

VLSI SOLUTION OY

GENERAL TERMS AND CONDITIONS OF SALE

1. Definitions

In these General Terms and Conditions of Sale (Terms) "the Seller" means VLSI Solution Oy, "Purchase Order" means the Purchase Order confirmed by the Seller and "the Buyer" means the person, firm or company named as "the Buyer" in the Purchase Order and "the Products" which are the subject of the Purchase Order.

The Terms apply to all contracts of sales entered into by the Seller. Notwithstanding that these Terms may conflict with certain terms and conditions specified by the Buyer in the Buyer's order form, or otherwise, the Seller's acceptance of the Buyer's order is on the condition that only the Terms shall apply to the order. Any term, provision or condition in conflict with, or in addition to or in modification of any of the herein Terms shall not be binding upon the Seller unless such term, provision or condition is accepted in writing by the Seller. The Seller's failure to object to any term or condition contained in any communication from the Buyer shall not be deemed a waiver of the herein Terms.

2. Offers and supply of Information

The Seller's catalogues, product information, price lists and quotations do not constitute offers made by the Seller (unless they are expressed to be fixed quotations or reference remaining open for a specified period) and the Seller reserves the right to withdraw or revise the same at any time prior to the Purchase Order.

Orders submitted by the Buyer shall not be binding upon the Seller in any way unless and until accepted in a writing signed by a duly authorized representative of the Seller. Seller's acceptance and official confirmation of the Buyer's order shall constitute the complete agreement and shall supersede all previous oral understandings, quotations or agreements. Quotations may be withdrawn by Seller unless accepted by the Buyer within seven (7) days from date of the quotation.

All drawings and technical documents needed for manufacturing the Product or any part of it, which have been handed over by one part to the other before or after making the agreement between the Seller and the Buyer, remain the property of the giving party. The receiving party is not allowed without the giving party's consent, to use, copy, reproduce, hand over or in any other way give information on them to a third party.

3. Prices

The prices for the Products shall be as set out in the Purchase Order, subject as hereinafter provided. The prices quoted for the Products described on said Purchase Order are firm and not subject to audit or price re-determination.

If no price has been agreed, the Seller's current list price at the time of the Purchase Order shall apply. In the absence of such a current list price, the price generally charged for such goods at the time of Purchase Order shall apply.

Unless otherwise specified VAT and any other tax or duty payable by the Buyer shall be added to the price.

The Seller reserves the right to correct the price of the Product in case the price is agreed in other currency than USD and the change in the exchange rate is more than +/- 5 %. Change is determined between the date of delivery and the date of Purchase Order. The Seller has the right to correct obvious calculation and typing errors in the price and quantity information.

4. Payment Terms

Except as otherwise specified in the Purchase Order payment for the Products shall be in due in full in USD within 30 days net from the date of invoice. The Seller reserves the right to require payment in advance or C.O.D. and otherwise modify credit terms. When partial shipments are made, payments shall become due in accordance with the designated terms upon submission of invoices. The Seller may accept partial payment in an amount less than the full amount of any invoice, but such acceptance shall not constitute a waiver of the Seller's right to collect the balance or accord and satisfaction, notwithstanding the Seller's endorsement of a check or other instrument.

If, in the judgment of the Seller, the financial condition of the Buyer at any time does not justify continuance of production or delivery on the terms of payment originally specified, the Seller may stop production and charge the Buyer an appropriate cancellation fee and/or require full or partial payment in advance, and in the event of the bankruptcy or insolvency of the Buyer, or in the event any proceedings brought by or against the Buyer under the bankruptcy or insolvency laws, the Seller shall be entitled to cancel any order outstanding without waiving its claim for damage or other remedies.

Overdue payments shall be subject to interest charges computed at a periodic rate of 1,5 % per month (18 % per year).

Each shipment hereunder shall be a separate and independent transaction and shall be invoiced separately and the Buyer shall pay for each shipment separately and as invoiced. If the Buyer delays shipments without the Seller's prior written consent, payments shall become due on the date when the Seller is prepared to make shipment. Products held for the Buyer shall be at the risk and expense of the Buyer.

5. Delivery

All Products will be delivered to the Buyer Ex Works" (EXW; INCOTERMS 2000). The Seller places the Products at disposal of the Buyer at the named place of the Test subcontractor.

The Test subcontractor is selected as follows:

(a)ASIC products:

The Test subcontractor is selected with the Buyer.
Changes will be made only with the approval of the Buyer.

(b)Seller's products:

The Test subcontractor is selected by the Seller.
The Seller reserves the right to change the subcontractor/s.
The agreed package dimensions and specifications shall not be changed without Buyer's approval.

Any period of date for delivery stated is intended as an estimate only and is not a contractual commitment. The Seller shall not be liable for any damages or losses arising out of delay. Seller reserves the right to make partial shipments and to submit invoices for partial shipments.

If the Buyer refuses or fails to take delivery of the Products tendered in accordance with the Purchase Order or fails to take any action necessary on its part for delivery or shipment of the Products, the Seller shall be entitled to terminate the agreement made between the Seller and the Buyer with immediate effect, to dispose of the Products as the Seller may determine and to recover from the Buyer any loss and additional costs incurred as a result of such refusal or failure and in any event to retain any payment made prior to such refusal of failure.

If the Buyer requests postponement of delivery beyond the estimated delivery date and the Seller agrees to such postponement the Seller may at its option exercisable by notice to the Buyer treat the risk in the Products as having passed to the Buyer and store the Products at the Buyer's expense (but without liability).

The Buyer is not liable for the late delivery or the changes in the Product quantities of the subcontractor.

If the Products are received by the Buyer damaged or the quantities received do not agree with quantities indicated on the shipping document, and the Buyer intends to assert any claim against the Seller, the Buyer must mark the exception on the carrier receipt and shall furnish the Seller detailed written information relating to such shortage within seven (7) calendar days of delivery. The Buyer shall store any excess materials at its own expense.

6. Taking-over and return Policy

The Products delivered have to be taken over by the Buyer, even if they have insignificant defects. The acceptance tests for Products specially developed for the Buyer shall be carried out by the Buyer within thirty (30) days, as of date of delivery.

Should the take-over be delayed by reason of circumstances outside the Seller's responsibility, the written communication of readiness for dispatch by the Seller to the Buyer shall be considered the date of delivery. In default of any written communication of inability to take delivery by the Buyer within the time for taking delivery, the Products shall be deemed accepted. The criteria for acceptance or refusal shall be the specifications or test conditions jointly agreed upon or the data sheets issued by the Seller effective at the moment of placing of order.

No products shall be returned to the Seller without the Seller's permission in writing. Such returns shall be made, if at all, only in accordance with terms and conditions specified in writing by the Seller. All returns are subject to a handling charge. Even after authorization for return of Products for credit, the Seller reserves the right to adjust its offer in accordance with the condition of the Products on arrival at its premises. Credit for returned merchandise is issued only to the original Buyer and not to subsequent owners of the Products. Claims by the Buyer shall in no way release it from any obligation to pay hereunder. Such claims shall be dealt with as a separate transaction.

7. Passing of Risk, Passing of Property

The risk of loss or damage to the Products shall pass to the Buyer in accordance with any agreed delivery term (Incoterms) in force at the date of the Purchase Order. Risk of loss or damage in transit will rest with the Buyer. All claims for loss or damage must be filed with carrier. Claims against the Seller for shortage occurring before delivery to carrier shall be waived unless made within seven (7) days after delivery to the Buyer.

The Products shall remain the property of the Seller as legal and equitable owner and no property in or title to the Products shall pass to the Buyer until their full price has been duly paid to the Seller.

8. Warranty

The Seller warrants that the Products will be free from defects in material and workmanship under normal use in conformity with the terms of the agreement between the Seller and the Buyer. The Seller's obligations under this warranty shall be discharged, at its option, by repairing, replacing, or giving credit for defective products. The Buyer acknowledges and agrees that the provisions of this warranty constitute the sole and exclusive remedy available to it with regard to said defective products.

The Buyer has to grant the Seller a reasonable period for removing the defects; if the Buyer refuses to grant such period, the Seller shall be released from warranty. The period of warranty is 6 months as of the delivery of the Products.

In the event that the Buyer wants to avail itself of this warranty, the Buyer shall inform the Seller in writing and stating sufficient reasons without delay, and in any event within thirty (30) days as of delivery of the Products at the latest. Any defects that could not be detected within that period in spite of careful examination must be communicated to the Seller, in writing and stating sufficient reasons, immediately after becoming known. In default of such immediate communication, any warranty shall be excluded. The warranty shall not cover circumstances where the Products are handled in an improper manner or not in conformity with the instructions recommended by the Seller. In case of valid warranty claim the Seller shall defray the transportation cost. A case of warranty shall not prolong the initial period of warranty of 6 months.

In case of unjustified complaints the Buyer shall reimburse the Seller for all expenses arising from such complaints. Any claims of the Buyer beyond the obligations under this warranty are excluded.

Except for the express warranties provided in this section, all warranties whether express or implied, all guarantees and all representations as to performance, including all warranties which, but for this provision, might arise from source of dealing or custom of trade and including all implied warranties of merchantability of fitness for a particular purpose, with respect to the products furnished by the Seller hereunder are hereby expressly excluded and disclaimed by the Seller. No agent, employee or representative of the Seller has any authority to bind the Seller to any affirmation, representative or warranty relating to the Products other than as specifically provided herein.

9. Software

With respect to any software contained in Products or supplied by the Seller and to be used in connection with the Products (together Software), the Seller grants to the Buyer a non-exclusive, non-

transferable right to use the object code of the Software only in the manner described in the written materials accompanying the applicable Products. The Buyer understands and agrees that the Seller, or the Seller's licensors, own the Software and that the Software is licensed (not sold) to the Buyer. The Buyer agrees that it will not use, or permit its end users to use, copies of the Software for which the applicable license fee (if any) has not been paid. The Buyer agrees that the Buyer and its end users will not modify, decompile, reverse engineer or disassemble, or otherwise attempt to obtain the source code of, the Software, or allow or encourage any third party to do so. No ownership rights are granted in Software delivered hereunder. The Buyer shall not copy the Software except for archival and backup purposes. The Buyer shall not provide the Software to any third party except to Buyer's employees with a need to use the Software in connection with the Products. Except as otherwise expressly set out in this Agreement, nothing in this Agreement, or in the furnishing of any information, Products or services by Seller to the Buyer, is intended to grant or otherwise transfer, either expressly or by implication, estoppel, or otherwise, to the Buyer any right, license or interest of any kind. The Buyer shall not take any action inconsistent with the Seller or the Seller licensors' intellectual or industrial property rights in the Software.

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10. Intellectual Property Rights; indemnification

All Intellectual Property Rights related to the Products are reserved to the Seller.

The Buyer acknowledges that the Products may include portions of software/technology developed by third parties, which portions are identified in the documentation delivered in connection with the Products. Copies of the license terms and proprietary notices for any third party software/technology are stated in the documentation. The Buyer agrees to read the documentation and fully comply with all terms and conditions stated therein. Furthermore, the Buyer agrees that the third party software/technology delivered

by the Seller may only be used complete and unmodified and only bundled as part of the Products. Furthermore the Buyer also acknowledges and agrees that the third party software/technology is provided "AS IS" and no warranty, express or implied, with respect to such software/technology is or has been made. In addition to the above the Buyer agrees that certain software/technology may require the Buyer or its end users to obtain separate license agreement from the third party in order to use or distribute the final products in which they have incorporated the Products.

The Seller shall provide reasonable assistance to the Buyer in the event of any claim for infringement, but shall not be obliged to indemnify the Buyer in respect of such claims.

The Buyer shall indemnify, defend, and hold the Seller harmless against all expenses, damages, costs, or losses resulting from any suit or proceedings brought for infringement of copyright, patent, trademarks or other intellectual property right or for unfair competition arising from compliance with the Buyer's design, specifications, or instructions.

11. Force Majeure

Neither party shall be liable for any failure to perform or delay in performing any of its obligations hereunder (other than the payment of money) when such failure or delay is due to circumstances beyond its reasonable control, including without limitation, any natural catastrophe, fire, war, riot, civil disturbance or other labour disturbance, late or non delivery by suppliers, shortage or unavailability of materials, components or transportation facilities, court judgement or any act, refusal to act, regulation, order or intervention of any governmental authority. Immediately after this condition is removed, the affected party shall perform such obligation with all due speed.

In case the event of force majeure lasts longer than ninety (90) days either party shall have the right to terminate the agreement made between the Seller and the Buyer by notice and neither party shall have the right to demand compensation from the other party for such termination.

12. Limitation of Liability

The Seller shall have no liability for any indirect, special or consequential damage, losses or expenses suffered by the Buyer however caused, including but not limited to loss of anticipated profits, goodwill, reputation, business receipts or agreements, or losses or expenses resulting from third party claims.

In no event will the aggregate liability which the Seller may incur in any action or proceedings exceed the total amount actually paid

to the Seller by the Buyer for the specific product that directly caused the damage.

13. Waiver; Limitation of Actions

No delay or failure by either party to exercise or enforce at any time any right or provision of this agreement shall be considered a waiver thereof. A waiver to be valid shall be in writing, but need not be supported by consideration. No single waiver shall constitute a continuing or subsequent waiver.

No action against the Seller for breach hereof shall be commenced more than one (1) year after the accrual of the cause of action.

14. Notices

Any notice hereunder shall be deemed to have been given if delivered by hand or sent by prepaid first class post or telefax or facsimile to the party concerned at its last known address, and deemed to have been received on the date of despatch, if delivered by hand or sent by telefax or facsimile and on the third day after posting, if sent by post.

15. Applicable Law

Any questions relating to this agreement which are not expressly or implicitly settled by the provisions contained in the Agreement itself (i.e. these Terms) shall be governed by the laws of Finland.

16. Resolution of Disputes

Unless otherwise agreed in writing, all disputes arising in connection with the present Agreement shall be finally settled under the Rules of Arbitration of the Central Chamber of Commerce of Finland by one arbitrator appointed in accordance with the said Rules. Place of arbitration is Tampere.

Notwithstanding the foregoing, the Seller shall be entitled at its option and sole discretion to have recourse to the general courts having jurisdiction on claims arising out of matured debts. An arbitration clause does not prevent the Seller from requesting interim or conservatory measures from the competent general courts.

17. Severability

If any provision of the terms and conditions contained herein or part is rendered void, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the

remaining provisions shall not in any way be affected or impaired thereby. The Parties shall amend the affected provision in such reasonable manner as achieves the intention of the Parties without legality.