

General Terms of Sales

1. Scope

These General Terms of Sales are applicable to all sales and deliveries made by QILIUM SA. (herein referred to as "QILIUM"). The customer explicitly acknowledges the present General Terms of Sales and expressly waives assertion of its own general contractual conditions, if any. The acceptance of the Technical Proposal or the Offer by the customer implies the acceptance of present General Terms of Sales.

2. Quotations

Quotations of QILIUM containing no indications as to the period of validity are not binding for QILIUM.

3. Deliverables & Delivery

QILIUM will provide the Deliverables and perform the Services to Customer under the terms and conditions of the Technical Proposal or the Offer. Acceptation of the Technical proposal or the offer implies that functionalities of the product have been tested and approved.

Unless stated otherwise in the Technical Proposal or the Offer, the Customer shall notify QILIUM of its acceptance or rejection of each Deliverable within 20 working days after its delivery. Any notice of rejection by Customer shall include a justification that the Deliverable does not pass the acceptance criteria, as set forth in the Technical Proposal. If Customer fails to provide such notice within 20 working days after delivery, the Deliverable shall be deemed accepted.

In case of delay in the delivery of a Supply or the delivery of a defective Supply by a third party or Customer, QILIUM shall be entitled to : (i) suspend the Services until it receives all necessary Supplies; (ii) postpone its own Deliverables by the double of the delay incurred by QILIUM.

Except explicit agreement with the customer, the OS binaries are sent to the entity performing the loading of the OS.

Any damage to the packaging has to be reported to the transporter

4. Intellectual Property

Unless stated otherwise in a Technical Proposal or an Offer, QILIUM retains all ownership in any and all intellectual property related to the Deliverables or developed before, independently or during the performance of the Services, including, but not limited to, all software, architectures, patents, know-how, methods, concepts, designs, documentation, and any other material, whether in tangible or intangible form, developed, acquired or prepared by QILIUM.

If the Deliverables include third parties hardware or

software, the right remains to the providers of these hardware or software.

If a quotation does not lead to an order, all documents received by the prospective customer must be returned to QILIUM immediately upon request.

The customer warrants that all items being parts of the specifics functionalities requested by him, are free of third party rights.

The Customer will ensure Qilium against any action or proceeding initiated by a third party based on alleged violations of intellectual property rights.

Customer must reimburse Qilium all amounts Qilium must pay to third parties as a result of such proceedings, and any amount paid for legal fees and defence costs in such proceedings.

5. Confidentiality

Confidential Information includes all data, drawings, documentation and information of all kinds (including, but not limited to technical, marketing, business) and in whatsoever form disclosed by one Party to the other Party.

The terms of the Technical Proposals or Offers are confidential and no information about them can be disclosed without prior written authorization of QILIUM.

6. Special Requirements

The customer shall use the Product in accordance with QILIUM's instructions.

Without the express written approval of QILIUM, QILIUM products are not authorized for use as components in safety and life supporting systems, where malfunction of such QILIUM products might result in damage to and/or injury or death of persons. The unauthorized use of QILIUM products in such systems/applications/equipment is solely at the risk of the customer and such customer agrees to defend and hold QILIUM harmless from and against any and all claims, suits, damages, cost, and expenses resulting from any unauthorized use of QILIUM products.

7. Order Confirmations

After reception of an Offer, the customer has to reply to QILIUM the acceptance of the Offer. This reply could be by e-mail or by postal mail.

Once an order has been confirmed, any changes in the delivery schedule must be requested by the customer in a written demand. The change will be valid only after written confirmation by QILIUM.

8. Prices

Prices quoted by QILIUM in price lists, leaflets, press releases and websites are indicative and not binding. If not clearly marked differently, all prices are in Euros excluding Value Added Tax (VAT) and EXW (Incoterms 2000).

Costs for freight and insurance are offered and charged separately.

9. Payment Terms

Without any specification in the contract, all invoices are payable net within 30 days of the invoice date. QILIUM reserves the right to charge a late payment interest charge of 1% per month (or up to the legally permitted maximum rate) starting at the due date for any invoiced and undisputed amounts.

Any banking fees that apply for the settlement of invoices are at the expense of the customer, if not clearly specified in the offer.

QILIUM reserves the right to stop deliveries until the customer has settled all invoiced amounts overdue.

10. Warranty

QILIUM warrants that its products fulfil their specifications.

For chips with OS loaded, the hardware warranty of the chip is a back to back warranty from the chip provider.

QILIUM cannot be held liable for any costs due to disassembling or reassembling or for damages that occurred directly or indirectly through the products supplied, through their use or through their possible defects. In particular QILIUM declines all liability for consequential or any other subsequent damages such as lost profit. Furthermore, QILIUM does not undertake any liability for damages caused by improper operations by the customer, by wrong use in assembling, incorrect fitting of parts or inadequate storage. Customer must give immediate notice of identifiable defects to QILIUM. The same is true during the period of warranty for possible hidden defects.

In the case of delivering OS licences QILIUM does not undertake any liability for problems during the loading.

11. Verification by QILIUM of Books, Records and Vouchers

In the case where QILIUM provides the means to load the OS, a control of the number of loaded licences could be done by QILIUM.

At all times during regular business hours, and upon a prior notice of at least 48 hours, QILIUM or its representative shall have the right to verify the Licensee's books, records and vouchers and to make copies thereof, in order to ensure that the Licensee is complying with all of the provisions set forth in those Terms and Conditions. QILIUM shall assume the costs of such verification and

shall carry out the verification so as to minimize its impact upon the Licensee's ongoing operations. The Licensee shall cooperate fully during such verification.

12. Applicable Law and Place of Jurisdiction

Those Terms and Conditions shall be construed and enforced in accordance with the laws in force in Belgium.

13. Term and Termination

The term of those General Conditions shall be indefinite.

Those Terms and Conditions shall terminate in any of the following circumstances:

- upon the written consent of the Parties;
- if a Party fails to fulfil any of its obligations hereunder and does not remedy the default within a period of eight (8) days following receipt by the said defaulting Party of a formal notice asking it to remedy the default or within such shorter delay as is provided for in those Terms and Conditions; or
- if either Party becomes bankrupt or insolvent, or ceases to carry on business.

If those Terms and Conditions is terminated:

- any license conferred upon the Customer pursuant to those Terms and Conditions shall terminate immediately; and
- any amount which is still owed to QILIUM shall become payable immediately.

Nonetheless, termination of those Terms and Conditions shall not affect the rights or obligations of the Parties with respect to confidentiality, intellectual property, limitation of warranty or limitation of liability, which rights and obligations shall survive the termination of those Terms and Conditions.

If those Terms and Conditions is terminated for any reason whatsoever, the customer shall do as follows:

- it shall delete the Software Products reproduced by it on any fixed or removable computer medium;
- it shall not keep any partial or complete copies of the Software Product;
- it shall not keep any copies of any confidential information;

QILIUM reserves all its rights and recourses against the Customer, including the right to seek an injunction and/or damages, if the Licensee refuses or fails to fulfill any of the obligations set forth in this Article within the stipulated deadline.