

PART I GENERAL TERMS AND CONDITIONS

The following General Terms and Conditions shall apply to all goods and services supplied to Ascom by the Supplier.

1 Scope of application

- 1.1 These Purchase Terms and Conditions shall govern contractual arrangements, content and execution relating to hardware procurement, the licensing of software and purchase of services (services for assistance, services for performance and maintenance services) between the Supplier and Ascom (Switzerland) Ltd. (hereinafter "Ascom").
- 1.2 By submitting an offer, the Supplier confirms its agreement with these Terms and Conditions. This shall be subject, however, to any diverging provisions contained in the actual Contract.
- 1.3 Any additional or diverging provisions, in particular the general terms and conditions of the Supplier, shall only be valid if specified in writing in the Contract.

2 Offer

- 2.1 The offer shall be binding during the period specified in the request for proposal or in the offer.
- 2.2 Ascom shall not be required to pay for the preparation of an offer and for the supply of any related plans, samples and models.
- 2.3 The Supplier shall mention any software from third parties contained in the offer (including pre-existing works and free open source software "FOSS" with the applicable licensing terms and conditions).
- 2.4 Prior to execution of the Contract, Ascom and the Supplier may withdraw from the contractual negotiations without any financial consequences subject to the binding period of the offer.

3 Orders and changes

- 3.1 Orders shall only be binding if issued or confirmed by Ascom in writing (by post, telefax or e-mail).
- 3.2 Ascom may request that changes be made to the goods and services supplied, provided that their overall character remains unaffected and the Supplier may be reasonably expected to make the necessary modifications to its arrangements. If Ascom makes such a change to an order, the following conditions shall apply:
 - The change in the order must be agreed in writing prior to the order being executed. If the change gives rise to more or less costs, or the contractually agreed periods need to be altered, this will be discussed immediately and likewise specified in writing in the Contract, in the absence of which the originally agreed payment and contractual periods shall continue to apply unaffected by the change in the order.
 - Any increase or reduction in costs shall be calculated on the basis of the original cost calculation. If no agreement is reached, Ascom shall be entitled to have the Supplier deliver the corresponding goods and services on a time and materials basis or procure the goods or perform the services itself or assign the delivery of the goods or services to a third party, while indemnifying the Supplier accordingly. Such indemnification shall cover any proven work performed or costs incurred prior to the change in the order and which were thereby rendered unnecessary.
 - The costs of changes required in order to comply with contractually defined or assumed properties shall at all events be borne by the Supplier.

4 Quality management

- 4.1 The Supplier maintains a certified quality management system according to ISO 9001/14001/18001 or a quality management system that meets these requirements and was accepted in writing by Ascom prior to the Contract. The provisions, norms and laws referred to expressly in the order documentation shall apply primarily. In addition, the customary regulations for the industry and applicable laws shall apply.
- 4.2 If the Supplier discovers in the course of its quality controls or otherwise, for instance via customer complaints, that the items covered by the Contract have or may have deficiencies that affect the safety of the product or there are better ways of complying with the safety requirements of the product, the Supplier shall inform Ascom without delay and, where necessary, offer to alter the contractual agreement.
- 4.3 The Supplier shall inform Ascom immediately on discovering that one or several of the product parts manufactured by the Supplier do not or no longer conform to the contractually agreed product specifications and/or the Supplier knows or has good reason to believe on the basis of experience or the information available to the Supplier that the items supplied under the Contract do not correspond to the defined safety requirements.

The Supplier shall, by marking the items supplied under the Contract in a suitable way or, if this is technically not possible, in another way, ensure that it is possible to identify immediately on recognising a defect in the items supplied under the Contract all the items which are or could be affected by such a defect. The Supplier will keep Ascom informed of the system chosen for marking said items so that Ascom shall be able to make its own checks in any individual case.

5 Confidentiality, obligation to notify and fiduciary duties

- 5.1 The parties undertake not to make improper use of confidential information nor to bring same to the knowledge of, or make accessible to, third parties in any way. Information shall be deemed to be confidential which is marked as confidential and/or either not generally known or not generally accessible, such as the existence and content of deliveries of goods and services, technical documentation, samples, process descriptions or data that come to the knowledge of the other party in the context of providing such goods and services. Group companies of the Parties shall not be deemed to be third parties. The obligation to maintain confidentiality shall continue for 5 years after disclosure of the confidential information.
- 5.2 The Supplier is obliged to notify Ascom immediately in writing of any and all circumstances of which the Supplier is or could be aware if exercising due care and which jeopardize the correct and timely provision of goods and services. Such notification shall state the reasons therefor and where a delay occurs the likely duration thereof. This also applies to any planned changes in

production locations and sub-contractors. If the Supplier neglects this duty, it shall be solely responsible for any negative consequences resulting therefrom.

6 Payment and invoicing

- 6.1 Goods and services shall either be provided at a fixed price or on a time and materials basis (with/without cost limit) excluding VAT. The Supplier will state the types of cost and the rates in the offer. Prices may only be changed by mutual written agreement. Travelling time shall not be deemed to be working time. Expenses shall only be reimbursed in accordance with Ascom's expense regulations and after prior written agreement.
- 6.2 The payment shall cover all goods and services provided and costs required for the proper performance of the Contract. In particular these shall comprise installation, testing and documentation costs, costs for initial instruction, expenses (except for those mentioned under 6.1), licensing fees, packaging, transportation, insurance and unloading costs, plus public levies such as taxes and customs duties and, in the case of maintenance services, additional rectification and modification costs plus remote maintenance of software.
- 6.3 If the Supplier grants discounts on goods and services supplied and if several group companies of Ascom order the same kind of items, all goods and services will be taken together for the purpose of calculating the discounts.
- 6.4 Invoices will be paid net within 60 days of the invoice being approved. Invoices will be paid on condition that the goods and services supplied have been proven by subsequent inspection to conform to the provisions of the Contract.
- 6.5 All invoices must correspond to the formal specifications of VAT legislation. In the case of goods deliveries the origin of the goods and the customs tariff number must be quoted.

7 Use of sub-contractors

- 7.1 Sub-contractors may only be used if Ascom is given written notification thereof in advance. Ascom reserves the right to reject sub-contractors who are contrary to the interests of Ascom.
- 7.2 The Supplier shall be responsible towards Ascom for any and all acts (including goods and services supplied) and omissions of a sub-contractor as if they were the Supplier's own acts and omissions.

8 Late delivery

- 8.1 The agreed dates for the delivery of goods and performance of services are binding.
- 8.2 In the case of contracts for delivery by a fixed date, late delivery shall occur without any reminder being given.
- 8.3 As soon as the Supplier is late with delivery, it shall be liable to a contractual penalty of 0.4% per calendar day, but no more than a maximum of 10% of the amount payable for the corresponding goods or services to be supplied. The penalty shall also be payable if the goods or services supplied are accepted without reservation. The payment of the penalty does not release the Supplier from its contractual obligations but will be offset against any damages payable in connection therewith.
- 8.4 After an appropriate period of grace has been granted without the desired effect being achieved, provided such period of grace is not pointless from the start, Ascom shall be entitled to waive delivery of the goods or services. Ascom shall at all events reserve the right to claim further damages.
- 8.5 Goods or services may only be delivered early with Ascom's prior agreement. The payment deadlines shall be calculated from the date of acceptance of the invoice, regardless of any early delivery.

9 Liability

- 9.1 The liability of the Parties shall be limited overall to the value of the total payment due, but no less than CHF 300,000. In the case of framework agreements the liability of the Parties shall be limited overall to the value of the payment owed for the goods and services supplied in the last 12 months prior to the occurrence of the damage, but no less than CHF 300,000. The Parties shall have unlimited liability for personal damages and for damages caused by wilful or gross negligence.
- 9.2 None of the Parties shall be liable for indirect or consequential damages such as loss of profit, unrealised savings, additional costs, claims by third parties etc. Section 11 shall apply notwithstanding.
- 9.3 The limitations of liability under Sections 9.1 and 9.2 do not apply to Sections 11 ("Indemnity") and 5 ("Confidentiality, obligation to notify and fiduciary duties").

10 Insurance

- 10.1 The Supplier undertakes to maintain a property and liability insurance policy for an appropriate sum with a generally recognised and solvent insurance company and to submit a certificate to this effect on Ascom's written request.

11 Indemnity

- 11.1 The Supplier shall fully indemnify Ascom at Ascom's first request for any and all claims for damages that customers or third parties might bring against Ascom as a result of any defects in a product, to the extent that and provided the damages were caused by a defect in the goods and services provided by the Supplier. In any legal proceedings the Supplier shall fully support Ascom at its own expense in defending against such claims. The costs of or in connection with any product recall actions shall be borne by the Supplier.
- 11.2 This shall also apply if the goods and services provided by the Supplier comply with technical norms within the meaning of the current and applicable legal regulations. The onus and costs of proof that the goods and services supplied do not constitute a danger for the safety or health of users or third parties lies entirely with the Supplier.
- 11.3 The Supplier warrants that by using the goods and services provided in the manner specified in the Contract Ascom will not infringe any intellectual property rights of third parties. The Supplier shall defend Ascom at its own expense against all claims of third parties arising from an infringement of intellectual property rights (patents, copyrights etc.) by goods and services provided by the Supplier, and the Supplier shall pay any damages and costs imposed on Ascom (including attorneys' fees) provided Ascom informs the

Supplier immediately of such claims and grants the Supplier control over the negotiations, and insofar as this does not run counter to the interests of Ascom.

12 Work permits

12.1 If the Supplier uses foreign employees to provide the goods and services it shall be responsible for obtaining the appropriate work permits and insurance coverage. The Supplier is fully liable for ensuring the use of any foreign employees complies with the applicable employment laws

13 Export

13.1 Both Parties shall comply with the export and import regulations that apply to them. The Supplier shall be responsible for obtaining the necessary licences and shall inform Ascom about any country-specific export and import regulations.

14 Audit right

14.1 The Supplier grants Ascom (including its clients or external consultants as the case may be) the right to audit including appropriate support, and shall grant, provided advance notice is given, comprehensive right of access to the areas where goods and services are produced, provided, tested and stored, as well as insight into the relevant processes, documents and quality records. Each party shall bear its related costs. The Supplier shall be entitled to require clients or external consultants of Ascom to sign an appropriate non-disclosure agreement prior to the audit.

15 Employee protection, gender equality and code of conduct

15.1 The Supplier shall comply, in respect of its own employees, with the regulations governing the protection of employees and working conditions (collective agreements, standard employment contracts, in the absence of these the working conditions customary for the region or industry). The Supplier shall also guarantee compliance with the legal requirement regarding employment equality. If the Supplier breaches this duty, it shall pay Ascom a penalty of 10% of the total remuneration, but not more than CHF 50,000 per case, provided it is unable to prove that it is not at fault.

15.2 The Supplier shall comply with the provisions of Ascom's Code of Conduct, which can be found under the following link: <http://www.ascom.com/en/code-of-business-conduct.pdf>. If the Supplier breaches this code, Ascom shall be entitled to terminate the Contract wholly or partially, depending on the severity of the breach.

16 Legal succession

16.1 The Supplier may only assign the rights and obligations arising from the Contract wholly or partially to a third party with the prior written consent of Ascom.

16.2 Ascom shall be entitled to assign the entire contractual relationship or individual rights and obligations arising therefrom to another Ascom group company or to a legal successor without the consent of the Supplier.

17 Resolution of disputes

17.1 In the event of a conflict the Parties shall endeavour to reach an amicable agreement within a reasonable period. If both Parties consent, mediation proceedings may also be initiated. In this event the Parties agree the following:

17.2 Any dispute, controversy or claim arising out of or in relation to this Contract, including the validity, invalidity, breach or termination thereof, shall be submitted to mediation in accordance with the Swiss Rules of Commercial Mediation of the Swiss Chambers of Commerce in force on the date when the request for mediation was submitted in accordance with these Rules. The seat of the mediation shall be Berne, unless the parties agree on a city abroad. The mediation proceedings shall be conducted in English.

18 Applicable law and place of jurisdiction

18.1 These Terms and Conditions shall be governed by Swiss law, excluding the United Nations Convention on Contracts for the International Sale of Goods (CISG). The place of jurisdiction shall be Berne.

18.2 Ascom reserves the right to enforce its rights before the court of the Supplier's domicile or before any other competent court.

Part II SPECIAL PROVISIONS FOR INDIVIDUAL SUPPLIES OF GOODS AND SERVICES

The following Special Provisions shall apply, depending on the scope of application, to the procurement of hardware, the licensing of software and the purchase of services (services for assistance, services for performance and maintenance services).

19 Materials

19.1 Materials (documentation, drawings, photographs, data carriers, films, plans, tools, models, material provided etc.) that Ascom has provided to the Supplier shall remain the property of Ascom and must be returned within 10 days on request.

19.2 Before beginning production, the Supplier shall verify whether the products ordered correspond to the materials provided (same version, revision, same article description, etc.). If there are discrepancies, the Supplier shall be obligated, before beginning production, to contact Ascom in order to obtain the correct materials. If the Supplier neglects this duty, it shall be solely responsible for any negative consequences resulting therefrom.

19.3 Without Ascom's prior written consent the Supplier shall be prohibited from copying materials or reproducing them in any other way and from passing them on or making them available to third parties for any purpose whatsoever.

19.4 The Supplier shall store and insure the materials in a proper way.

20 Benefits and risk of loss

20.1 All benefits and risk of loss shall pass to Ascom on transfer of the products at their place of destination.

21 Warranty

21.1 The Supplier warrants that the goods and work performed are free from any defects that would affect their value or fitness for the purpose intended, that they possess the required characteristics and comply with the contractually agreed specifications as well as the applicable legal regulations (e.g. registration requirements). Furthermore, the Supplier guarantees that the products supplied comply with the EU Directive 2002/95/EC "Restriction of the use of certain Hazardous Substances in electronic equipment" (RoHS).

21.2 The warranty period is 24 months. It begins when the goods and services are delivered to their place of destination. Where an acceptance has been agreed, the warranty period shall commence on successful completion thereof. Any and all defects notified within the warranty period shall be deemed to be legally valid.

21.3 If it becomes known during the warranty period that the goods and services supplied or parts thereof do not fulfil the contractual requirements under 21.1, the Supplier shall be obligated, at Ascom's sole discretion, to remedy the defects at its own cost on the spot or have them remedied or deliver a replacement free of defects to Ascom. If the Supplier fails to perform these obligations despite a reasonable grace period being granted, provided such grace period is not pointless from the start, Ascom shall be entitled to remedy the defects or have them remedied at the Supplier's expense or to withdraw from the Contract without further formalities. Ascom may in all cases make further claims for damages.

21.4 If the defective goods or work performed require a receiving inspection that exceeds the usual scope the Supplier shall bear the additional costs incurred thereby.

21.5 The Supplier shall ensure that it has taken all precautions to avoid or limit any damage that might be caused to Ascom or a third party as a result of defective goods or work performed and shall pay any costs incurred in this connection.

21.6 Where the products or components supplied utilise the intellectual property rights of third parties, the Supplier shall warrant that it has concluded a licensing agreement with the owner of such rights that permits the free use of these products or components in the devices and equipment of Ascom.

22 Licensing of software

22.1 The Supplier assigns to Ascom a non-exclusive right to use the standard software, such right being unrestricted with respect to time and place and freely transferable internally (within the Ascom group of companies) and externally (e.g. to clients of Ascom). The Supplier shall ensure and confirm that it is entitled to assign these rights to Ascom. Ascom shall be entitled to terminate a licensing agreement with usage rights for a limited period of time and recurring fees at any time by giving 30 days notice of termination without providing compensation.

23 Performance of the services

23.1 The Supplier shall perform the services with due care and diligence and in accordance with the current and recognised state of knowledge and technology. It shall inform Ascom regularly of the progress of work and shall in particular obtain all the specifications required. It shall also inform Ascom about any further developments that for technical or economic reasons would necessitate a change to the goods or work performed.

24 Documentation, inspection and acceptance

24.1 The Supplier shall provide Ascom with a complete documentation in the agreed language prior to joint inspection. Ascom may copy and use the documentation for the contractually defined purpose and may specifically pass on the documentation intended for the end user to the latter. If there are defects that require to be remedied, the Supplier shall update the documentation including the source code immediately, if necessary.

24.2 A joint inspection shall take place prior to acceptance or partial acceptance of the goods and services. The Supplier shall invite Ascom to the inspection in good time. A record of the results of the inspection will be compiled and signed by both Parties to the Contract. At Ascom's request an end customer may also participate in the inspection.

24.3 If insignificant defects are detected in the inspection, the goods or services may still be accepted on conclusion of the inspection. The Supplier shall remedy the defects detected within a reasonable period and shall notify Ascom of their rectification.

24.4 If significant defects are discovered in the inspection, acceptance will be postponed. The Supplier shall remedy the defects immediately and invite Ascom to a further inspection. If acceptance is postponed and the contractual acceptance date is overrun, the Supplier shall be deemed by implication to be late in delivering.

25 Intellectual property rights

25.1 Ascom shall be granted all intellectual property rights such as patents, copyrights etc. to the work results newly created or performed for Ascom by the Supplier in fulfilment of the Contract. Ascom shall be entitled to change these work results in any way at its own discretion, make copies thereof and use them for additional purposes. The Supplier shall ensure and confirm that it is entitled to assign these rights to Ascom. If pre-existing rights of third parties exist (incl. "FOSS") the Supplier shall be obligated to notify Ascom thereof in writing prior to the execution of the Contract and, to the extent FOSS is concerned, shall inform Ascom in writing of the applicable licensing terms and conditions. The usage rights to pre-existing work which was not newly created or performed for Ascom and which constitutes an integral part of the work results shall be governed by Section 22.

26 Maintenance and support, investment protection

26.1 Hardware maintenance shall cover servicing and repairs, in particular the repair and replacement of defective components as well as the installation of technically improved components. Software maintenance shall cover in particular rectification of faults as well as the correction of program errors, modifications to and further development of the software. Unless the Parties agree otherwise, new functionalities and the respective usage rights shall be included in the software maintenance fee.

- 26.2 The Supplier shall inform Ascom on a regular basis of technical improvements and hardware and software developments which may be of interest for maintenance and support purposes. In particular, the Supplier shall draw Ascom's attention to the implications of the further developments in the software for the related hardware.
- 26.3 If, due to levy of execution, imminent bankruptcy, insolvency proceedings or other reasons, the Supplier ceases to maintain the software itself or by a third party on the same terms and conditions and is unable to offer an economically equivalent alternative, Ascom shall have the right to maintain the software itself or have it maintained by a third party. In this case Ascom shall be entitled without further formalities to access the source code and to use it to implement the provision set out in this Section. At Ascom's request, the Supplier shall deposit the source code with a trustworthy escrow agent on terms and conditions which must be accepted by Ascom. The associated costs shall be borne equally by both Parties.
- 26.4 Standby, response and fault repair times as well as the associated payments for failure to comply with the agreed times shall be set out in the Contract.
- 26.5 The Supplier shall provide maintenance and support services for a period of six years following acceptance of the goods delivered or services rendered. The Supplier shall also guarantee the supply of replacement parts and other compatible components during this period. Listed services not covered by the warranty shall be paid by Ascom at the rates in the original cost schedule or, in the absence of such, at market rates.
- 26.6 If the Supplier wishes to discontinue delivery of individual products or services following expiration of the six-year period, it shall inform Ascom no later than six months in advance and grant Ascom the right to place a final order within a reasonable time frame.
- 26.7 If a maintenance contract is concluded for an indefinite period, it may be terminated by the Supplier subject to a notice period of twelve months, or by Ascom subject to a notice period of three months. The provisions of Section 26.5 shall apply notwithstanding.

Version May 2010