

ERICSSON'S GENERAL PURCHASE CONDITIONS

These General Purchase Conditions shall apply between Ericsson and Seller and constitute the only conditions upon which Ericsson is prepared to deal with the Seller, unless otherwise separately and explicitly agreed in writing between the parties. The general conditions of Seller shall not apply. These General Purchase Conditions shall also be applicable for all future transactions with the Seller, unless Ericsson has introduced a new version of the General Purchase Conditions, in which case the new version shall prevail.

1. DEFINITIONS

"**Agreement**" means these general purchase conditions and all other documents the parties have agreed to form part of the agreement governing Ericsson's procurement of the Products and/or Services.

"**Ericsson**" means the individual Ericsson Group company procuring Products and/or Services from Seller under the Agreement.

"**Ericsson Group**" means the group of companies of which 50% (fifty percent) or more of the issued shares or voting rights are directly or indirectly owned by Telefonaktiebolaget LM Ericsson.

"**Document(s)**" means any drawings, technical documents, software programs or other data bearing media in whatever medium or format.

"**Intellectual Property Right(s)**" means copyrights, patents, drawing and model rights, trade-names, trademarks, semi-conductor topography protection rights, and all possible other intellectual property rights, whether registered or not.

"**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(s)**" means an order in writing, by facsimile or electronically for purchase of Products and/or Services submitted by Ericsson to Seller, subject to the present General Purchase Conditions.

"**Seller**" means the seller of the Products and/or Services.

"**Service(s)**" means the services ordered by Ericsson from the Seller for performance by Seller.

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/or Services and provided by Seller to Ericsson, shall be the exclusive property, including the respective Intellectual Property Rights, of Ericsson. With respect to other Documents provided by Seller and not specifically prepared as a result of Ericsson's Purchase Order, Ericsson shall have the unrestricted right to copy and use such other Documents for the purposes intended by Ericsson's purchase of the Products and/or Services.

3. PRICES AND TERMS OF PAYMENT

The currency shall be the official currency of the country in which Ericsson is registered as a company.

The prices stated are fixed and include all taxes, charges and duties payable, except value added tax.

Payment shall be effected within thirty (30) days with a cash discount of 2% or ninety (90) days from date of complete and successful delivery/performance of Products and/or Services (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 applicable law of the country in which Ericsson is registered as a company.

Payment shall not be construed as acknowledgement or agreement that the Products and/or Services are as agreed between the parties. Ericsson reserves the right to audit or test any Products and/or Services and/or audit any invoice prior to payment thereof.

In the event Ericsson has reason to doubt the financial credibility of Seller, Seller shall upon Ericsson's first request provide securities in a form and from a trustworthy and solid guarantor, both acceptable to Ericsson.

Invoices shall only be processed if - in accordance with the specifications in the Purchase Order - they contain the applicable purchase order number and are received at the address of Ericsson indicated in the Purchase Order. Invoices must be submitted in triplicate. Invoices which do not comply with these requirements shall not be payable and will be returned to Seller. Ericsson shall be entitled to change such invoice requirements from time-to-time and to request ordering/invoicing by an e-procurement tool.

Without prejudice to any agreed discounts, if Ericsson has justifiable grounds to believe that Seller has failed to deliver and/or perform as agreed, or that the invoice is incorrect, Ericsson is entitled to offset and withhold payments, and Seller shall not suspend performance of its obligations, to the extent permitted by the applicable law of the country in which Ericsson is registered as a company.

If the parties have agreed that certificates concerning material tests shall be submitted, such certificates shall form part of Seller's delivery and shall be submitted to Ericsson together with Seller's invoice. The payment period shall not commence until all agreed certificates are received by Ericsson.

4. PURCHASE ORDER

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

these General Purchase Conditions. Changes or additions to a Purchase Order shall only be valid if duly executed in writing by Ericsson and Seller.

Ericsson shall have the right to terminate any Agreement/Purchase Order without notice, legally and without prior default letter and without prior judicial recourse, by means of a registered notification to the Seller in which reference is made to the present clause, in case of bankruptcy of Seller, moratorium of payments and or in the event the control over Seller is being transferred to a third party without the prior written approval of Ericsson.

All correspondence must be addressed to Ericsson's purchasing department responsible for placing the Purchase Order.

5. DELIVERY DOCUMENTS AND PACKAGE

The price shall include the cost of packing and packaging or other protection required 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 – PASSAGE OF OWNERSHIP – TRANSFER OF RISK

All prices for any Products are quoted, and the term of delivery shall be, in accordance with DDP INCOTERMS 2000 (location named by Ericsson). Ownership of the Products shall be transferred to Ericsson when delivery has taken place.

The place of performance of Services shall be the location of use specified in the Purchase Order.

Products made by the Seller for the purpose of fulfilling a Purchase Order, shall be handed over to and become the property of Ericsson at the date specified in the Purchase Order.

For deliveries involving installation, risk shall transfer upon Ericsson's acceptance of the delivery and installation of the Products; for deliveries not involving installation, risk shall transfer upon Ericsson's receipt of the delivery at the location specified by Ericsson. For any delivery to be made to a third party specified by Ericsson, Seller shall notify Ericsson's purchasing department responsible for placing the Purchase Order by means of a delivery note signed by a clearly identifiable authorized representative of Seller.

Seller shall include the Purchase Order number issued by Ericsson on all shipment documents and delivery notes; Seller acknowledges that failure to comply with this requirement may result in processing delays, for which Ericsson shall not be responsible.

7. CONFIDENTIALITY

Seller shall bear unlimited liability for ensuring that all data, drawings, films, samples, documentation, documents or information of any kind and in whatsoever form given or disclosed by Ericsson is not brought to the knowledge of third parties, in whole or in part, without Ericsson's prior written authorization.

Such information shall remain confidential for a period of five (5) years following disclosure or until the information becomes public without Seller's fault.

Seller shall not without Ericsson's prior written permission advertise or publish any information related to a Purchase Order or the relationship between Seller and Ericsson or the Ericsson Group.

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. Notwithstanding any other rights and remedies set forth herein, 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

For the avoidance of doubt, all delivery/performance dates contained in a Purchase Order or otherwise agreed upon shall be considered essential to Ericsson.

The criterion for deciding whether a delivery has been delivered on time is the time at which the delivery is received by Ericsson at the location specified by Ericsson; the criterion for deciding whether Products as well as Services are delivered on time shall be acceptance by Ericsson of such Products and Services.

Ericsson shall, for each commenced week of delay, be entitled to claim penalties amounting to five per cent (5%) of the relevant Purchase Order price. Penalties shall not, however, exceed a total of forty per cent (40%) of the said price. Notwithstanding the aforementioned, in the event of delay, Ericsson shall always be entitled to terminate any Agreement/Purchase Order or parts thereof without notice, legally and without prior default letter and without prior judicial recourse, by means of a registered notification to the Seller in which reference is made to the present clause. The foregoing shall be without prejudice to Seller's right by mandatory law, if any, to prove that it cannot be held liable for such damages or to prove liability for a lesser amount of damages.

If Products and/or Services are not delivered within the time agreed and any damage exceeding the amount of the penalties is incurred, Ericsson shall be entitled to all statutory relief including, in particular and without limitation, the right to claim compensation for such damages resulting from Seller's non-performance.

For the avoidance of doubt, strikes and/or other forms of labour dispute shall not excuse Seller from delivery/performance by the agreed date.

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. Ericsson reserves the right to test the Products. Upon Ericsson's request, the Seller shall free of charge provide all documents, tools and information necessary to perform the tests. Testing of the Products by Ericsson shall not be deemed as acceptance of the Products. In the event Ericsson rejects or disapproves the Products, it shall have the right to return or store the Products at the risk of and for the account of Seller, and Ericsson shall be entitled at its discretion and without prejudice to any other right or remedy which Ericsson may have, to terminate any Agreement/Purchase Order or parts thereof without notice, legally and without prior default letter and without prior judicial recourse, by means of a registered notification to the Seller in which reference is made to the present clause.

Ericsson will only be deemed to have received or accepted delivery of Products and/or performance of Services in case a written formal declaration has been issued by Ericsson and addressed to the Seller. Such declaration, however, shall not limit Seller's liability for hidden defects.

Seller undertakes to comply with the applicable requirements in the ISO 9001 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 and/or Services 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 and/or performance of Services. The Products and/or Services 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/sustainability/download/pdf/banned.pdf>). If requested by Ericsson, Seller shall furnish a certificate for delivered Products and/or performed Services stating that the Products and/or Services conform to all requirements mentioned above in this clause.

Insofar Seller delivers Products within or into the European Union, Seller warrants at all times: (i) that it is a registered producer in terms of European Union Directive 2002/96/EG of 27th January 2003 (WEEE) directive 2002/96/EG as implemented respectively in all countries of the European Union; (ii) that it complies with all national laws (of the country in which Ericsson is registered as a company) implementing such directive; and (iii) that it shall produce and label the Products according to the above mentioned laws. For unlabelled or mislabelled Products delivered, Seller shall reimburse Ericsson's costs for subsequent re-labelling. The Seller or its affiliates shall at no cost take back the Products from Ericsson, its any other member of the Ericsson Group, the end-user or any other place at Ericsson's choice. Furthermore, it shall be the Seller's sole responsibility to dispose of the Products in full accordance with the above-mentioned national laws. The Seller shall indemnify and hold Ericsson and other members of the Ericsson Group harmless from and against all costs and claims resulting from the Seller not being the producer in terms of the above mentioned directive or the national laws, or the supplier not complying with the obligations of the above mentioned directive or to the national laws, respectively. This obligation shall survive for as long as the Products remain on the market and for as long as costs for disposal and transportation can possibly accrue, whichever period is longer.

Insofar Seller delivers Products within or into the European Union, Seller warrants that the Products and parts thereof conform in all respects with the provisions of European Union Directive 2002/95/EG (RoHS) as implemented respectively in all countries of the European Union, and Products and parts thereof do not contain any restricted or prohibited substances specified in Article 4.1 of RoHS. Seller shall indemnify and hold Ericsson and other members of the Ericsson Group harmless from and against all costs and claims arising as a result of the aforementioned RoHS warranties, and any such breach of the aforementioned RoHS warranties shall be deemed a fundamental and material breach of the Agreement by Seller. If the sole reason why Seller is able to warrant its compliance with the aforementioned RoHS warranties is due to Seller's reliance upon any exemption set out in RoHS (or any implementing legislation) then Seller shall inform Ericsson of such reliance in writing without delay and specify the date by which the Products or parts thereof will cease to require the benefit of such exemption.

11. WARRANTY

Seller warrants that it has and will maintain sufficient rights and interests in the Products and/or Services provided hereunder. The Seller is obliged to perform Services in a professional and workmanlike manner. Seller warrants that the performance of the Products and/or Services will be in accordance with the agreed specifications, that the Products and/or Services meet all applicable statutory requirements, that the Products and/or Services are and will be free from defects, deficiencies and non-conformities in design, materials and workmanship and are fit for Ericsson's purpose. Products delivered and/or Services performed 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 risk is transferred to Ericsson. In such cases Seller shall be obliged at its own cost, at the option of Ericsson, to repair the Products or replace them with new Products and/or re-perform the Services so that they are free from defects. Repair, replacement and/or re-performance shall be carried out promptly upon demand. Notwithstanding the aforementioned, Ericsson shall be entitled to the full extent of statutory warranty claims, such as, but not limited to, cancellation.

Any computer software, either tailor made or non-tailor made, shall be free from viruses, Trojan horses or electronics keys unknown to Ericsson.

For the transportation of defective Products from Seller to Ericsson, all costs and risks of loss or damage incurred with respect to the repair and/or replacement of faulty or defective Products shall be borne by Seller. Any return delivery from Ericsson to Seller shall be EXW (Incoterms 2000) from the place where Ericsson makes the Products available, by normally scheduled carrier, if applicable and unless otherwise agreed.

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

If Seller fails to fulfill its obligations above within the prescribed time, Ericsson may – without prejudice to other available remedies – undertake, or engage a third party to completely fulfill all of Seller's obligations under the Agreement at the risk and expense of Seller.

Ericsson has the right to claim damages, particularly damages resulting from non-fulfilment.

Seller shall continue production, support and maintenance of the Products at fair market prices for at least ten (10) years after delivery. In case Seller has the intention to discontinue production and/or support and maintenance of the Products, the Seller shall give not less than twelve (12) months notice to Ericsson thereof.

12. LIABILITY AND INSURANCE

Ericsson shall be entitled to the full extent of claims regarding liability.

Seller shall indemnify and hold Ericsson harmless from any and all claims, legal actions, etc., regarding the Products/Services, such as those based on product liability legislation.

The Seller shall maintain product liability insurance with coverage of at least five million euros (€5.000.000,00), or the equivalent amount in the official currency of the country in which Ericsson is registered as a company, per occurrence of personal injury/property damage. The foregoing is without prejudice to claims by Ericsson for damages.

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/sustainability/code_of_conduct.shtml) and undertakes to fulfill the requirements specified therein.

Seller warrants that it will comply with the applicable laws and regulations of the country in which Ericsson is registered and the laws and regulations of the country(ies) having jurisdiction over Seller, including in particular, but not limited to, laws governing the use and dissemination of personal data.

14. EXPORT AND IMPORT

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

15. EQUIPMENT PROVIDED BY ERICSSON, TOOLS, DOCUMENTS

Materials or parts provided by Ericsson shall remain the property of Ericsson, and must be managed, stored separately and identified free of charge. Such materials or parts shall be used only as designated. The Seller is liable for any reduction in value or loss.

Any processing or restructuring of equipment by the Seller shall be performed on behalf of Ericsson. If any new Products are created as a result of restructuring, processing or blending, Ericsson shall acquire co-ownership in such Products in proportion to the value of the equipment provided by Ericsson to the value of the other processed or blended items at the time of processing.

If Products are combined with other products in such a way that the Products of the Seller are deemed to be the main Products, the Seller shall assign proportionate co-ownership to Ericsson. The Seller shall act as custodian for the sole ownership or the co-ownership for Ericsson.

Ericsson reserves all property rights and/or copyrights relating to tools, patterns, etc., as well as illustrations, drawings, calculations and other documents placed at the disposal of the Seller. The above items, as well as any items which may be made on the basis of the above, must not be made available to third parties without the explicit written consent of Ericsson. They must be used exclusively for the agreed purposes and must be automatically returned to Ericsson after order processing has been completed. They must not be disclosed to third parties.

16. INFRINGEMENT INDEMNITY - INTELLECTUAL PROPERTY RIGHTS

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 and/or performance of Services constitutes an infringement of any Intellectual Property Rights or applications thereof or an unauthorized use of know-how, trade secrets or other proprietary rights.

In the event that the Products and/or Services 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 and/or Services; (b) replace the same with non-infringing Products and/or Services of equivalent function and performance; or (c) modify such Products and/or Services so that they become non-infringing without detracting from function or performance. Provided that Seller acts promptly and diligently as aforementioned, Ericsson shall refrain from taking actions towards third parties on account of such claim, suit proceeding or injoinder, which are prejudicial to the Seller, without Seller's prior approval.

In the event Seller develops Products for Ericsson, the Intellectual Property Rights related thereto shall vest in Ericsson and title thereto is hereby assigned and transferred to Ericsson. Seller shall take all necessary actions and provide all necessary

support to assign and transfer such rights to Ericsson or to confirm such assignment and transfer, as the case may be. Seller represents and warrants that it has the right to assign and transfer such rights to Ericsson and that no other party has any options, licenses or other rights related thereto. Seller hereby waives any and all personal and moral rights regarding the Products and/or Services and shall hold Ericsson harmless against possible personal and moral rights of third parties. In the event the Products have not been developed for Ericsson and Intellectual Property Rights relate to such Products, Seller hereby grants Ericsson a non-exclusive, unrestricted, transferable license to use the Products for a duration equal to the legal protection period of intellectual property rights of the Products, at no additional charge, for the anticipated purpose thereof. For computer software such anticipated use shall be defined as inter alia: the storage into a computer in machine readable form, the display, the viewing on a monitor or screen, the execution, support, the transmission and making of back-up copies.

Any and all drawings, specifications, technical details, models as well as all other documents manufactured by or on behalf of Seller in connection with the Purchase Order shall be deemed to have been manufactured for Ericsson and shall be handed over to Ericsson upon delivery. Any Intellectual Property Rights shall be vested in Ericsson at the moment of creation or licensed at the moment of delivery, as applicable. The respective Agreement shall be deemed to be a deed of transfer or grant of license, as applicable.

Seller shall not without Ericsson's prior written permission have the right to use trademarks, trade-names or logos of Ericsson or the Ericsson Group. If Ericsson has given such permission to Seller, then Seller shall always comply with the prevailing conditions and instructions of Ericsson when using such trademarks, trade-names and/or logos.

With regard to non-tailor made computer software supplied to Ericsson, Seller shall at its own cost upon Ericsson's first request and for the benefit of Ericsson place all source code of the computer software and other materials necessary for upgrading and maintenance of the computer software in escrow with a trustworthy and solid escrow agent acceptable to Ericsson and enter into a three-parties agreement in which the escrow agent is obliged to hand over the source code and related materials to Ericsson in the cases to be specified in such escrow agreement, which shall in any event include, but not be limited to, liquidation, bankruptcy or a moratorium of payment of Seller and/or a breach of contract by Seller.

17. ASSIGNMENT / SUBCONTRACTING

Neither party shall have the right to assign a Purchase Order or any right or obligations pursuant thereto without the prior written approval of the other party, with the sole exception that Ericsson shall have the right to assign any Purchase Order or any right or obligations pursuant thereto to other Ericsson Group companies.

Seller shall not have the right to involve subcontractors in the execution of a Purchase Order or of any right or obligation pursuant thereto without the prior written approval of Ericsson. In the event Ericsson gives such approval to Seller, Seller shall remain fully responsible and liable for such subcontractors.

18. 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.

The nullity or unenforceability of any provision contained in the Agreement will in no way affect the enforceability of the other provisions. Parties agree that if, and insofar as, it would be established by a competent judicial or administrative tribunal that a provision of the Agreement is illegal and/or unenforceable, such provision will be replaced by the parties by a provision that is legal, valid and enforceable, and approaches the original intention of the parties as a closely as possible.

19. GOVERNING LAW AND JURISDICTION

The Agreement and any Purchase Orders, as well as any legal matters connected therewith, shall be governed by the law of the country in which Ericsson is registered as a company. The United Nations Convention on Contracts for the International Sale of Goods of 1980 shall not be applicable.

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 by the competent court in the country in which Ericsson is registered as a company and which court is situated nearest thereto.

20. TERMINATION

Ericsson shall be entitled to terminate, with immediate effect, legally and without prior default letter and without prior judicial recourse any Agreement, by means of a registered notification to the Seller in which reference is made to the present clause in the event that the relevant customer of Ericsson terminates, for any reason whatsoever, its agreement with Ericsson or any relevant purchase order issued pursuant to such agreement.