SUBSIDIARIES
TERMS & CONDITIONS OF SALE
(revised May 1, 2012)

1. GENERAL. Unless otherwise provided in Seller's written quotation or agreed to in writing by Seller, orders are accepted by Seller subject to these terms and conditions. In case of a conflict, inconsistency or addition not expressly accepted in writing by Seller, the terms and conditions of sale provided herein shall be considered as superseding the conflicting, inconsistent or additional terms stated in Buyer's purchase order, order form, contract or otherwise. The acceptance of an order will supersede all prior communications and constitute a complete and binding contract between Buyer and Seller, which contract cannot be modified or canceled without the written agreement of both parties.

2. SHIPMENT. Seller shall attempt to comply with, but will not guarantee, shipping date and loading and routing instructions. Seller reserves the right to allow or prorate shipments against all orders whenever, in its judgment, an oversold condition exists as to any particular product manufactured or sold by it. In the event of a default by Buyer, Seller may decline to make further shipments without waiving any of its rights under such order. If, despite such default, Seller elects to continue to make shipment, its action shall not constitute a waiver regarding or otherwise diminish Seller's legal remedies with respect to such default or any future default.

3. TITLE AND DELIVERY. Sales are made FCA factory, Incoterms 2010 and Buyer shall pay all freight, duties, cartage and handling. Title and risk of loss or damage shall pass from Seller to Buyer upon the placement of the material purchased hereunder in good condition into the possession of a common carrier, such carrier acting as Buyer's agent. During all phases of shipment to the Buyer site and regardless of the shipping terms selected by Seller and Buyer, insurance shall be arranged by Seller. All claims for damages must be filed with the carrier.

4. PRICES. Irrespective of any prices quoted by Seller or listed on Buyer's order, an order is accepted only at the prices shown on the written quotation. Installation of utilities required for equipment is not included in the specified price.

5. PAYMENT TERMS. Invoices are payable at the place set forth on the written quotation or the invoice. Any exchange charges, any charges for nonpar clearance of checks or collection charges (including reasonable attorneys fees) will be paid by Buyer. Any amounts not paid when due will bear interest at a rate of 18% per annum or, if lower, the maximum rate permissible by law. All payments shall be made by Buyer without set-off or other deduction. Buyer grants to Seller a security interest in the products purchased hereunder to secure payment for those products. If requested by Seller, Buyer agrees to execute financing statements to perfect such security interest. Buyer grants Seller an irrevocable power of attorney to sign Buyer's name to such financing statements if necessary or convenient for the perfection of Seller's security interest.

Terms of payment are subject to change by Seller. All orders are subject to credit approval by Seller. The amount of any credit extended by Seller to Buyer may be changed, and such credit may be withdrawn by Seller. With respect to an order on which credit is not extended by Seller or, if extended, is subsequently withdrawn, shipment or delivery shall be made, at Seller's election, Cash with Order (in whole or in part), C.O.D. or Sight Draft attached to Bill of Lading or other shipping documents, with all costs of collection (plus 18% interest on Sight Drafts not paid at maturity) for the account of Buyer. If, in the judgment of Seller, the financial condition of Buyer does not justify continuation of production or shipment on the terms of payment originally specified, Seller may require full or partial payment in advance. In the event any proceeding is brought by or against Buyer under any bankruptcy or insolvency laws, Seller shall be entitled, in addition to any other remedies at law or in equity, to (i) stop or divert any shipment in transit, (ii) cancel any order then outstanding and (iii) receive reimbursement for its cancellation charges.

Each shipment shall be considered a separate independent transaction, and payment therefore shall be made accordingly. If for any reason Buyer is not prepared to accept delivery of goods, Seller may store the goods at Buyer's expense and risk in the name of Buyer, and such storage shall constitute shipment and delivery to Buyer.

6. TAXES. Quoted prices do not include federal, state or local excise, sales, use or similar taxes. Accordingly, in addition to the prices specified on the written quotation, the amount of any applicable excise, sales, use and/or similar taxes will appear as separate items on the invoice and will be paid by Buyer unless prior to shipment Seller receives an appropriate tax exemption certificate from Buyer.

7. CUSTOMER SITE ACCEPTANCE (CSA). If Seller's quotation references CSA provisions, then Buyer agrees to accept the purchased equipment in accordance with such CSA provisions. The parties agree to give priority to achieving CSA and Buyer agrees that the purchased equipment shall not be used for material production, for development of new processes or for any purposes other than achieving CSA, prior to successful completion or waiver of the CSA provisions. Any such use of the equipment prior to completion of the CSA provisions shall be deemed to constitute the achievement of CSA. It is the responsibility of Buyer to ensure that all the required facilities are ready for successful commencement of CSA on delivery of the tool. The parties agree that, if CSA procedures have not been commenced within 30 days after delivery, or if CSA has not been completed within 60 days after delivery (through no fault of Seller), then the equipment shall be deemed finally accepted and to have achieved CSA. In the event of any such deemed acceptance, Buyer agrees to sign and return to Seller, promptly upon presentation by Seller, an acceptance certificate in a form to be determined by Seller.

8. FORCE MAJEURE. Neither party shall be liable failure to perform occasioned by strikes, lockouts, labor difficulties, riots, inability or difficulty in obtaining or procuring supplies, labor or transportation, fires, storms, floods, earthquakes, explosions, accidents, acts of God, interference by civil or military authorities, whether legal or de facto, acts of the public enemy, war, rebellion, insurrection, sabotage, embargoes, orders given priority by any public authority or any other cause beyond the reasonable control of such party (such occurrences "force majeure events"). The party claiming the force majeure event shall promptly notify the other party in writing of its occurrence and shall undertake appropriate remedial measures to mitigate its impact.

9. PATENTS. If a third party claims that the purchased equipment infringes that party's patent or copyright, Seller will defend Buyer against that claim and will pay all costs, damages and attorney's fees that a court finally awards, provided that Buyer: (a) promptly notifies Seller in writing of the claim and (b) allows Seller to control, and cooperates with Seller in, the defense and any related settlement negotiations. If such a claim is made or appears likely, Seller, at its option, may obtain a license to enable Buyer to continue to use the product, may modify the product or may replace it with one that is functionally equivalent. If Seller determines that none of these alternatives is reasonably available, Buyer agrees to return the product to Seller upon Seller's written request, in which case Seller will credit Buyer with an amount equal to the price paid for such product less a reasonable amount for depreciation. Seller's liability is limited to repair, replacement or adjustment as determined by Seller. Seller shall not be liable for any claim based on (i) anything Buyer provides which is incorporated into a product, (ii) Buyer's modification of a product or use thereof other than in its specified operating environment, or (iii) the combination, operation or use of a product with products provided by other manufacturers or other products not provided by Seller as a system. In no event will Seller's liability under this paragraph exceed the purchase price of the respective product. This is the exclusive warranty of Seller with respect to intellectual property matters and is in lieu of all other warranties, express or implied.

Sale of products or parts thereof does not confer on Buyer any license relating to (a) the structure of any devices to which the products or parts may be applied or (b) a process or machine in connection with which they may be used.

10. RESCHEDULING. If one rescheduling is requested, the charges shall be determined as follows and shall be due and payable within ten (10) days of the rescheduling.

Number of Weeks of Rescheduling Requested	Rescheduling Charge
Up to 4 Weeks	No Charge
5 to 12 Weeks	15% Purchase Price
13 to 26 Weeks	35% Purchase Price
27+ Weeks	Order considered canceled

More than one rescheduling of an order will be considered a cancellation of the order. Sixty-six percent (66%) of the rescheduling charge shall be applied against the purchase price if the order is subsequently shipped or against the cancellation charges if the order is subsequently canceled. On any order that is rescheduled and subsequently canceled, cancellation charges will be based upon the time between the originally scheduled delivery date and the date of notice of cancellation.

11. CANCELLATION. In the event of cancellation by Buyer of any order, Buyer shall pay Seller a cancellation and re-stocking charge based upon the timing of the cancellation notice as follows:

Cancellation Notice Given X Days Before Confirmed Shipment Date of Order	Cancellation Fee Equals the Following Percentage of Purchase Price
More than 90 days	35%
61 – 90 days	50%
31 – 60 days	75%
0 – 30 days	100%

(or at any time after the original Confirmed Shipment Date, if rescheduled)

Higher cancellation charges, up to the full value of the order, may apply in the case of special, custom or modified equipment or parts. At Seller's discretion, Seller may accept the return of parts, provided that (i) Buyer first receives Seller's written authorization to return the parts and thereafter follows Seller's shipping instructions, (ii) restocking charges in the amount of twenty percent (20%) of the original purchase price may be imposed by Seller, and (iii) returns are to be in the original packaging and in the original condition when delivered to Buyer.

12. ASSIGNMENT. Buyer shall not assign this order or any portion thereof without the prior written consent of Seller.

13. WARRANTY. Seller warrants to the original Buyer that new equipment will be free of defects in material and workmanship for a period of one year commencing on the earlier of (x) final acceptance, (y) equipment demonstration sign-off, if applicable or (z) 90 days from shipping. This warranty covers the cost of parts and labor (including, where applicable, field service labor and travel required to restore the equipment to normal operation), and includes parts provided after initial shipment, if any, that may be required in order to achieve final acceptance.

Seller warrants to the original Buyer that replacement or repaired parts provided under the original warranty will be new or of equal functional quality and warranted for the remaining portion of the original warranty or 90 days from shipping, whichever is longer.

Seller warrants to the original Buyer that software will perform in substantial compliance with the written materials accompanying the software. Seller does not warrant uninterrupted or error-free operation. Software provided with the equipment remains the property of Seller or Seller's licensors, as the case may be. Unless otherwise provided in a separate written agreement between Buyer and Seller, Seller grants Buyer a non-exclusive, non-transferable right to use such software only in machine readable form and only in combination with equipment with which such software is provided. Software shall not be copied in whole or in part by Buyer, and Buyer agrees not to provide, disclose or otherwise transfer any such software, or any portion of such software, to any third party. Any attempt to transfer software without Seller's prior written approval shall automatically terminate Buyer's license to use the software, and any use of such software by Buyer's intended transferee shall be without Seller's authorization. This license shall terminate when Buyer discontinues use of the software or equipment with which such software is provided.

Seller's obligation under these warranties is limited to repairing or replacing, at Seller's option, defective parts or software. These services will be performed, at Seller's option, at either Seller's facility or Buyer's business location. For repairs performed at Seller's facility, Buyer must contact Seller in advance for authorization to return equipment and must follow Seller's shipping

instructions. Freight charges and shipments to Seller are Buyer's responsibility. Seller will return the equipment to Buyer at Seller's expense. All parts used in making warranty repairs will be new or of equal functional quality.

The warranty obligation of Seller shall not extend to defects that do not impair service or to provide warranty service beyond normal business hours, Monday through Friday (excluding Seller holidays). No claim will be allowed for any defect unless Seller shall have received notice of the defect within thirty days following its discovery by Buyer. Also, no claim will be allowed for equipment damaged in shipment sold under standard terms of FCA factory, Incoterms 2010. Within thirty days of Buyer's receipt of equipment, Seller must receive notice of any defect which Buyer could have discovered by prompt inspection. Except where CSA is specified in Seller's quotation (Section 7 above), products shall be considered finally accepted 30 days following (a) installation, if Seller performs installation, or (b) shipment; unless written notice of rejection is provided to Seller within such 30-day period.

Expendable items, including, but not limited to, filters, lamps, wafer carriers, pilot lights, filaments, fuses, mechanical pump belts, V-belts, wafer transport belts, pump fluids, O-rings and seals ARE SPECIFICALLY EXCLUDED FROM THE FOREGOING WARRANTIES. Seller's sole warranty with respect to expendable items is that at the time of delivery, the form, fit and function of the expendable item shall be suitable for use with Seller's equipment. Replacement and repaired parts provided by Seller which are not covered by the original equipment warranty shall be free of defects in materials and workmanship for a period of ninety (90) days from shipping. All used equipment is sold 'AS IS, WHERE IS,' WITHOUT ANY WARRANTY, EXPRESS OR IMPLIED, with the exception of Veeco Certified Equipment, which shall be warranted for the period, if any, stated in Seller's written quotation and shall otherwise be subject to the terms of this Section 13. With the exception of manufacturing defects, regular maintenance on pumps or other components is excluded from this warranty.

Specifically excluded from this warranty is all stand-alone computer and data storage equipment not manufactured by Seller (such as computers, monitors, printers and printer buffers). Such equipment will carry only the original manufacturer's warranty.

Seller assumes no liability under the above warranties for equipment or system failures resulting from (1) abuse, misuse, modification or mishandling; (2) damage due to forces external to the machine including, but not limited to, acts of God, flooding, power surges, power failures, defective electrical work, transportation, foreign equipment/attachments, or utilities or services such as gas; (3) the use of parts, expendable items, or labor not provided by Seller or authorized for use by Seller; (4) improper operation or maintenance or (5) failure to perform preventive maintenance in accordance with Seller's recommendations (including keeping an accurate log of preventive maintenance). In addition, this warranty does not apply if any equipment or part has been modified without the written permission of Seller or if any Seller serial number has been removed or defaced.

These warranties are for the benefit of the original Buyer only and are not transferable. No one is authorized to extend or alter these warranties on Seller's behalf without the written authorization of Seller.

THE ABOVE WARRANTIES ARE EXPRESSLY IN LIEU OF ANY OTHER EXPRESS OR IMPLIED WARRANTIES (INCLUDING THE WARRANTY OF MERCHANTABILITY), AND OF ANY OTHER OBLIGATION ON THE PART OF SELLER. SELLER DOES NOT WARRANT THAT ANY EQUIPMENT OR SYSTEM CAN BE USED FOR ANY PARTICULAR PURPOSE OR WITH ANY PARTICULAR PROCESS OTHER THAN THAT COVERED BY THE APPLICABLE PUBLISHED SPECIFICATIONS.

14. NO CONSEQUENTIAL DAMAGES. LIMITATION OF LIABILITY. Seller shall not be liable for consequential damages, for anticipated or lost profits, incidental, indirect, special or punitive damages, loss of time, loss of use, or other losses, even if advised of the possibility of such damages, incurred by Buyer or any third party in connection with the equipment or services provided by Seller. In no event will Seller's liability in connection with an item of equipment or a particular service provided by Seller exceed the amounts paid to Seller by Buyer for such item of equipment or particular service.

15. CREDITS. Training credits and spare parts credits, if any, shall expire one (1) year following the date of issuance. When applying credits to obtain parts, Buyer shall be responsible for all related delivery costs, including without limitation shipping, handling, clearance and any VAT expenses. If such expenses are initially incurred by Seller, Seller may, at Seller's discretion, apply remaining credit amounts to offset such expenses.

16. NONSOLICITATION. Buyer agrees not to solicit the employment of any employee of Seller who has come into contact with Buyer in connection with the products and/or services provided to Buyer hereunder.

17. COMPLIANCE WITH LAWS. All quotations by Seller and all purchase orders are subject to compliance with all applicable laws and regulations. Buyer acknowledges that Seller's products and related technical information are subject to export control regulations of the United States and other foreign governments ("Export Control Laws"). Buyer agrees to take all steps necessary to comply with applicable Export Control Laws, U.S. anti-boycott laws and the related policies and procedures of Seller as in effect from time to time. Buyer also agrees to assist Seller in obtaining export, import and other regulatory approvals that may be necessary or appropriate in connection with the performance of the transactions hereunder.

18. APPLICABLE LAW. The contract created hereby shall be interpreted and construed under the laws of the State of New York, without regard to the choice of law provisions thereof and not including the U.N. Convention on Contracts for the International Sale of Goods, if otherwise applicable. Some jurisdictions do not allow the exclusion or limitation of implied warranties or liability for incidental or consequential damages, so the above limitation or exclusion may not apply to Buyer. Seller's warranty gives Buyer specific legal rights, and Buyer may have other rights which vary from jurisdiction to jurisdiction.