

EXTERNAL PI VALUE LICENSE

Power Integrations, Inc. or its designated affiliate, appropriate for the country of sale, (“Company”) grants to the purchaser of the Company’s integrated circuits the following limited license to the Licensed External PI Value that is outside the Company’s integrated circuits. The consideration for this license is included in the purchase price of such Company’s integrated circuits.

The following terms have the meanings defined for them below:

“Company IC” shall mean any integrated circuit that is manufactured by or for the Company.

“Non-Company Circuit” shall mean any electrical circuit that does not contain a Company IC.

“Customer” shall mean a party purchasing Company ICs from the Company or an authorized reseller.

“Licensed External PI Value” shall mean only the External PI Value listed on the Company’s Web page entitled “Intellectual Property Licensing” on the date of purchase of the Company ICs by the Customer. Company may update the External PI Value list on the Web page from to time at Company’s sole discretion.

“Licensed Product” shall mean any product that contains one or more Company IC’s purchased by the Customer, and that incorporates any device or practices any process that is Licensed External PI Value.

Company grants to Customer, a non-exclusive, worldwide and fully paid-up license to make, use, sell, offer to sell and import Licensed Products under the Licensed External PI Value. This license is automatically transferred to subsequent purchasers with the sale of the Licensed Product.

This license does not include the right to grant sublicenses and no license is granted for the use of any Non-Company Circuit. Notwithstanding anything above, no license is granted under any intellectual property right to make any monolithic or hybrid integrated circuit.