

1.0 H&D Wireless General Terms and Conditions of Sale

CONFIDENTIAL AND PROPRIETARY INFORMATION

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2.0 Introduction

This document describes H&D Wireless Terms and Conditions for product sales. These conditions are valid for all product sales and deliveries from H&D Wireless.

3.0 Applicability

The following general terms and conditions of sale are applicable to the sale of H&D Wireless AB ("H&D Wireless") products. These general Terms and Conditions form part of any quotation given by H&D Wireless for the sale of its Products and shall apply to any sales contract (the "Sales Contract") entered by and between H&D Wireless and a Buyer (the "Buyer").

These terms and conditions do not apply to H&D Wireless products in development and sold as prototypes, engineering samples or preproduction parts. For such product sales H&D Wireless assumes no responsibility for quality or function otherwise as specifically agreed in writing.

4.0 Quotation and orders

Quotations given by H&D Wireless are given without obligation. A contract to sell between the Buyer and H&D Wireless exists only after written acceptance of the Buyer's order by an authorized representative of H&D Wireless.

5.0 Terms of delivery

- Delivery terms are EXW, H&D Wireless factory and in accordance with INCOTERMS 2000.
- Delivery date is indicated as accurately as possible but is not subject to condition, warranty or representation.
- Risk of loss of products shall pass to the Buyer upon delivery.
- The Buyer shall have the right to reasonably extend the delivery date provided the Buyer accepts to pay a delivery extension charge demanded by H&D Wireless.

6.0 Price

- All products are sold and prices are quoted EXW, H&D Wireless factory and in accordance with INCOTERMS 2000.
- The prices include H&D Wireless's standard airfreight packing and any special packaging shall be charged extra.
- The prices are exclusive of any taxes, duties or other levies.
- Unless otherwise agreed in writing all pricing is in US Dollars.

7.0 Payment

- Payment term is 30 days net unless otherwise agreed in writing.
- Payment shall not be withheld because any claim by the Buyer against H&D Wireless.
- Interest on late payments will be charged to the Buyer at a monthly rate of one and a half (1.5) percent, of the amount, of the delayed payment.
- Ownership of the product will not be transferred to the Buyer until full payment is received by H&D Wireless AB.

8.0 Quality

H&D Wireless will continuously during production monitor the quality level of its products with the aim of ascertaining that the products meet their specification.

9.0 Incoming inspection

The Buyer shall inspect the products upon delivery and notify H&D Wireless in writing, within thirty (30) days, from delivery, of any defects occurred prior to delivery.

10.0 Warranty

- H&D Wireless warrants up to and until the expiration of the warranty period below, that the performance of the product delivered will be in accordance with the applicable H&D Wireless product specification.
- During a period of twelve (12) months following the date of delivery H&D Wireless undertakes to replace or correct, at its option without undue delay and without charge to the Buyer products found to be faulty by reason of defective material, design, or workmanship, not caused by any interworking equipment.
- The Buyer must receive a return material authorization number (RMA Number) from H&D Wireless prior to returning faulty products covered by this warranty. Products returned without such number will immediately be returned to the Buyer on the Buyer's cost for transportation and risk of loss.
- All transportation costs and risk of loss incurred with respect to the repair and/or replacement of faulty products shall be borne by the Buyer when returned to H&D Wireless and by

Force majeure

H&D Wireless when returned to the buyer, transportation being by normally scheduled surface carrier, unless otherwise agreed.

- In case the products returned as faulty, prove to be without fault or defect, H&D Wireless are entitled to charge the Buyer ten (10) per cent of the price of the returned products.
- H&D Wireless shall not be liable for any defect which is due to accident, fair wear and tear, negligent use, tampering, improper handling, improper use, improper operation or improper storage or any other default on the part of any person other than H&D Wireless.
- The Buyer undertakes to comply with H&D Wireless's instructions concerning disposal of defective products.
- If products supplied or parts thereof are not manufactured by or branded H&D Wireless, H&D Wireless will only extend to the buyer the benefit of the warranty granted by the manufacturer of such products.
- For the avoidance of any doubt, any recommendation by H&D Wireless to use specific third-party components in the Buyer's Product shall be seen as a service to the Buyer and H&D Wireless makes no representation or warranties whatsoever for such specific third-party components.
- The warranties given in this clause constitute the only representation and warranties made by H&D Wireless with respect to the products delivered by H&D Wireless. It is expressly agreed that H&D Wireless shall not be responsible for any indirect or consequential damages.
- The Buyer shall immediately advise H&D Wireless of any change in the control or ownership of the Buyer.

11.0

Force majeure

The delivery time required by the sales contract shall be extended by a period reasonable under the circumstances if the performance of the sales contract is delayed by industrial disputes or any other causes beyond H&D Wireless's reasonable control, which shall without limiting the generality of the foregoing include acts of God, riots, wars, accidents, embargo or requisition, acts of government, including non-availability of an export license for the products or delays in the performance of its sub-contractors caused by any such circumstances as referred to in this clause. The right of relief shall apply irrespective of whether the cause of delay occurs before or after the agreed date of delivery. In case of force majeure H&D Wireless shall promptly notify the Buyer in writing and furnish the Buyer with all relevant information thereto. Should a case of force majeure for

Restricted use

more than six (6) months, either party shall then have the right to terminate the Sales Contract.

12.0 **Restricted use**

H&D Wireless's products are not authorized for use and no warranty is made with respect to use as components in applications where failure to perform can result in death, significant injury or catastrophic property damage (including without limitation life support devices or systems, weaponry, automotive, aviation, nuclear or navigation equipment). H&D Wireless disclaims any warranty or responsibility for such usage, which shall be at buyer's sole risk, even if H&D Wireless has been previously notified of such usage.

13.0 **Non-disclosure and proprietary rights**

All information supplied by a part to the other under the Sales Contract as is designated by means of a name, trademark or appropriate text to be of a proprietary or confidential nature, except in so far as it is or comes in the public domain, shall be treated as the property of the furnishing party; and the receiving party, except as otherwise specifically authorized in writing by the Buyer:

- shall treat and protect all information, documentation, and know-how received and identified as confidential information;
- shall not reproduce (except in a manner and purpose consistent with the purpose of the Sales Contract) any information, documentation or know-how received, in whole or in part; and
- shall use any information, documentation, or know-how received only in conjunction with its performance hereunder or use of the products.

The Buyer shall not forward or disclose any information contained in H&D Wireless's offer or in the Sales Contract to any third party without the prior written consent of H&D Wireless. The sales parties' obligations under this clause shall survive the termination of the Sales Contract.

13.1 **Non-disclosure imperative exception**

If the receiving Party receives a request or is required by law, deposition, interrogatory, document request, subpoena, civil investigative demand, the rules of a stock exchange or other similar process to disclose any or all of the Confidential Information, the receiving Party will (i) immediately notify the disclosing Party of the existence, terms and circumstances surrounding such request or requirement, (ii) consult with the disclosing Party regarding the advisability of taking legally available steps to resist or narrow such request or requirement, and (iii) provide reasonable assistance in the

Infringement

disclosing Party's efforts to seek a protective order or other remedy. If such protective order or other remedy is not obtained or if the applicable disclosing Party waives compliance with the provisions hereof with respect to such Confidential Information, the receiving Party may disclose to any tribunal, public authority or stock exchange only that portion of Confidential Information which the receiving Party is, or may be reasonable considered to be, legally required to disclose and shall exercise commercially reasonable efforts to obtain assurance that confidential treatment will be accorded such information.

14.0 Infringement

H&D Wireless and its suppliers expressly disclaim all warranties of non-infringement. H&D Wireless and its suppliers provide no indemnification whatsoever for any type of intellectual property rights, including but not limited to any and all patents, utility models, design rights, copyrights, trademarks and any other similar statutory intellectual property or industrial rights.

15.0 Termination

Either party may by written notice terminate the Sales Contract with immediate effect if the other party has committed a substantial breach of the Sales Contract, and not rectified the same within a time which shall be reasonable taking into account previous technical and other relevant conditions after receipt of a written request specifying the breach from the other party.

Either party may at any time by notice in writing immediately terminate the Sales Contract without compensation to the other if the other party shall pass a resolution, or any competent court shall make an order, that the other party shall be wound up or if a trustee in bankruptcy, liquidator, receiver, or manager, on behalf of a creditor shall be appointed and such order/appointment is not revoked within thirty (30) days.

H&D Wireless may, at its sole discretion, terminate the Sales Agreement in the event that any part of Buyer's ownership changes by merger, acquisition consolidation, transfer, or otherwise, and such acquirer in such a merger, acquisition, consolidation, transfer or otherwise, is a competitor of H&D Wireless. Buyer's failure to advise H&D Wireless of any change in control or ownership of the Buyer in relation to such a competitor also gives H&D Wireless the right to immediately terminate this Agreement.

16.0 **Limitation of liability**

In no event shall H&D Wireless be liable to the Buyer under the Sales Contract for loss of production, loss of business or profit or any other indirect or consequential damages, whether or not H&D Wireless could reasonably have foreseen the possibilities of such damages.

The aggregate total liability of H&D Wireless on all claims of any kind under these Terms and Conditions shall not exceed the sum paid by Buyer for the specific products giving rise to the claim sold within the 12 months preceding the date of claim from Buyer.

No action, regardless of form, arising out of any claimed breach of the Sales Contract or obligations under the Sales Contract may be brought by either party more than one (1) years after the cause of action has accrued.

17.0 **Export restrictions**

Products delivered by H&D Wireless may be subject to European and U.S. regulations restricting export thereof or of finished products containing the products. The Buyer is therefore advised to ascertain the status of the products in this respect and shall not export any products without first obtaining any required license or other approval.

18.0 **Assignment of sales contract**

The Sales Contract may not be assigned in whole or in part by either party without the prior written consent of the other party. However H&D Wireless shall be able to assign the contract to another H&D Wireless company.

19.0 **Governing law and arbitration**

The Sales Contract shall be governed by and construed in accordance with the laws of Sweden. The provisions of the UN Convention on Contracts for the International Sale of Goods shall not apply.

All disputes arising in connection with the Sales Contract shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by arbitration consisting of three (3) arbitrators appointed in accordance with the said Rules. The arbitration shall be held in Stockholm, Sweden and the proceedings shall be conducted in the Swedish language.

All awards are binding upon the Parties and may if necessary be enforced by any court having jurisdiction in the same manner as a judgment in such court.

The Parties undertake and agree that all arbitral proceedings conducted under this Article 19 shall be kept strictly confidential, and

Escrow

all information, documentation, materials in whatever form disclosed in the course of such arbitral proceeding shall be used solely for the purpose of those proceedings.

Notwithstanding the aforesaid, nothing in this Article 19 shall prevent the Parties from seeking any interim or final injunctive or equitable relief by a court of competent jurisdiction.

20.0

Escrow

The buyer may require that the material of the product to be held in escrow be a third party.

For that case the buyer and H&D Wireless will use the Escrow Service by Stockholm Chamber of Commerce (SCC). The standard Model Agreement for Escrow services provided by SCC will be used and signed by all three parties, the buyer, H&D Wireless AB and SCC. The standard Model Agreement is available at <http://english.chamber.se/inenglish/escrow-services.htm>.

The cost for the Escrow Service will be carried by the buyer.