

ERICSSON'S GENERAL PURCHASING CONDITIONS

These General Purchasing Conditions shall apply between Ericsson and Seller if referred to at any stage during the procurement process concerned (e.g. in the request for quotation, the purchase order, or in the contract), unless otherwise is separately and explicitly agreed in writing between the parties.

1. DEFINITIONS

"Agreement" means these general purchasing conditions and all other documents the parties have agreed in writing to form part of the agreement governing Ericsson's procurement of the Products.

"Ericsson" means the Ericsson company procuring Product(s) from Seller under the Agreement.

"Documents" means any drawings, technical documents, software programs or other data bearing media in whatever medium or format.

"Product(s)" means the products, equipment, components, material, hardware, software and other objects (tangible or intangible) which Seller is required to supply under the Agreement.

"Purchase Order" means a written order for purchase of Products submitted by Ericsson to Seller.

"Seller" means the seller of the Products.

2. DOCUMENTATION

Any Documents provided to Seller by Ericsson shall remain Ericsson's exclusive property and shall be returned to Ericsson upon request. The Documents may not be copied, reproduced or distributed without prior express written approval by Ericsson.

Documents specifically prepared as a result of Ericsson's order of the Products and provided by Seller to Ericsson, shall be the exclusive property of Ericsson. With respect to other Documents provided by Seller, Ericsson shall have the unrestricted right to copy and use such other Documents for the purposes intended by Ericsson's purchase of the Products.

3. PRICES AND TERMS OF PAYMENT

The prices stated are fixed and include all taxes, charges and duties payable up to and including delivery.

Payment shall be effected within ninety (90) days from date of complete and successful delivery of Products (including Documents to be provided by Seller) and the receipt of correct invoice. In case of delayed payment, Seller shall notify Ericsson thereof and Ericsson shall thereafter expedite the payment. In case of further delay, Seller shall be entitled to claim interest on the delayed amount in accordance with the Swedish Code of Interest, provided however, that the total interest Seller is entitled to exceeds SEK 1000.

4. ORDER CONFIRMATION

Seller shall within five (5) working days after having received the Purchase Order either confirm the Purchase Order or reject it. If Seller has neither confirmed nor rejected the Purchase Order within the now said time period, Seller is deemed to have accepted the Purchase Order.

5. DELIVERY DOCUMENTS AND PACKAGE

The price shall include the cost of packing and package or other protection required under normal transport conditions to prevent damage to or deterioration of the Products while in transit to Ericsson. The Products shall be packed and marked in accordance with Ericsson's instructions. The Purchase Order number and product numbers (if any) shall be set out in the shipping documents.

6. TERMS OF DELIVERY – PASSING OF TITLE

The terms of delivery shall be interpreted in accordance with INCOTERMS 2000. Title to the Products shall be transferred to Ericsson when delivery has taken place.

7. CONFIDENTIALITY

Seller is responsible for ensuring that Documents and other information provided by Ericsson orally or in writing, is not brought to the knowledge of third parties, without prior written authorization by Ericsson.

8. OBLIGATION TO NOTIFY

Should Seller become aware of reasons to believe that the agreed delivery date cannot be met, Seller shall immediately notify Ericsson in writing, stating the cause of the delay and an estimated delivery date. Such notification shall not limit Seller's liability for delay according to this Agreement or applicable law. If Seller fails to give such notice in due time, Ericsson shall be entitled to compensation for all additional costs and expenses incurred as a result thereof which Ericsson could have avoided if the notice had been duly given.

9. DELAY

If the Products are not delivered within the time agreed, Ericsson shall, for each commenced week of delay, be entitled to claim liquidated damages amounting to five (5%) per cent of the relevant Purchase Order price. The liquidated damages shall not, however, exceed a total of forty (40%) percent of the said price. Independently of the now said, Ericsson shall always be entitled to cancel the relevant Purchase Order or parts thereof, provided that the delay is not insignificant.

10. INSPECTION, QUALITY AND ENVIRONMENTAL STANDARDS

Ericsson shall be entitled to inspect the Products and the production thereof, including the relevant quality assurance system, at the premises of Seller and its subcontractors.

Seller undertakes to comply with the applicable requirements in the ISO 9000 quality system standards and the ISO 14001 environmental system standards. Use of any other standards must be approved by Ericsson in advance. In addition, the Products shall meet the regulatory requirements imposed by the laws and regulations of any governmental entity having jurisdiction over the production, transport and/or sale (including re-sale) of the Products. The Products shall also meet the

technical standards and the environmental- and special market requirements stated in the Purchase Order or otherwise agreed upon between the parties. In addition, Seller shall comply at all times with the latest version of Ericsson's directive regarding banned and restricted substances (the latest version can be found at http://www.ericsson.com/ericsson/corporate_responsibility/suppliers/index.shtml). If requested by Ericsson, Seller shall furnish a certificate for delivered Products stating that the Products conform to all requirements mentioned above in this clause.

11. WARRANTY

Seller warrants that it has and will maintain sufficient rights and interests in the Products provided hereunder. Seller warrants that the Products will perform and conform to the specifications and will meet what otherwise has been agreed upon, and will be free from defects, deficiencies and non-conformities in design, materials and workmanship. Products delivered may be rejected by Ericsson and returned at Seller's risk and expense if at any time found defective, deficient or non-conforming in the above mentioned respects (below in this Article referred to as "defect(s)") during a warranty period of twenty-four (24) months starting from the date of delivery of the respective Products. In such cases Seller shall be obliged at its own cost to, at the option of Ericsson, repair the Products or replace them with new Products that are free from defects, unless Ericsson cancels the purchase concerned, wholly or in part. Repair and replacement shall be carried out promptly upon demand.

When a defect has been remedied as said in the preceding paragraph, Seller shall be liable for defects in the replaced or repaired Product under the same terms and conditions as those applicable to the original Product for a period of twenty-four (24) months.

In addition to the warranties above, Seller shall be obligated to remedy any systematic defects in the Products. A systematic defect is a defect of the same or substantially the same type, that appears or is likely to appear during the reasonably expected life time of the concerned Products in more than one per cent (1%) of the such Products delivered during any relevant time period, such time period to be determined by Ericsson in its sole discretion, however not less than a time period of three (3) consecutive months. In case of a systematic defect in the Products, Seller shall promptly:

- a) at no charge to Ericsson, replace all units of the respective Products delivered up to the time that the systematic defect has been remedied by Seller;
- b) reimburse Ericsson for the actual costs for investigating and analyzing the scope of and consequences resulting from the systematic defect, and the actual costs for the removal and replacement of such defective Products at the sites; and
- c) indemnify Ericsson for all other costs and damage incurred by Ericsson in connection with such defective Products.

Seller's obligations regarding systematic defects shall be applicable for the full expected life time of the relevant Products, which time, however, never shall be shorter than five (5) years from the delivery of the relevant Products.

If Seller fails to fulfill its obligations above within the prescribed time, Ericsson may - without prejudice to other remedies available – undertake, or engage a third party to undertake, necessary remedial works at the risk and expense of Seller.

12. PRODUCT LIABILITY

Should the Products have a defect which causes damage to persons or to other property than such Products, Seller shall indemnify and hold Ericsson harmless for such damage.

13. CODE OF CONDUCT AND COMPLIANCE WITH LAW

Seller shall uphold a code of conduct in accordance with Ericsson's Code of Conduct (the latest version thereof can be found at http://www.ericsson.com/ericsson/corporate_responsibility/suppliers/index.shtml) and undertakes to fulfill the requirements specified therein.

Seller warrants that it will comply with the applicable laws and regulations of Sweden and the laws and regulations of the country(ies) having jurisdiction over Seller.

14. EXPORT AND IMPORT

Seller is responsible for obtaining and maintaining any export license(s) required for delivery of the Products to Ericsson according to the Purchase Order. Seller shall issue all other documents reasonably requested by Ericsson, regarding export and import of the Products.

15. INFRINGEMENT INDEMNITY

Seller shall indemnify and hold harmless Ericsson from and against any and all damages suffered and costs and expenses (including reasonable attorneys' fees) incurred as a result of any claim, suit or proceeding brought against Ericsson or any of its customers based on the allegation that the use, sale, distribution or other disposal of any Products constitutes an infringement of any intellectual property rights or applications thereof (including but not limited to patents, utility models, mask work protections, industrial designs, copyrights and trade marks) or an unauthorized use of know-how, trade secrets or other proprietary rights.

In the event that the Products or any part thereof are in such claim, suit or proceeding held to constitute an infringement or their further use, sale, distribution or other disposal is enjoined, Seller shall promptly, at its own cost and expense but at Ericsson's option, either; (a) procure for Ericsson and/or any concerned customer the right to continue the use, sale, distribution or other disposal of such Products; (b) replace the same with non-infringing Products of equivalent function and performance; or (c) modify such Products so that they become non-infringing without detracting from function or performance.

16. FORCE MAJEURE

The performance of either party, required by the Agreement, shall be extended by a reasonable period of time if such performance of the respective party is impeded by an unforeseeable event beyond such party's control, which shall

include but not be limited to acts of God, industrial actions, riots, wars, embargo or requisition (acts of government), hereinafter referred to as "*Force Majeure*".

In case of Force Majeure, the relevant party shall promptly notify and furnish the other party in writing with all relevant information thereto.

Should an event of Force Majeure continue for a consecutive period of more than three (3) months, Ericsson shall have the right to terminate the Agreement. In such a case, Ericsson shall pay to Seller the price of Products delivered up to the date of termination.

17. NON-WAIVER

The failure by either party to enforce any provisions of the Agreement (including these conditions) or to exercise any right in respect thereto shall not be construed as constituting a waiver of its rights thereof.

18. GOVERNING LAW AND ARBITRATION

The Agreement and any Purchase Orders, as well as any legal matters connected therewith, shall be governed by Swedish law.

All disputes, differences or questions between the parties with respect to any matter arising out of or relating to the Agreement or any Purchase Order shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce, in Stockholm, Sweden, by one or more arbitrators, appointed in accordance with the said Rules. The arbitration proceedings shall be conducted in the English language. All awards 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 shall be kept confidential, and 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.