

CIRCUIT DESIGN, INC.
GENERAL TERMS AND CONDITIONS OF SALE

1. Definitions

The following words used herein have the following meanings.

“CD ” means Circuit Design, Inc;

“Buyer” means any person, firm, company or association, which orders or buys products from CD;

“Product(s) ” mean all or any products sold from time to time by CD to Buyer, which are the subject of the Order.

“Order” means the contract between CD and Buyer (for which these conditions form an integral part hereof) for the sale of the Products by CD to Buyer;

These general terms and conditions are effective and binding on and from August 1, 2008 and are in place of all previous terms and conditions issued by CD.

2. Governing Terms

All Products offered for sale by CD are sold subject to the terms and conditions stated herein. These terms and conditions shall apply to the sale of the Products described in a Price Quotation, Sales Acknowledgement, Proforma Invoice, Invoice, or other contract documentation. Except as expressly agreed in writing, no other terms and conditions, including any terms and conditions attached to, or contained within a Buyer's request for quotation, acknowledgment, purchase order or other contract documentation shall apply.

3. Price

The price for any Product shall be the price stated on the Price Quotation issued by CD. All prices are quoted in Japanese Yen (JPY) currency CIP (Carriage and Insurance Paid to) major city of destination country exclusive of all taxes, fees, licenses, duties, or levies imposed in the country where the Buyer is located unless otherwise stated in the quotation. CD shall bill handling charge for Orders under which totaling amount of one shipment is less than Yen 100,000 in addition to the products price.

4. Quantity of order and price

The price of the Products of CD shall be applicable to the quantity and delivery schedule

under an order quoted by CD. The price of the Products thereunder shall be the one agreed upon between CD and Buyer; provided, however, if Buyer fails or refuses to purchase such quantity of Products in accordance with a delivery schedule agreed upon, CD shall have the right (in addition to any other remedies available at law) to collect from Buyer the difference between the price actually paid by Buyer for the Products purchased and the list price for such Products originally established by CD. If the price of metals, raw materials, or other production costs increases significantly, CD shall have the right and Buyer shall have the obligation to renegotiate prices on all Products.

5. Shipment

Unless otherwise stated in the quotation, all shipments of the Products shall be made either by airfreight or air courier. CD may select at its sole discretion a shipment method and routing including freight forwarder.

6. Payment

Unless otherwise stated on the quotation, all payments shall be paid in Japanese Yen in advance before the shipment of order. Credit card payment shall be acceptable in case of small amount order. All costs associated with the bank transfer shall be borne by Buyer. In the case that CD manufactures the Products on order of Buyer and If CD deems it necessary, CD reserve the right to require advance payment of whole or part of ordered amount to Buyer at the time of placement of order.

7. Procedure of order

Following procedure between CD and Buyer shall be taken to form a contract (Order).

1	Request for quotation by Buyer
2	Issuance of Price Quotation by CD
3	Issuance of purchase order by Buyer
4	Issuance of Sales Acknowledgement by CD

7.1 Request for quote

Buyer shall submit a request for quote to CD specifying a model number, frequency, quantities of each Product, and the requested shipping dates, shipping destinations and invoice point.

7.2 Price Quotation

Upon receipt of a request for quote by Buyer, CD shall issue and submit a Price Quotation to Buyer. The Price Quotation is valid only for the limited period of time set forth on the quotation or, if no such period is set forth, it is valid for 30 days from the date of transmittal of the Price Quotation to Buyer. Notwithstanding anything in the Price Quotation to the contrary, CD also reserves the right to withdraw the Price Quotation at any time prior to receipt by CD of Buyer's full and unrestricted acceptance of all of the terms and conditions.

7.3 Order

Buyer shall issue and submit a purchase order to CD if Buyer accepts the Price Quotation and general terms and conditions herein. Such purchase order shall specify model number, frequency, quantities of each Product ordered, and the requested shipping dates, shipping destinations and invoice point. Buyer's submission of a purchase order in response to any Price Quotation shall be deemed acceptance of these terms and conditions.

7.4 Sales Acknowledgement

CD shall issue a Sales Acknowledgement if the order is pursuant to the valid CD quotation including shipping schedule. A contract (Order) shall be formed only upon CD's written Sales Acknowledgement to the Buyer's purchase order. CD's' acknowledgment of Buyer's purchase order is expressly made conditional upon Buyer's consent to these terms and conditions.

8. Excusable delay

CD will make every effort to ship the Products in accordance with the delivery date confirmed by Sales Acknowledgement, provided that CD shall not be liable for any failure of delivery, or delay in the delivery of any Products due to any circumstance or cause including but not limited to acts of God, acts of civil or military authority, fires, epidemics, floods, riots, wars, sabotage, labor disputes, governmental actions or inability to obtain materials, components, energy, manufacturing facilities, or transportation beyond its reasonable control or conduct of its business. CD assumes no liability for any losses or for general, special or consequential damages of Buyer arising out of the delay in delivery.

9. Title (delivery) and Risk of loss

Unless otherwise agreed in writing, all risks of loss or damage to the Products shall pass to the Buyer when CD delivers the Products to a carrier designated by CD in accordance with the provisions of Incoterms 2000 by ICC (International Chamber of Commerce). Title in

and to the Products shall not pass to the Buyer until CD receives full amount of the purchase price thereof.

10. Inspection and acceptance

Buyer shall inspect the Products immediately upon delivery and within four (4) days after delivery give notice in writing to CD of any alleged shortages or of any damage to the Products or of any other matter or thing by reason whereon Buyer alleges that the Products are not in accordance with the Order. If the Buyer shall fail to give such notice in time, then the Products shall be deemed to be in accordance with the Order in all respects and the Buyer shall not thereafter be entitled to reject the Products or to claim from the CD in respect of any shortage, damage or other defect in the Products except the extent of Warranty defined below.

11. Specifications

The Specifications of the Products are presented in the web page of CD or provided in a written form to the Buyer. They shall form an integral part of a sales contract to be executed between Buyer and CD hereunder. Buyer acknowledges and agrees that the Specifications shall apply to the Products hereunder.

12. Warranty

CD represents and warrants hereby that the all Products delivered hereunder shall comply with the applicable Specifications and shall be free from any defect in material and workmanship under normal use and service. Warranty of the Products by CD shall be limited to (at CD's option) repair or replacement for any Products which are returned by Buyer without charge when the defect is notified to CD in writing within twelve (12) months after the date of invoice. The warranty of repair or replacement hereunder shall be the only warranty. Express, implied or statutory, all other warranties of title, non-infringement, merchantability and fitness for purpose shall be expressly disclaimed.

These warranties shall be practiced under the conditions:

- (1) CD is promptly notified in writing upon discovery by Buyer that the Products that fail to conform to the Specifications with a detailed explanation of any alleged deficiencies;
- (2) A Return Authorization Number is issued by CD and notified to the Buyer;
- (3) Products are returned to CD, transport cost at Buyer's account with CD's Return Authorization Number clearly visible on the outside of the package;

(4) CD's examination of the Products shall disclose that such alleged deficiencies actually exist and were not caused by accident, misuse, neglect, alteration, improper installation, unauthorized repair or improper testing. Products returned without a Return Authorization Number will not be accepted.

If CD elects to repair or replace any of the Products, CD shall have a reasonable time to make the repair or replacement. Transport cost from CD to Buyer of the Products repaired or replaced by CD shall be at CD's account if the Products are within the scope of warranty. If the Products are out of warranty, cost of repair or replacement and transport cost from CD to Buyer of the Products repaired or replaced by CD shall be borne by Buyer. Such repair or replacement constitute full and complete fulfillment of all liability of CD to Buyer whether based in contract, tort, indemnity, statutory provision or otherwise.

13. Cancellation Prior to Shipment

In the event Buyer requests that an Order or part of an Order for Products placed with CD be cancelled prior to shipment, and with which request CD agrees, Buyer shall be liable to CD for all costs incurred by CD as a result of such cancellation, including but not limited to, cancellation costs to suppliers and unreimbursed advances on Products, if any, together with any specifically identifiable incidental and consequential expenses.

14. Limitation of liability

With the exception of the scope of warranty specified above, CD 's total liability whether for breach of contract, late delivery or non-delivery, negligence, strict liability in tort or otherwise is limited to the price of particular Products paid by Buyer with respect to which losses or damages are claimed. In no event shall CD be liable to anyone for special, collateral, indirect, exemplary, incidental or consequential damage, such damages to include but not limited to, cost of rework, retesting or removal and reinstallation of goods, loss of goodwill, loss of profits or loss of use.

15. Infringement

CD shall not be responsible for any infringement or threat of infringement of any patent, utility model, design, trademark, copyright or any other intellectual property right in connection with sale of the Products in any country of the world. Further, Buyer shall indemnify, defend and hold CD harmless against any expenses, damages, costs, or losses resulting from any suit or proceeding brought for infringement of patents, trademarks or

copyrights arising from compliance with Buyer's designs, specifications or instructions. CD shall not be liable for any costs or damages incurred by Buyer as a result of any suit or proceeding brought against the Buyer and Buyer shall indemnify, defend and hold CD harmless against any expenses, damages or losses resulting from any suit or proceeding brought against CD.

16. Change for improvement

Unless otherwise agreed in writing, CD reserves the right to make design changes of the Products at its sole discretion and judgment which CD believes will improve its Products.

17. Performance to fulfill Order of nonstandard products

CD may satisfy Buyer purchase orders by shipping 90-105% of ordered quantities for nonstandard products depending on actual yield from such nonstandard products runs. CD shall only charge Buyer for actual quantities shipped. CD's performance shall be excused in the event of strikes, accidents, fires, unavailability of materials and all other causes beyond the control of CD.

18. Compliance with radio spectrum, EMC, products safety and hazardous substances control regulations

Upon request of Buyer, CD shall provide information of legal compliance with radio spectrum control, EMC, products safety and hazardous substances control regulations of Products in the European countries. They are limited in specific countries and specific models of the Products. Buyer shall agree that it is sole responsibility of Buyer to define and take necessary action for compliance with radio spectrum control, EMC, products safety and hazardous substances control regulations and any other legal requirement to put the Products and/or use the Products in the country where the Products are used. Buyer shall hold CD harmless from any responsibility resulting from Buyer's failure to comply with such regulations of the country Products are used.

19. Export control

Buyer warrants that the Products purchased under the sales contract shall neither be exported nor re-exported, directly or indirectly to any country outside the country of destination listed on the face of the documents of the sales contract, unless agreed to by CD and in no case if prohibited by the laws of Japan.

20. Prohibition of use for WMD

Buyer shall agree that Products sold hereunder are not intended to be used, nor be used directly or indirectly for research and development, or use of weapons of mass destruction, nuclear weapons, or biochemical weapons or other weapons similar thereto (Those weapons referred to as “WMD”).

21. Governing Law

These terms and conditions shall be governed by and construed in accordance with the laws of Japan.

22. Arbitration

Any claim or controversy arising out of the performance of these terms and conditions or the breach thereof shall be finally settled by arbitration in Tokyo in accordance with the Rules of Commercial Arbitration of The Japan Commercial Arbitration Association. The award rendered by arbitrator(s) shall be final and binding upon the parties hereto.

23. Assignment

Buyer shall not assign its rights or its obligations under this terms and conditions without prior written consent of CD.

24. NOTICES

All notices required or authorized by these terms and conditions shall be given in writing and shall be deemed effective upon receipt. Notices to Buyer shall be sent to the address shown in Buyer’s order. Notices to CD shall be sent to CD International Business Division of CD.

International Business Division
Circuit Design, Inc.
7557-1, Hotaka, Azumino-city, Nagano, 399-8303, Japan

25. Waiver

Any failure of either party to enforce any provision of this terms and conditions shall not be considered waiver of that party’s right thereafter to enforce each and every provision of this terms and conditions.

26. Severability

In case any provision of this terms and conditions is held to be illegal, the remaining provision of this terms and conditions shall continue in full force and effect.

27. Force Majeure

CD shall not be responsible for any delay or failure to fulfill any of its obligations under the Order nor be liable for any loss or damage suffered or incurred by the Buyer or any third party by reason of any delay in delivery of the Products or any part thereof caused directly or indirectly by any act of God, war, government or parliamentary restriction, import or export regulation, strike, lockout, trade union dispute, fire, theft, flooding, breakdown of plant or premises, failure of computer system or supplies or by virtue of transportation problems or any other cause whatsoever beyond the control of CD.

28. Termination

In the event of the Buyer committing any breach of any the terms and conditions stated herein or provision of the Order, going into liquidation, having a receiver, examiner or other similar officer appointed over the whole or any part of its assets, becoming bankrupt or apparently insolvent or granting any trust deed or entering into any composition or similar arrangement with its creditors, or if any circumstances arise which, in the sole opinion of the CD render any of the foregoing likely to occur, then the CD shall be entitled, without notice and without any liability whatsoever, to terminate the Order forthwith. CD shall also be entitled to cancel all Orders or any part thereof remaining unfilled between the CD and the Buyer. Termination of the Order shall not discharge any pre-existing liability of the Buyer to CD and on such termination CD shall be entitled to recover from the Buyer such loss or damage as CD has suffered by reason of such termination.