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## EFORE General Terms & Conditions of Purchase (GTCP)

### 1 APPLICABILITY

These General Terms and Conditions of Purchase (GTCP) represent the entire agreement between EFORE Telecom Finland Oy and EFORE (Suzhou) Electronics Co. Ltd, hereinafter each jointly and individually referred to as EFORE, and the Supplier, unless superseded by a further agreement signed by both parties.

The hereinafter indicated General Terms and Conditions of Purchase shall apply to any purchase order placed by EFORE and its affiliates (hereinafter referred to as "Buyer") with the company selling the goods or services (hereinafter referred to as "Supplier") for purchasing components and / or subassemblies and /or equipment and / or services (hereinafter referred to as "Products") as specified in the purchase order.

### 2 PURCHASE ORDER

#### 2.1

These General Terms and Conditions for Purchase shall govern the supply of products cited in a purchase order.

The purchase order that these General Terms and Conditions for Purchase refer to, obliges the Buyer to buy the specified products, unless Supplier notifies Buyer differently within ten (10) days from the date of receipt of the purchase order. If the Supplier doesn't confirm the purchase order within ten (10) days, the Buyer reserves the right to cancel the purchase order within 15 days from the receipt of Suppliers delayed confirmation. In case Buyer does not notify Supplier with regards to the late purchase order confirmation, both parties are obliged to meet the order in prescribed terms.

#### 2.2

Contractual conditions different from those stipulated hereinafter, whether attached, added or modified by Supplier shall not be valid without an explicit and specific written confirmation issued by the Buyer.

### 3 PRICES

#### 3.1

The prices indicated in the purchase order, are fixed and are not subject to any variation. They are considered inclusive of the relevant package to be shipped in accordance with Buyer's instructions. Shipping conditions are specified in the purchase order.

#### 3.2

Unless otherwise agreed in writing, the purchasing price includes all applicable taxes, fees and duties, except for value-added tax (VAT) which must be stated separately in accordance with the applicable VAT rules.

### 4 INVOICING

#### 4.1

Invoices relevant to the products ordered will be released by Supplier upon the delivery of these products and will refer to the order number, order line ("partial" or "total") and description of goods. The payment for partial deliveries shall be effected only after the final delivery, unless otherwise agreed.

#### 4.2

The shipping document(s) accompanying the goods must bear the order reference number; otherwise, the Buyer reserves the right not to accept the delivery of goods.

#### 4.3

Supplier bears any, but not limited to, taxes or bank expenses or similar, that may be applicable.

### 5 DELIVERY

#### 5.1 Terms of Delivery

Incoterms 2010 set out by the International Chamber of Commerce shall apply (<http://www.iccwbo.org/products-and-services/trade-facilitation/incoterms-2010/>).

Delivery is considered to be DDP (Incoterms 2010), unless differently specified in the purchase order. All products ordered by the Buyer must be delivered on the dates and to locations as indicated in the purchase order and, in case of transporting goods to a port, through a carrier the parties have agreed to use. Goods are transported to Buyer's warehouse or wherever indicated. The Supplier is responsible and bears the risk for the goods till the goods are at the disposal of the Buyer at the named place of destination.

#### 5.2 Late or Early Delivery

Late or early deliveries in respect to requested delivery dates are not acceptable, unless otherwise agreed with the Buyer.

Should Supplier have reason to assume that a delay will occur or is likely, Supplier shall immediately notify Buyer in writing, stating the cause and estimated duration of the delay.

In addition to reserving all rights to charge for damages, in case Supplier delivers any part of the Products in respect to dates prescribed by the purchase order late, Buyer has the right to cancel the order completely or partially.

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Buyer may send back to Supplier, at Supplier's expense, any portion of the Product delivered more than seven (7) days in advance in respect to the date of delivery specified in the purchase order; those Products shall be considered as non-delivered. Therefore, Buyer may charge Supplier for an anticipated delivery and thus for the consequent storage costs.

### 5.3 Rescheduling

Buyer reserves the right, free of any additional charge, to change the place of Products destination and / or postpone the delivery date up to a maximum of hundred and twenty (120) days, provided the Supplier receives a written notice about it three (3) days in advance prior to the date of delivery prescribed in the purchase order.

Supplier shall, furthermore, accept more or less modified volumes, provided they do not change more than thirty percent (30%) in relation to the prior order specified volumes and as long as Buyer's requests are in writing and made five (5) days in advance of the anticipated delivery date. As far as requests for volume changes exceeding thirty percent (30%) are concerned, Supplier shall do its best to satisfy Buyer's needs.

## 6 INCOMING INSPECTION AND ACCEPTANCE

### 6.1

Supplier shall supply Products conforming to technical specifications and datasheets provided. Supplier shall annul obsolete versions and provide products of the most recent release, with the exception to already placed orders.

In order to verify the above mentioned conformity, Buyer reserves the right to inspect or have the Products inspected by a third party, according to "at random" inspection procedures and quality control tests and index (AQL), and thus not accept the batch(s) which have failed relevant tests or choose not to accept failed items.

### 6.2

Buyer shall choose whether to execute the above mentioned inspections and tests at particular premises or at Supplier's site prior to delivery or upon reaching Buyer's premises. Buyer shall choose its own personnel or a third party, nominated by Buyer, to perform inspections and tests. Buyer's (or its affiliates) staff member in charge shall perform the incoming inspection. Supplier shall notify Buyer within a minimum of fifteen (15) days prior to the date of delivery when Products are available for inspection. Buyer reserves the right to reject goods up to forty (40) days after incoming. However, the Supplier warranty for faults and defects of supplied Products remains valid.

### 6.3 Non-acceptance

Further and not limited to Buyer's right to fully or partially cancel the order, Buyer shall:

- a) annul the order in full or in part,
- b) demand the rejected batches or items to be replaced at Supplier's expenses within maximum fifteen (15) days from the day Buyer communicates non-acceptance and consequent request for substitution. On the basis of periodic evaluation and after notifying Supplier about non-conformity re-occurrence, Buyer reserves the right to withdraw from any contract of supply.

In case of rejected or non-conformal Products, if any, Buyer shall, in addition to the whole lot replacement remedy, also have the possibility to:

- either restore defective Products by performing additional repair and charging Supplier the relative expenses;
- or request from Supplier to select and sort Products, at its expenses, corresponding to those prescribed by the contract;
- or not accept the rejected Products or the whole batch Products without demanding any replacement if the same cannot be used by Buyer. The Buyer reserves the right to ask remedy for that.

The Buyer, who reserves the right to ask for remedy related to any further damage caused by Supplier's negligence, shall not pay the Supplier for any rejected lots or items.

### 6.4

Delivered goods shall be put on stand-by and acceptance is subject to controls performed by Buyer (unless differently agreed).

## 7 WARRANTY

Supplier warrants Buyer its full property of Products and their lawful transfer without any prejudice regarding any other Buyer's remedy.

The Products shall be delivered free of any mortgage, liability or collateral and any sort of legal guaranties. Products shall be compliant to all referential specifications and technical datasheets or those attached to the purchase order relevant to these Products. Moreover, Products shall be free of defects and/or failures during the warranty period.

Supplier shall, as a minimum, replace or repair Products with defects or failures free of charge at Buyer's or its Customer's premises during the entire warranty period, as indicated hereinafter and bear all related costs and expenses. Units warranty is enacted after they have been replaced or repaired.

The warranty mentioned herewith in this article is valid for a period of twenty-four (24) (or thirty-six (36) or sixty (60) according to the type of Product) months starting from the date of acceptance of the Product. Furthermore, Buyer has the right to request reimbursement for major damages due to defective or failed Products, providing Buyer makes a complaint within the warranty period.

## 8 EPIDEMIC DEFECT

### 8.1

In addition to the warranties above, Supplier shall be obligated to remedy any Epidemic Defect of the Products during a period of five (5) years from the end of warranty period.

### 8.2

In the event of any Epidemic Defect affecting the Product, the Buyer and / or its customers shall

- (a) be permitted to return all Products to Supplier at Supplier's expense; and

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(b) be permitted to immediately obtain a full refund of monies paid for the Product in lieu of obtaining repaired or replaced Product.

An Epidemic Defect shall exist when the defect affects:

- a) a similar defect at a rate of two percent (2%) or more in any given thirty (30) days rolling period over the life of the Product during the aforementioned relevant time period of five (5) years; herein the defect rate of two percent (2%) should be over a population delivered in 30 days, or
- b) a similar defect rate of one point five percent (1.5%) or more of any Product within a time period of six (6) consecutive months during the aforementioned relevant time period of five (5) years; herein the defect rate of one point five percent (1.5%) should be over a population delivered in 6 months.

#### 8.3

Notwithstanding the foregoing, an Epidemic Defect shall not include any of the following:

- (i) an application specific failure, outside the product specification parameters
- (ii) a customer / system induced failure.

#### 8.4

In the event that defects or non-conformity with the agreed specifications are present in Products and are reoccurring and the combined defect rate meets the definition of Epidemic Defect above, Supplier shall remove the Epidemic Defect cause. In this case, shipments of still-due Products will be suspended upon Buyer's request.

#### 8.5

In case the Supplier has not provided remedy within thirty (30) days after the Buyer has notified the Supplier about the presence of an Epidemic Defect, the Buyer has the right to terminate the contract free of any liability; nevertheless, the Buyer reserves the right to claim damages as well as all other applicable remedies.

#### 8.6

In the event that a solution to the problem is found, all Product units subsequently delivered to Buyer shall have modifications necessary to remedy the cause for Epidemic Defects and Supplier shall carry out free-of-charge retrofitting in all the units previously delivered to Buyer which were affected by the Epidemic Defect. Supplier shall reimburse (but not limited to) Buyer for damages suffered due to substitution or identification of Products delivered containing the Epidemic Defect.

### 9 CHANGING / MOVING THE PROCESS LIABILITY

Supplier shall immediately communicate (and wait for approval) their intention to change the production process and / or move the Product manufacturing site, if that may be the case, to Buyer in writing, in order to enable Buyer to exercise the right to re-homologate Products and production site(s) prior Products being manufactured using a new process or a new site and prior Products being sold to Buyer. Supplier shall be liable for any Buyer's negative consequence generated from Supplier not respecting hereinbefore specified instructions.

### 10 INTELLECTUAL PROPERTY RIGHTS

#### 10.1

Supplier ensures that Products designed and supplied do not infringe any patents, author's rights, other third party's knowhow, engineering propriety rights or other intellectual property rights of a third party and that no legal action for counter fake of the above rights and/or patents is pending at any court or is related to ordered Products or their documentation. Supplier shall take care of any litigation concerning such infringements, and shall be responsible for eventual claims of damages directed towards Buyer in respect of such infringements. Furthermore, Supplier shall reimburse Buyer for any damage or expense generating from a third party's claim based on counterfeit.

#### 10.2

Buyer reserves the right to use Product related documentation, translate it, reproduce and modify it in order to insert it in its own documentation manuals.

#### 10.3

Supplier shall return samples / prototypes and equipment pertaining to Buyer in good functioning condition.

#### 10.4

The equipment built at Supplier's expense may be destroyed five (5) years as of the last order and upon a written authorization by Buyer.

### 11 CONFIDENTIALITY

#### 11.1

Supplier shall keep specifications, drawings, designs, data and all other written documentation ("Information") furnished by Buyer confidential. Supplier shall be responsible for such material while in its care and shall mark or otherwise identify them as Buyer's property. Supplier shall return such material to Buyer upon the termination of the relevant purchase order or at Buyer's request. Supplier shall not reveal and pass information to any third party. Supplier shall use such information as described above solely for selling Products to the Buyer.

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Supplier acknowledges the illegality of manufacturing and selling Buyer 's designed products, prototypes or samples, either for production or spare parts or any other purpose even providing the foregoing do not explicitly refer to the Buyer's brand. Supplier shall not mention Buyer or the purchase order in any newspaper statements or any other advertising form.

#### 11.2

Drawings, samples/prototypes, equipment and tools owned by Buyer are not to be copied, passed to and used by a third party without Buyer's written authorization.

#### 12 ASSIGNMENTS

Any rights deriving from a purchase order shall not be passed or delegated to any third party.

#### 13 SEVERABILITY

If any provision contained in this Agreement is, for any reason, held to be invalid or unenforceable in any respect under the laws of any jurisdiction where enforcement is sought, such invalidity or unenforceability will not affect any other provision of this Agreement and this Agreement will be construed as if such invalid or unenforceable provision were not present.

#### 14 RELATIONSHIP OF THE PARTIES

The relationship of Buyer and the Supplier as established under this Agreement will be and at all times remain one of independent contractors, and neither party will in any way represent itself as having authority to assume or create obligations or otherwise act in any manner on behalf of the other party.

#### 15 APPLICABLE LAW & ARBITRATION

These General Terms and Conditions of Purchase, as well as our business relations with our clients, shall be governed by the United Nations Convention on Contracts for the International Sale of Goods (CISG). Otherwise, in cases of non-international sale of goods agreements the laws of Finland shall apply.

All disputes, controversies or claims arising from or in connection with contracts under these Terms or the breach or validity thereof, shall be finally settled by arbitration in accordance with the Arbitration Rules of the Central Chamber of Commerce of Helsinki.

The arbitration tribunal shall consist of three arbitrators, one to be appointed by each party and the chairman to be appointed by the two arbitrators appointed by the parties. If a party has not appointed its arbitrator within three (3) weeks from the request of the other party, or the two arbitrators have not agreed on the chairman within three (3) weeks after their appointment, the Board of Arbitration of the Central Chamber of Commerce of Helsinki shall appoint the arbitrator or the chairman, as the case may be.

The arbitration proceedings shall be conducted in English language.