

GENERAL TERMS OF PURCHASE, PERLOS CORPORATION

1. Application

These general terms shall apply to the purchasing of Products, unless otherwise separately and in writing agreed upon between Perlos Corporation (hereinafter "Perlos") and the Seller (each referred to as a "Party" and together the "Parties").

2. Product(s), prices and specification

The Product(s) purchased and sold in accordance with these terms shall be defined in the respective technical and commercial documents. Prices for the Product(s) shall also be set forth and be mutually agreed in the said documents. The prices stated are fixed prices. The Seller shall not be entitled to make invoicing charges or other additional charges not agreed upon by the Parties.

Each Product delivered by Seller to Perlos shall meet the Specification(s) and any specification defined and/or approved by Perlos. Seller is not entitled to change the Specification(s) or any part thereof, nor any raw material(s) used in the Product(s), without Perlos' prior written consent.

3. Ordering procedure

The Seller's offer(s) shall be binding. The Seller and Perlos have the right to correct obvious calculation and typing errors in the price and quantity information.

Perlos may place Purchase Order(s) with Seller directed to the applicable Order Entry Point(s) by post, telefax, EDI, Extranet, web or any other means agreed. Seller shall promptly send its written confirmation of each Purchase Order, but in no case later than within two (2) Business Days after the date of the Purchase Order. If no confirmation is received by Perlos, the Purchase Order(s) shall be deemed accepted as such two (2) Business Days after the date of such Purchase Order(s).

Any forecasts issued by Perlos concerning anticipated needs for Product(s) are not offers to purchase Product(s) by Perlos nor acceptances by Perlos to use Seller's Product(s) and are in no way binding on Perlos. The measures to be undertaken by Seller based on such forecasts are at Seller's sole risk.

4. Rescheduling and cancellation

Perlos has the right, without any liability for costs related thereto, to temporarily suspend the delivery of the Product(s), or any part thereof. Perlos shall specify which part of the delivery shall be suspended, the effective date of the suspension and the expected date for resumption.

Perlos has the right, at any time, to cancel a Purchase Order free of charge at its sole discretion, with the consequence that Seller's obligation to perform the delivery of the Product(s) shall immediately cease. Following such cancellation, Perlos shall as sole compensation pay (i) the unpaid balance due to Seller for the Product(s) already delivered and (ii) the costs incurred by Seller for Perlos specific raw materials and/or raw goods ("Materials") purchased by Seller for manufacturing the Product(s) and ordered according to Perlos' forecast and within a specific lead-time detailed in the Purchase Order. Perlos' obligation to pay for such Materials is subject to the following conditions: a) the Materials were ordered by Seller prior to receipt of the notice of cancellation b) Seller cannot use or sell the Materials otherwise c) Seller undertakes all reasonable efforts to cancel or reduce the current open purchase orders for Materials d) Seller has informed Perlos about the volumes and prices of the Materials in the confirmation of the Purchase Order and e) such costs are not covered in (i) above. Product(s) and Materials paid for shall at Perlos option be delivered to Perlos.

5. Terms of delivery

The terms of delivery shall be DDP interpreted in accordance with INCOTERMS 2000 unless otherwise agreed between the Parties.

6. Packing and marking

The Seller shall be responsible for the proper packing and protecting of the Product(s) for transportation. The Product(s) shall also be packed in accordance with any Perlos' instructions. Prices in offers and agreements shall include the costs of packing and/or protection required to prevent damage to or deterioration of the Product(s) during transportation. Substances dangerous to health and the environment must be clearly marked. Products falling under the scope of RoHS Directive (2002/95/EC) and WEEE Directive (2002/96/EC) must be identified according to internationally acknowledged guidelines on marking of Pb-free products.

7. Delayed deliveries

The Product(s) shall be delivered on the agreed date and time. Time shall be of essence in relation to all delivery deadlines. Perlos is not obliged to take the Product(s) into his possession before the agreed time of delivery. Partial deliveries are not allowed, unless accepted by Perlos in writing.

Should the Seller find that the delivery date agreed on cannot be met, the Seller shall immediately notify Perlos in writing, stating the cause of the delay and an estimated delivery date. Such notification shall not limit the Seller's liability according to the Purchase Order or applicable law.

If a delivery is delayed, Perlos is entitled to a delay penalty. The delay penalty does not limit Perlos' right to compensation for damage incurred as a result of the delay in delivery. The delay penalty for a delayed delivery shall be zero point five percent (0.5%) of the aggregate contract price for each day of delay.

If a delivery is delayed, Perlos has the right to cancel the Purchase Order relating to the delayed Product(s) or a part thereof free of charge with the consequence that Seller's obligation to perform the delivery of the Product(s) shall immediately cease. No delay penalty shall limit Perlos' right to cancel a Purchase Order in case of delay.

8. Title and payment terms

Title to the Product(s) shall pass to Perlos either when the Product(s) are delivered into the possession of Perlos or progressively as the Product(s) are paid for by Perlos, whichever first occurs.

Seller shall be entitled to invoice the Product(s) upon delivery. The payment term is sixty (60) days net from the invoice arrival date, unless otherwise agreed upon between the Parties. Invoice shall be considered paid when Perlos' bank account has been debited. Payment shall not constitute Perlos' acceptance of any Product(s).

9. Environmental issues and quality requirements

Seller shall be responsible for all environmental aspects of the Product(s). Seller shall not use materials, which are dangerous or harmful to health or the environment or cause other similar risks.

Seller shall at its own cost obtain all necessary authority type and other approvals for the Product(s) when such may be required to enable Perlos to sell the Product(s) or incorporate the Product(s) in any Perlos' products. The Seller warrants that the Product(s) comply with any requirements or restrictions in the RoHS Directive (2002/95/EC) and any restrictions in Perlos' Substance List. In addition, Product(s) delivered to Perlos units located within People's Republic of China must comply with the requirements of Management Methods for Controlling Pollution by Electronic Information Products (Ministry of Information Industry Order #39, "China RoHS") or any subsequent regulation as well as all related statutory requirements. Seller upholds quality and environmental systems according to standards ISO 9001 and 14001, and undertakes to fulfil the requirements specified therein. Use of any other standards must be approved by Perlos in advance.

The Product(s) shall meet the regulatory requirements imposed by the law of any governmental entity, having jurisdiction over the production, transport and/or sale of the Product(s). The Product(s) shall also meet the technical standards and the environmental and special market requirements stated in the Purchase order and the demands of commercial or good technical practice. Perlos or its customers shall be entitled to inspect the Product(s) and the production thereof, including the quality assurance system, at the premises of the Seller or of the Seller's subcontractor. At Perlos request, the Seller shall furnish a certificate for delivered Product(s) stating that the Product(s) conform with the requirements mentioned above.

10. Warranty and faulty Product(s)

Seller acknowledges and approves that Perlos' incoming inspection of Product(s), shall not limit Seller's liability or Perlos' rights in any way. Seller hereby warrants all Product(s) to be free from defects in design, materials and workmanship for a period of thirty-six (36) months from the date of delivery to Perlos. The warranty provided by Seller to Perlos shall include that the Product(s) supplied shall:

- (i) be new, unused, in good working condition, merchantable and free from all defects, including but not limited to, defects arising out of design, materials, packaging and/or workmanship;
- (ii) be of the highest quality and fit for the purpose for which they are intended and as stated on or in any Seller packaging, labelling advertising or promotional materials; and
- (iii) strictly conform to the Specification(s), the samples approved by Perlos (if any) and the quality requirements or any other requirements stated in these general terms or the Purchase Order or issued by Perlos in writing.

If Perlos finds any Product(s) not to meet the warranties given by Seller, Perlos may at Perlos' sole option and upon notice to Seller:

- (i) require Seller to supply replacement Product(s) to fully satisfy the given warranties at Seller's sole risk and expense within such period of time as Perlos may specify;
- (ii) require Seller to reimburse to Perlos the price of all Product(s) not meeting the warranties given by Seller;
- (iii) require Seller to repair the Product(s) at Seller's sole risk and expense within such period of time as Perlos may specify;
- (iv) repair the Product(s) or cause the Product(s) to be repaired by any third party at Seller's sole risk and expense within such time period as Perlos may specify.

Perlos shall be entitled to full compensation for any and all losses, damage, costs, expenses and other similar amounts suffered or incurred. The foregoing warranties and remedies are in addition to all other warranties and remedies at law or in equity that Perlos may have and shall not be considered exclusive. All warranties shall run to Perlos and its direct and indirect customers.

11. Industrial and intellectual property rights

Perlos shall obtain and have the exclusive rights in all aspects (including but not limited to all intellectual property rights with the rights to amend and assign) to any and all Perlos customised Product(s) and to their Specification(s).

Perlos shall have the exclusive rights in all aspects (including but not limited to all intellectual property rights with the rights to amend and assign) to any tooling, and any drawings and other documentation or Specification(s) relating to the tooling, when such tooling is designed, produced and/or procured for the manufacturing of Perlos customised Product(s).

Seller agrees to indemnify Perlos against and to hold Perlos harmless from any and all claims, suits, actions or demands asserted against Perlos or asserted against any of Perlos' direct or indirect customers, and against all liabilities, costs and expenses incurred by Perlos in connection therewith (including but not limited to attorneys' fees) arising directly or indirectly from any claim by third parties of infringement of any patent, right of patent, trade marks, copyrights or designs or other industrial and/or intellectual property right which may be attributable to incorporation by Perlos of any Product(s) to any Perlos' products or any products sold or otherwise used by Perlos or sold or otherwise used by any of Perlos' direct or indirect customers or which may be attributable to the use or sale of Product(s) by Perlos or by any of Perlos' direct or indirect customers.

12. Insurance

The Seller shall at all times maintain in force, and upon request give evidence of fully adequate and comprehensive insurance policy and coverage.

13. Product liability

Seller agrees to indemnify Perlos against and hold Perlos harmless from any and all consequences of any and all claims, suits, actions or demands asserted against Perlos directly or indirectly from any product liability claim made by third persons, which claims, suits, actions or demands are attributable to Product(s).

14. Export restrictions

Seller is responsible for any export or import licenses and permits unless otherwise agreed between the Parties.

15. Confidentiality

Seller shall keep confidential any technical, commercial, business related, financial or company information received in connection with this business relationship. Seller shall use its best efforts to protect all such information from improper, unauthorized, negligent, or other inadvertent transfer to any third party.

All drawings and technical documents or tooling needed for manufacturing the Product(s) or any part of them, which have been disclosed by Perlos to the Seller prior, during and after this business relationship remain the property of Perlos, except as otherwise provided in Section 11 (Industrial and intellectual property rights) and/or unless otherwise agreed between the Parties in writing. Seller is not allowed without Perlos' consent, to use, copy, reproduce, hand over or in any other way give information about them to a third party.

The Parties may have entered into a separate confidentiality or non-disclosure agreement pertaining to the transactions contemplated by this Agreement. If a non-disclosure agreement exists, the terms of such agreement shall supersede.

16. Assignments

Neither Party shall have the right to assign its rights or obligations under this agreement without prior written consent of the other Party.

17. Applicable law and disputes

Finnish law shall govern this agreement. Disputes arising from this agreement shall finally settled by arbitration in accordance with the Arbitration Rules of the Finnish Central Chamber of Commerce. The place of arbitration shall be Helsinki, Finland. The arbitration proceedings shall take place in the English language.