

Confidential

## Terms and Conditions of Purchase

---

Unless specifically superseded by a contract specific to the materials, services or materials referred to on the front face of this order and also referred to thereon, this order is subject to the following provisions;

1. This order constitutes Buyer's offer to purchase the materials, services and articles, all of which are herein called 'materials' described elsewhere in this order, in accordance with its provisions which include the provisions set forth on the face and reverse of this order, the provisions attached hereto and the provisions incorporated herein by reference in the case of conflict, the provisions on the face or reverse of this order shall prevail.

2. Delivery: Unless otherwise stated, delivery shall be deemed to take place when the materials reach Buyer's premises or other notified delivery point.

3. Shipping instructions: Seller shall ship to the delivery point specified on the order by his chosen methods of shipment. No charges will be allowed for transportation, Packaging or returnable containers, unless agreed and stated on the face of the order document. All shipments must be packaged suitably so as to permit efficient handling and to provide protection in shipment, and if tendered to a common carrier for delivery, must also conform to the packaging requirements applicable to such carrier. Damage to any materials resulting from improper packaging will be charged to Seller.

4. Specifications: All materials ordered to Buyer's specifications must comply with such specifications current as of the date of this order unless otherwise specified by Buyer.

5. Warranty: Unless otherwise agreed to in writing by the parties, Seller warrants that materials ordered to specifications will conform thereto and to any drawings, samples or other description furnished or adopted by Buyer, or if not ordered to specifications, will be fit and sufficient for the purpose intended, and that all materials will be merchantable, of good material and workmanship, and free from defect. Except for latent defects, fraud or such gross mistakes of Seller as amount to fraud, notice of any defect or nonconformity must be given by the Buyer to the Seller within one (1) year after delivery, or one (1) year after receipt of satisfactory qualification test reports, if required hereunder, whichever is later.

6. Buyer may, at its option either return for credit or refund or require prompt correction or replacement of the defective or nonconforming article or part thereof. Return to Seller of any defective or nonconforming article and delivery to Buyer of any corrected or replaced materials shall be at Seller's expense. Defective or nonconforming materials shall not be corrected or replaced unless specified on Buyer's written order. Materials required to be corrected or replaced shall be subject to the provisions of this clause and the clause hereof entitled 'Inspection' in the same manner and to the same extent as materials originally delivered under this order, but only as to the corrected or replaced part or parts thereof.

7. Inspection: Acceptance of all materials shall be subject to inspection and test at all times and places, including the period of manufacture, by Buyer. If any inspection or test is made on Seller's premises, Seller, without additional charge, shall provide all reasonable facilities and assistance for the safety and convenience of Buyer's inspectors. Such inspections and tests shall be performed in such a manner as not unduly to delay the work. All materials are also subject to final inspection and acceptance at Buyer's plant notwithstanding any payments or other prior inspections. Such final inspection shall be made within a reasonable time after delivery.

8. Release of news information and advertising: Seller shall not without the prior written consent of Buyer: (a) make any news release, public announcement, denial or confirmation of all or any part of the subject matter of this order, or any phase of any program hereunder; or (b) in any manner advertise or publish the fact that Buyer had placed this order.

9. Termination: Without prejudice to any other right or remedy of Buyer, Buyer shall have the right to terminate this order: (1) In respect of any article at any time prior to their delivery or performance by

Confidential

written notice, including fax provided that the Buyer shall pay a fair and reasonable price for work in progress at the time of such notice and subsequently received by Buyer provided that Buyer shall not be liable for any loss or damage suffered by Seller including consequential loss or damage: (2) If Seller fails to make any delivery in accordance with the instructions, terms, conditions or warranties applicable to this order or fails to make progress so as to endanger performance of this order or in the event of any proceedings by or against Seller in bankruptcy or insolvency or appointment of a Receiver or Liquidator or an assignment or composition for the benefit of creditors, by written notice including fax to Seller, provided that Buyer shall not be liable for any loss or damage suffered by Seller including consequential loss or damage in connection with such termination. Buyer may require and Seller shall supply on request a financial statement from Seller at any time during the continuance of this order for the purpose of determining Seller's financial position.

10. In the event of termination pursuant to this sub-clause, Buyer may produce or purchase or otherwise acquire elsewhere on such terms, or in such manner as Buyer may deem appropriate and Seller shall be liable to Buyer for any excess costs or other expenses incurred by Buyer in so doing.

12. Patent Indemnity: Seller hereby indemnifies Buyer, its successors, assigns, agents, customers and users of the materials against loss, damage, or liability including costs and expenses, which may be incurred on account of any suit, claim, judgement or demand involving infringement or alleged infringement of any patent rights or other industrial property rights in the manufacture, use, sale, or other disposal of any materials supplied hereunder, provided Buyer shall notify Seller of any suit instituted against it and, to the full extent of its ability to do so, shall permit Seller to defend the same or make settlement in respect thereof. Buyer does not grant indemnity to Seller for infringement of any patent or other industrial property rights.

12. Excusable Delays: Neither party shall be liable for damages for delay in delivery arising out of causes beyond its reasonable control and without its fault or negligence, including, but not limited to, acts of God or of the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather. If the delay is caused by the delay of a subcontractor of Seller and if such delay arises out of causes beyond the reasonable control of both Seller and the subcontractor, and without the fault or negligence of either of them, Seller shall not be liable to Buyer in damages unless the materials or services to be furnished by the subcontractor were obtained from other sources in sufficient time to permit the Seller to meet the required delivery schedule. Seller will notify Buyer in writing, within ten (10) days after the beginning of any such cause affecting either it or any subcontractors.

13. Assignments and novation: Neither this order nor any rights or obligations herein may be assigned nor novated by Seller nor may Seller subcontract in whole or in part the performance of its duties hereunder without in either case, Buyer's prior written consent. The terms and conditions of this order shall bind any permitted successors and assigns of Seller. Any consent by Buyer to assignment or novation shall not be deemed to waive Buyer's rights to recovery and/or set of claims arising out of this or any other transactions with Seller, its divisions, affiliates or subsidiaries, or to settle or adjust matters with Seller without notice to permitted successors and assigns.

14. Sub-contracts: Seller shall not subcontract the requirements of this purchase order to any third party without obtaining the prior written permission of Buyer.

15. Changes: Buyer may at any time, by a written notice, make changes in the specifications, designs or drawings, samples or other description to which the materials are to conform, in methods of shipment and packaging, or place of delivery. If any such change causes an increase or decrease in the cost of, or the time required for, the performance of any part of the work under this order, whether changed or not changed by any such order, an equitable adjustment shall be made in the price or delivery schedule, or both, and this order modified in writing accordingly. Any claim by Seller for an adjustment must be made in writing within thirty (30) days of the receipt of any such notice, provided, however, that Buyer may at its discretion receive and act upon any such claim so made at any time prior to final payment under this order. Nothing in this clause shall excuse the Seller from proceeding without delay to perform this order as changed.

16. Information: (a) Drawings, data, design, inventions and other technical information supplied by Buyer



Confidential

shall remain Buyer's property and shall be held in confidence by Seller. Such information shall not be reproduced, used or disclosed to others by Seller without Buyer's prior written consent, and shall be returned to Buyer upon completion by Seller of its obligations under this order or upon demand. (b) Any information which Seller may disclose to Buyer with respect to the design, manufacture, sale or G Communications Ltd Terms and Conditions of Purchase use of the materials covered by this order shall be deemed to have been disclosed as part of the consideration for this order, and Seller shall not assert any claim against Buyer by reason of Buyer's use thereof.

17. Buyer's property: (a) All property used by Seller in connection with this order which is owned, furnished, charged to or paid for by Buyer including, but not limited to, materials, tools, dies, jigs, moulds, patterns, fixtures, equipment, drawings and other technical information, specifications, and any replacement thereof, shall be and remain the property of Buyer subject to removal and inspection by Buyer at any time without cost or expense to Buyer and Buyer shall have free access to Seller's premises for the purpose of inspecting or removing such property. All such property shall be identified and marked as Buyer's property, used only for this order and adequately insured by Seller at its expense for Buyer's protection. Seller shall assume all liability for and maintain and repair such property and return the same to Buyer in its original condition, reasonable wear and tear accepted, and when such property is no longer required hereunder, Seller shall furnish Buyer with a list thereof and shall comply with any buyer disposal instructions which may become applicable. Buyer shall not be obligated to pay any invoices for tooling until the first article produced there from shall have been received and accepted. (b) Materials furnished by Buyer on other than a charge basis in connection with this order shall be deemed to be held by Seller as Bailee thereof. Seller agrees to pay Buyer's replacement cost for all materials spoiled or otherwise not satisfactorily accounted for.

18. Gratuities: Seller warrants that neither it nor any of its employees, agents or representatives has offered or given any inducement, financial or otherwise, to Buyer's employees, agents or representatives with a view to securing this order or securing favourable treatment with respect thereto and the amount of any such inducement shall constitute an offset to any amounts payable by Buyer to Seller.

19. Notice to Buyer of Labour Disputes: (a) Whenever Seller has knowledge that any actual or potential labour dispute is delaying or threatens to delay the timely performance of this order, Seller shall immediately give notice thereof, including all relevant information, with respect thereto, to Buyer. (b) Seller agrees to insert the substance of this clause, including this paragraph (b), in any subcontract hereunder as to which a labour dispute may delay the timely performance of this order.

20. Effect of Invalidity: The invalidity in whole or in part of any provision hereof shall not affect the validity of any other provision.

21. Rights, Remedies and Waiver: The rights and remedies provided herein shall be cumulative, and in addition to any other rights and remedies provided by law or equity. A waiver of a breach of any provision hereof shall not constitute a waiver of any other breach.

22. Law and disputes: Any dispute arising under this order which is not settled by agreement of the parties may be settled by appropriate legal proceedings. Pending of any decision, appeal or judgement in such proceedings or the settlement of any dispute arising under this order, Seller shall proceed diligently with the performance of this order in accordance with the decision of Buyer. This order shall be governed by and construed in accordance with English Law.

23. Buyer Approvals and Reviews: The review or approval by Buyer of any work hereunder or of any designs, drawings, specifications or other documents prepared hereunder shall not relieve Seller of any of its obligations under this order nor excuse or constitute a waiver of any defects or nonconformities in any materials furnished under this order, including, but not limited to, the prices and delivery schedules contained herein.

24. Taxes: Seller assumes exclusive liability under all laws that impose taxes or other levies on the manufacture or sale of the items to be furnished hereunder, or any component part thereof, or on any process or labour involved therein, or on any services to be rendered by Seller, and to pay any and all such taxes except those Buyer specifically agrees or is by law required to pay. Any taxes to be paid to



Confidential

Buyer shall be separately stated on the invoice.

25. Time: Time is of the essence in the performance of this order by Seller.

26. Title: Except if title has been heretofore passed to Buyer or Buyer's customers under other provisions of this order, title to the materials shall pass to Buyer upon delivery of the materials to the delivery point named herein or, if none, on delivery to the Buyer.

27. Indemnity: Seller shall indemnify and hold Buyer harmless against all damages, costs and expenses incurred by Buyer as a result of Buyer being required (a) to recall product from Buyer's customers or others any materials furnished hereunder or an end product employing any such materials as a part or component thereof or being a device with any such article and (b) to repair, replace or refund the purchase price of such materials or and product to the extent that such recall and such repair, replacement or refund is based upon a defect, whether of design or manufacturer in the materials furnished by Seller or the failure of such materials to conform to any standard to which such materials are required by law to conform or the failure of the materials to conform to any specification or standard to which it is ordered or being supplied in breach of the warranty contained in paragraph six (6).

28. In the event that Seller's materials shall not be the sole cause for such action by Buyer, then Buyer shall apportion its costs, damages and expenses in such manner as it shall determine in its sole judgement is reasonable and equitable.

29. Buyer shall not be required to consult with, or seek Seller's concurrence in the reporting by Buyer to any administrative or regulatory body, of any information which Buyer obtains indicating that the materials furnished by Seller either fail to conform to any standard required by law, or constitute or create of themselves or within the end product of which they are a part or component, a situation requiring, recall or notice as defined by the applicable law. Seller hereby releases and discharges Buyer from any liability for any error or omission in the reporting of such information unless such error or omission is attributable to the wilful conduct of Buyer.

30. Seller shall prepare, maintain and file with the appropriate authority such records and reports as pertains to the manufacturer, sale, use and characteristics of the materials furnished to Buyer hereunder as may be required by any law or regulation concerning the manufacture, sale or use of the materials or the end products of which the materials may be part or component and shall provide Buyer with copies of such records as Buyer may require and permit Buyer access to Sellers records to permit Buyer to ascertain Seller's compliance hereunder.

31. Seller represents that the prices charged for the materials covered by this order are the lowest prices charged by Seller to Buyer of the same class as Buyer under conditions similar to those specified in this order and that prices comply with applicable government regulations in effect at time of quotation, sale or delivery. Seller agrees that any price reduction made in the materials covered by this subsequent to its placement but prior to payment therefore will be applicable to it.

32. Intellectual Property Rights: The Seller shall ensure that where the Buyer is paying for the design and development of materials covered by this purchase order: (a) the property in the design of such article(s), (b) the IPR in any software generated, and (c) the copyright of any work generated under this order shall be the property of the Buyer.

33. The Quality requirements shall be as specified on the front face of this order where applicable.