

SILICON MOBILITY
GENERAL CONDITIONS OF SALE

1. GENERAL

1.1 These general conditions of sale shall apply to any quotations, proposals or offers, to sell products ("Products"), and/or to provide services ("Services"), issued by Silicon Mobility.

1.2 These general conditions of sale constitute the basis for commercial negotiation between Silicon Mobility and the Buyer pursuant to the provisions of article L441-6 of the French commercial code.

1.3 Any other conditions imposed by Buyer including those contained in Buyer's purchase order which would be in contradiction with the aforesaid general conditions of sale shall therefore not be binding on Silicon Mobility.

1.4 These general conditions of sale shall apply when:

- Buyer has accepted by a purchase order, the sales proposal of Products issued by Silicon Mobility
- or,
- Silicon Mobility has sent an acceptance in writing within a reasonable period, on receipt of a purchase order sent directly by Buyer.

1.5 Silicon Mobility may accept or reject any purchase order sent by the Buyer at Silicon Mobility's sole discretion.

2. DELIVERY

2.1 Unless otherwise stipulated, the delivery and the passing of risk shall be fixed in accordance with the Incoterm EXW (EX WORKS, Incoterms® 2010).

2.2 Any Products or Services sold or provided by Silicon Mobility will be deemed accepted by Buyer upon delivery, in the case of Products, or performance, in the case of Services.

2.3 If Buyer does not take delivery of the Products by the required date, storage costs will be charged. After thirty (30) working days from the delivery date of the Products, Silicon Mobility is entitled to terminate the order unilaterally, and to keep the Products and any advance payment. In all cases, Buyer shall pay to Silicon Mobility all costs resulting from such default.

2.4 The delivery and performance dates are indicative. Silicon Mobility will use commercially reasonable efforts to deliver the Products and/or to perform the Services in accordance with the delivery or performance dates agreed between the parties.

2.5 Silicon Mobility will not be liable for any damage, loss, or expense incurred by Buyer if Silicon Mobility fails to meet the indicative delivery or performance date except in case of gross negligence or wilful misconduct by Silicon Mobility. In case of delay in delivery or performance, Silicon Mobility shall contact Buyer, within a reasonable time, to fix a new mutually agreed time of delivery.

3. RISK OF LOSS

3.1 Except as may be mutually agreed in writing, the transfer of risk from Silicon Mobility to Buyer shall occur at Silicon Mobility's facility, after the Products have been loaded onto the selected means of transport by the carrier.

3.2 After the transfer of risk, the Products are at Buyer's risk, and Buyer shall subscribe to any insurance necessary to cover any damage caused to the Products themselves or by the Products to any persons or property, for any reasons whatsoever.

4. ACCEPTANCE

4.1 Within a four (4) days period following the delivery date of the Products or the performance of the Services, Buyer shall be entitled to inspect and check the conformity of the Products and/or the Services if any. Once this four day period has expired and Buyer has not expressly rejected in writing due to defects for the Products or non-performance for the Services duly justified, and only for this reason, the Products and/or Services shall be deemed to be accepted by the Buyer.

4.2 If, within this period, any defects or non-performance are found, Buyer shall immediately notify Silicon Mobility in writing giving detailed reasons for the refusal of the Products and/or the Services.

4.3 Upon receipt and examination of this notification, Silicon Mobility, having first determined whether the reasons given are valid, shall then rectify these defects or non-performance within a reasonable period. These defects being rectified, Silicon Mobility shall inform Buyer, who shall accept the Products and/or Services. Otherwise the aforesaid

procedure described above shall be recommenced. If this procedure is recommenced more than twice, Silicon Mobility may, at its own option, terminate the order without any compensation to Buyer.

5. RESERVE OF OWNERSHIP

5.1 Silicon Mobility retains ownership of the Products until full and complete payment of the purchase price by the Buyer.

5.2 In case of Buyer's default in payment, Buyer shall return the Products or any part of them previously delivered, at Silicon Mobility's request. Buyer remains responsible for any loss or damage occurring after delivery.

6. PRICES

6.1 All prices quoted by Silicon Mobility and unless otherwise agreed in writing by Silicon Mobility, are stated pursuant to Incoterm EXW (EX WORKS, Incoterms® 2010).

6.2 In the event of, including but not limited to, rises in the costs of materials or manufacture or foreign exchange rate changes or any other circumstances beyond its control, Silicon Mobility may adjust the price quoted at any time before delivery or performance of the Services, by written notice to Buyer.

6.3 Prices are expressed in euros, net excluding VAT. Buyer shall pay, in addition to the price stated, any other sales, use, excise or other similar tax applicable to the sale of the Products and/or the Services.

7. TERMS OF PAYMENT

7.1 Unless otherwise agreed upon all payments are due and payable thirty (30) days from the date of invoice at the address specified in Silicon Mobility's invoice. No discount shall apply in case of payment earlier than due date.

7.2 Any delay in payment of the sums due and payable to Silicon Mobility, will entail an extension of the delivery time for a period equal to the delay in payment. If, during this delayed payment, other purchase orders are placed, Silicon Mobility shall be entitled to delay delivery by a longer period.

7.3 In case of late payment of the price by the Buyer, Silicon Mobility reserves the right to terminate the order forty-eight (48) hours after official notice to Buyer to pay.

7.4 All amounts due from Buyer shall incur interest at the rate of 0.5% of the purchase price for each day of delay. In addition to the late payment interest, the Buyer shall also pay to Silicon Mobility, in accordance with mandatory applicable law, a fixed sum of a minimum of forty (40) euros for recovery cost.

8. WARRANTY

8.1 Silicon Mobility warrants that the Products delivered shall conform to Silicon Mobility specifications for a period of three (3) months from the delivery date. In order to avail himself of his rights under this section 8, Buyer must comply with all the terms and conditions contained herein. If Buyer fails to comply, Silicon Mobility shall be relieved of any warranty or liability.

8.2 Silicon Mobility's warranty is limited to either the replacement, repair, or reimbursement, at Silicon Mobility's sole option, of the whole or part of the Products recognised as defective by Silicon Mobility.

8.3 Within the three (3) months warranty period defined in article 3.1 above, the Buyer shall notify Silicon Mobility, in writing, within five (5) working days of the discovery of the presumed defects that the Products do not conform to specification and shall allow Silicon Mobility opportunity and reasonable time to inspect and remedy the defects.

8.4 Such Products are returned to Silicon Mobility's facility in the original (or equivalent) packing materials, at Buyer's cost and risk. If Silicon Mobility's examination of the Products discloses to Silicon Mobility's satisfaction that such Products are defective, Silicon Mobility shall, at its sole option, either repair, replace or credit Buyer with the purchase price of such Products within a reasonable period.

8.5 Silicon Mobility's warranty does not cover any Products which have been subject to, including but not limited to, accident, abuse, misuse, neglect, alteration, improper installation, repair, improper testing or use contrary to instructions issued by Silicon Mobility. Nor does it cover normal wear or any defects which cannot be detected by Silicon Mobility as due to raw materials etc.

8.6 If returned Products are found on inspection to be defective, Silicon Mobility shall then reimburse Buyer for the transportation charges paid by Buyer for such Products.

8.7 TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, THE FOREGOING WARRANTY CONSTITUTES SILICON MOBILITY'S TOTAL AND EXCLUSIVE RESPONSIBILITY AND LIABILITY AND OBLIGATION, AND BUYER'S EXCLUSIVE REMEDY FOR ANY BREACH OF ANY WARRANTY OR OTHER DEFECT OR NONCONFORMITY OF THE PRODUCTS COVERED BY THESE TERMS. THIS WARRANTY IS EXCLUSIVE, AND IN LIEU OF ALL OTHER WARRANTIES. SILICON MOBILITY MAKES NO OTHER WARRANTIES, EXPRESS, IMPLIED, OR STATUTORY, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF MERCHANTABILITY, OR FITNESS FOR ANY PARTICULAR PURPOSE, OR NON-INFRINGEMENT. SILICON MOBILITY DOES NOT EXTEND THE FOREGOING WARRANTY, AND BUYER MAY NOT TRANSFER IT, TO BUYER'S CUSTOMERS OR OTHER THIRD PARTIES.

8.8 SILICON MOBILITY SHALL IN NO CASE BE HELD RESPONSIBLE FOR ANY LOSS OF PROFIT OR FOR ANY OTHER DIRECT OR INDIRECT LOSS OR DAMAGE, INCLUDING BUT NOT LIMITED TO LOSS OF PROFIT OR REVENUE IN CONNECTION WITH, OR AS A RESULT OF, THE SALE, USE, OPERATION, PERFORMANCE OF THE PRODUCTS AND THE SERVICES. BUYER SHALL AT ITS OWN EXPENSE, INDEMNIFY AND HOLD SILICON MOBILITY HARMLESS FROM AND AGAINST ANY PREJUDICE IN THIS RESPECT.

9. INTELLECTUAL PROPERTY

9.1 All rights deriving from the inventions, know-how, studies, drawings, documents and devices used in the design and manufacture of Products sold by Silicon Mobility are the exclusive property of Silicon Mobility. They can in no case be copied or reproduced. Buyer holds only a right to use Silicon Mobility's Product and the intellectual property related therefrom, within an agreed and limited framework, under these general conditions of sale.

9.2 Buyer shall in no case reveal to whomsoever, or for any reason whatsoever, any technical, commercial or other confidential information concerning the studies, know-how, manufacture and test procedures communicated by Silicon Mobility and related to the Products. Buyer is entitled to use this information solely for the operation and maintenance of the Products and shall in no case use it for new developments, new studies or improvements, except with the prior written consent of Silicon Mobility.

9.3 If Buyer complies with these general conditions of sale, Silicon Mobility will, at its own expense, defend or settle any suit that a third party may introduce against Buyer to the extent based on a claim that the Product in the form provided by Silicon Mobility to Buyer, infringes such third party's patent(s), trademark(s), or copyright(s) provided that (i) the claimed infringement is not based on a misused or improper use of the Products, (ii) Buyer gives Silicon Mobility immediate notice in writing of any such suit, (iii) Buyer gives Silicon Mobility sole control over the defense and settlement of such suit through counsel of Silicon Mobility's choice, and (iv) Buyer gives Silicon Mobility all needed information, assistance and authority, to enable Silicon Mobility to defend or settle such suit. Silicon Mobility will pay any final judgment awarding damages when due to the extent such award is based upon a finding that the Product in the form provided by Silicon Mobility to Buyer infringes third party intellectual property rights.

9.4 In case of infringement by the Products of third party intellectual property rights, then Silicon Mobility at its sole discretion, may (i) replace or modify the allegedly infringing Products with non-infringing products that are functionally equivalent, (ii) obtain a release of claims against Buyer, (iii) obtain a license for Buyer to continue to use or sell the allegedly infringing Products, or (iv) accept the return of allegedly infringing Products and refund the amount paid by the Buyer for such returned Products.

9.5 Notwithstanding anything to the contrary in these general conditions of sale, Silicon Mobility will have no liability for any claim arising from or related to (i) the use of Products as a part of or in combination with any other parts, devices or processes, (ii) the use of Products contrary to any Silicon Mobility's instructions or in breach of these general conditions of sale, (iii) modifications or alterations to the Products, (iv) use or purchase of the Products after receiving notice of such claim, (v) or Buyer's intentional, knowing, or willful infringement of the third party intellectual property rights.

9.6 THIS SECTION 9 STATES SILICON MOBILITY'S SOLE AND EXCLUSIVE LIABILITY AND OBLIGATION AND BUYER'S SOLE AND EXCLUSIVE

REMEDY FOR ANY ACTUAL OR ALLEGED INFRINGEMENT OR MISAPPROPRIATION OF ANY PATENT, TRADEMARK, COPYRIGHT, TRADE SECRET OR OTHER INTELLECTUAL PROPERTY RIGHT BY ANY PRODUCTS OR SERVICES DELIVERED HEREUNDER, OR ANY PART THEREOF. IN NO EVENT WILL SILICON MOBILITY BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, OR OTHER DAMAGES RESULTING FROM ANY SUCH INFRINGEMENT OR MISAPPROPRIATION.

10. BREACH

10.1 In the event of a substantial breach by Buyer of any of the terms of these general conditions and which is not remedied within seven (7) days of Silicon Mobility notifying the Buyer of any such breach in writing, Silicon Mobility may terminate the order in whole or in part under these general conditions of sale.

10.2 In case of cancellation under the clause.10.1, Silicon Mobility shall be released from all obligations with respect to these general conditions and shall be entitled to dispose freely of the Products (parts, equipment and accessories) and to retain, as Liquidated Damages for any loss incurred by Silicon Mobility as a result of such cancellation, any and all payments made by Buyer under these general conditions of sale.

11. FORCE MAJEURE

11.1 Silicon Mobility shall not be liable for failure to supply, or delay in supply of, any Products and Services due to any cause beyond its control, including but not limited to, acts of God, acts of civil or military authorities, fires, epidemics, floods, riots, wars, sabotage, labor disputes, yield problems, governmental actions, or inability to obtain materials, components, energy, manufacturing facilities or transportation.

11.2 In the event of any such delay, the date of delivery or performance hereunder shall be extended for a reasonable period of time. In the case that the delay is extended beyond a reasonable period of time, Silicon Mobility shall be entitled to terminate the order by written notification to Buyer and Buyer will be liable for payment for goods or services supplied by Silicon Mobility up to the day of this termination.

12. PROPRIETARY DATA

12.1 Buyer agrees not to use or disclose specifications, technical information or any other data provided by Silicon Mobility and identified by Silicon Mobility as confidential or proprietary data without the prior written consent of Silicon Mobility.

12.2 Buyer further agrees to use all appropriate copyright and proprietary notices on all Products delivered hereunder regardless of their intended use. Buyer recognizes that such proprietary data is unique and consents to the remedy of injunction in addition to damages for violation of the terms of this provision.

13. APPLICABLE LAW

13.1 These general conditions of sale and all sales hereunder shall be governed by the laws of FRANCE.

13.2 The parties shall use their best efforts to resolve any possible dispute arising out of, or in connection with, these general conditions amicably and in accordance with the terms of these general conditions. All non-resolved disputes shall be subject to the exclusive jurisdiction of the French Commercial Court "Tribunal de Commerce" in Grasse, France.

14. MISCELLANEOUS

14.1 The Buyer may not assign its rights or delegate its obligations under a contract concluded under these general conditions, by operation of law or otherwise, without the prior written consent of Silicon Mobility, and any purported assignment or delegation shall be of no force or effect.

14.2 The terms and conditions of any contract formed under these general conditions supersede and replace all prior or present understandings or agreements concerning the subject matter.

14.2 Any amendment to, or modification of these general conditions shall not be binding, except in writing, stating that it is such a modification and signed by an authorized representative of each party hereto.

14.3 If any provision of these general conditions, or portion thereof, is determined to be invalid or unenforceable, the remaining provisions of these general conditions shall continue to be binding and enforceable.