



ARUN MICROELECTRONICS LTD.

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Registered in England No. 1568512 VAT Registration No. GB 322 1476 90

TERMS OF BUSINESS

Goods are sold and work is undertaken upon the following conditions:

1. ACCEPTANCE

These conditions shall prevail over any other conditions contained in the buyer's Purchase Order or in correspondence or elsewhere. Any term or condition not included in these Terms of Business shall be without effect unless it has been expressly confirmed in writing by AML.

2. PAYMENT.

a) All accounts are payable on demand except where a credit account is authorised in writing by AML; all credit accounts are due for payment on the last day of the month following the month of invoice.

b) AML reserves the right to suspend all deliveries where payment is not received in accordance with paragraph (a) of this clause, or in accordance with any alternative arrangement which shall be agreed in writing between the two parties, in such an event any agreed period of credit is cancelled and all monies owed to AML by the buyer becomes immediately due and payable on demand. Where payment is not received on the due date the buyer shall pay interest on the unpaid amount from that time until payment at the rate of 2% per month or part thereof.

c) AML reserves the right to withdraw the credit terms in paragraph (a) of this clause and substitute cash with order terms.

d) No cash or other discount is allowed.

e) Prices quoted do not include VAT. All prices are subject to the current rate of VAT ruling at the date of invoice.

f) It is a pre-condition of any claim against AML that the buyer shall have complied in full with the terms of payment and other obligations under these conditions.

3. DELIVERY

Delivery shall be when goods are ready and at the Buyer's nominated place of delivery which shall be (a) our premises if the Buyer or the Buyer's carrier or agent collects or if no written nomination has been received by the time the goods are ready or (b) at the Buyer's own premises if carriage is effected by ourselves, our carriers or agents. Thereafter the goods shall be at the sole risk of the Buyer. We reserve the right to delivery by instalments in which case each delivery shall constitute a separate contract without prejudice to subsequent deliveries and shall be invoiced accordingly. We shall use our best endeavours to deliver on the date stated but no guarantee or warranty as to the date or rate of delivery is given or implied and we accept no liability for late delivery or any consequential damage arising therefrom. No delivery shall be considered as overdue until the buyer has made a written request for delivery and given us reasonable time to comply with such request. Failure to meet a delivery date shall not prejudice any contract as regards other deliveries. Estimated delivery periods are from receipt of full design information, orders are normally acknowledged on receipt of this information.

4. ORDER AMENDMENT

Orders can only be modified by prior negotiations and agreements in writing. We reserve the right to amend delivery dates and prices.

5. TITLE AND COPYRIGHT

Property in the goods shall remain vested in us until payment thereof shall have been made by the Buyer in full.

In the event that the goods shall be in any way adapted or incorporated by the Buyer or any third party into any other goods the Buyer shall pending the sale of the goods so adapted or of such composite goods hold the same as security for payment to us of all moneys due in respect of the goods.

Any moneys received by the Buyer from the resale of the goods whether in the original state in which they were received from us or so adapted as aforesaid or from the sale of such composite goods shall be held by the buyer on trust to pay us all moneys due from the buyer to us in respect thereof.

The Buyer shall if so requested by us assign to us all rights the Buyer may have against any subsequent purchaser for payment for the goods whether in the original state in which they were received from us or so adapted as aforesaid or for such composite goods and any other rights and claims against such a purchaser in connection therewith.

6. LOSS AND DAMAGE IN TRANSIT

AML will refund the cost of, or at its discretion replace or repair free of charge, any of the goods proved to AML's satisfaction to have been lost or damaged in transit up to the moment of delivery provided that within three days after the receipt of the goods in the case of damage or within ten days of receipt of invoice in the case of loss, the buyer notifies both AML and the carrier in writing of the occurrence of the damage or loss and its nature and extent.

7. PATENTS

In the case of goods manufactured in accordance with the Buyer's designs, specifications or instructions the Buyer guarantees that such goods and/or process of manufacture thereof do not infringe any letters patent or privilege in the nature of letters patent or registered design, and agrees to indemnify us against all liabilities costs, claims and demands which we may incur by reason of the manufacture or sale of such goods.

8. LAYOUT STANDARDS

Unless specifically stated otherwise in our written quotation all printed circuit artworks will be designed in accordance with our layout standards, a copy of which is available on request.

9. GUARANTEE

We guarantee to replace faulty goods supplied by Arun Microelectronics Limited, or, at our option, to refund the purchase price thereof subject to a claim being made in writing to us within one year after the sale by Arun Microelectronics Limited. This guarantee does not cover misuse or deterioration due to overheating. Items for service under this guarantee must be returned to AML carriage-paid with a declaration that they do not represent a chemical, biological or radiation hazard. Repairs to goods which have not been authorised by AML in writing terminate the guarantee. This guarantee will be in lieu of any warranty or condition implied by law as to the quality or fitness for any particular purpose of the goods. Save as provided in this clause, we shall not be under any liability, in contract, tort or otherwise, in respect of defects, and in no event shall any failure of any kind on our part give rise to any liability for loss of revenue, or any other consequential loss or damage arising from any reason whatever.

10. FORCE MAJEURE

AML shall have no liability in respect of failure to deliver or perform or delay in delivering or performing any obligations under this contract due to any cause of whatever nature outside the reasonable control of the seller including but not limited to civil commotions, strikes, lock-outs, war, fire, accidents, epidemics force majeure and causes arising from the acts or omissions of the Buyer.

11. DISCLAIMER

AML products are not intended to be used either individually or as part of a system in aircraft or life support applications and AML disclaims all responsibility if its products are so used.

12. EXPORT

The buyer is responsible at his expense for obtaining any licence and complying with export regulations in force within this country and the country for which the goods are destined. Certain types of U.S. product technology must not be exported without prior approval from the U.S. Department of Commerce and the Department of Trade & Industry.

13. LAW

The quotation and any contract that shall result therefrom shall be governed in all respects by the internal Laws of England and the parties hereby irrevocably submit to the jurisdiction of the English courts.