

DSP GROUP GENERAL SALE TERMS AND CONDITIONS

THESE DSP GROUP GENERAL SALE TERMS AND CONDITIONS (THESE "TERMS AND CONDITIONS") CONSTITUTE AN AGREEMENT BETWEEN THE DSP GROUP LEGAL ENTITY ("DSPG") THAT SIGNED THE PURCHASE ORDER OR ACCEPTANCE FORM ACCEPTING THE PURCHASE ORDER OF THE PERSON OR ENTITY PURCHASING PRODUCTS AND/OR SERVICED FROM DSPG ("BUYER").

1. PROPERTY RIGHTS: Subject to the provisions set forth herein, the sale by DSPG of an Ordered Good implies the limited, nonexclusive and non-transferable license to Buyer under any of DSPG's and/or its vendors', licensors' or affiliates' (collectively, "Affiliates") intellectual property rights ("DSPG's IP") (1) to use and resell Ordered Goods as sold by DSPG to Buyer, as well as (2) to use and resell apparatuses manufactured by or on behalf of Buyer that include one or more of such Ordered Goods as supplied by DSPG ("Buyer's Ordered Goods"), but such license under sub-clause (2) is only granted if and to the extent infringement of DSPG IP necessarily results from applying one or more of such Ordered Goods.

To the extent that software and/or documentation is embedded in an Ordered Good, the sale of such Ordered Good shall not constitute the transfer of ownership rights or title in such software and/or documentation to Buyer, but, subject to the provisions set forth herein, shall only imply a nonexclusive and non-transferable license to Buyer under DSPG IP (1) to use such software and/or documentation in conjunction with and as embedded in the Ordered Goods as supplied by DSPG (the "DSPG Ordered Good"), and (2) to use such DSPG Ordered Good in or in conjunction with Buyer's Ordered Goods, if and to the extent infringement of DSPG IP necessarily results from applying one or more of such DSPG Ordered Goods.

If DSPG, in connection with the sale of Ordered Goods would supply any software and/or documentation to Buyer that is not embedded in the Ordered Good but that is intended for use in or in conjunction with such Ordered Good, and such software and/or documentation is not subject to a separate license agreement, such sale of Ordered Goods implies, subject to the provisions set forth herein, the limited, non-exclusive and non-transferable license to Buyer under DSPG's IP: (1) to use said software and/or documentation in conjunction with the Ordered Goods as supplied by DSPG and/or its Affiliates and of which DSPG and/or its Affiliates have identified in writing that such software and/or documentation can be used in or in conjunction with such Ordered Goods, as required to enable Buyer to make the normal and intended use of Buyer's Ordered Goods; and (2) to make and distribute copies of the software and/or documentation, either in electronic or hardcopy format, only as shall be reasonably necessary to enable Buyer to make the normal and intended use of Buyer's Ordered Goods. Any and all references to "sale" or "sold" of any software or documentation shall be deemed to mean a license regarding such software or documentation, and no ownership or assignment of any intellectual property rights is intended nor shall be implied thereby.

Unless otherwise specifically agreed in writing by DSPG, no rights or licenses with respect to any software source code are granted by DSPG to Buyer. Any and all source code included as part of any software residing in or provided by DSPG in conjunction with any Ordered Goods and any compilation or derivative thereof is the proprietary information of DSPG or its Affiliates, and is confidential in nature.

The sale by DSPG of the Ordered Goods does not grant to, or convey or confer upon Buyer or Buyer's customers, or upon anyone claiming under Buyer, a license, express or implied, under any patent rights of DSPG covering or relating to any combination, machine or process in which said items might be or are used.

Payment by Buyer of non-recurring charges, as may be made to DSPG for special design, engineering or production materials, shall not convey title to either the design, engineering work or special materials, but title shall remain in DSPG.

No license, express or implied, with regard in any trademark of DSPG or its Affiliates is granted to Buyer under these Terms and Conditions. Buyer shall not (and shall require that its customers do not) remove, alter, cover or obfuscate any proprietary rights notices, such as patent, copyright, mask work or trademark, or confidentiality notices, placed or embedded by DSPG on or in any of DSPG's products or documentations.

2. MODIFICATION: Except as specifically permitted in these Terms and Conditions, Buyer shall not: (a) modify, adapt, alter, translate, or create derivative works from, any software residing in or provided by DSPG in conjunction with any Ordered Goods; (b) assign, sublicense, lease, rent, loan, transfer, disclose, or otherwise make available such software; (c) merge or incorporate such software with or into any other software; or (d) reverse assemble, decompile, disassemble, or otherwise attempt to derive the source code for such software without written authorization from DSPG. Buyer shall reproduce, without any amendments or changes thereto, any proprietary rights legends of DSPG and/or its Affiliates in any software or documentation provided by DSPG.

3. CUSTOM PRODUCT: The design, development or manufacture by DSPG of any product or component for Buyer ("Custom Product") shall not be deemed to produce a work made for hire and shall not give to Buyer any copyright interest in the product or any interest in all or any portion of the mask works relating to such product. All such rights shall remain the property of DSPG. Prices and/or schedules for Custom Products are subject to change by DSPG if any specifications are revised or supplemented or there are unforeseen difficulties with the design.

4. OPEN LICENSE: Buyer's rights under these Terms and Conditions are conditional upon Buyer not performing any actions in a manner that would require any software furnished with the Ordered Goods and/or any derivative work thereof, to be licensed under Open License Terms. These actions include but are not limited to: (a) combining such software, the Ordered Goods or a derivative work thereof with Open Source Software, by means of incorporation or linking or otherwise; or (b) distributing such

software, the Ordered Goods or a derivative work thereof with Open Source Software; or (c) using Open Source Software to create a derivative work of the Ordered Goods or such software, insofar as these actions would require such software, the Ordered Goods or a derivative work thereof to be licensed under Open License Terms. As used herein, "Open Source Software" means any software that is licensed under Open License Terms. "Open License Terms" means terms in any license agreement or grant that require as a condition of use, modification and/or distribution of a work that: (1) source code will be made available, or (2) permission will be granted for creating derivative works, or (3) a royalty-free license or right is granted to any party under any intellectual property rights regarding that work and/or any other work that contains, is combined with, requires or is based on that work.

5. CONTINGENCIES: DSPG is not liable, either wholly or in part, for nonperformance or a delay in performance due to force majeure or contingencies or causes beyond the reasonable control of DSPG, including, but not limited to, acts of God, riot, war, fire, flood, government intervention, embargos, shortage of labor, fuel, raw material or machinery or technical or yield failure, or late delivery by suppliers. Production and deliveries may be allocated by DSPG in its sole and reasonable discretion in the event of a shortage of goods. In the event that the force majeure extends for a period of three (3) consecutive months (or in the event that the delay is reasonably expected by DSPG to extend for a period of three (3) consecutive months), DSPG shall be entitled to cancel all or any part of these Terms and Conditions without any liability of DSPG towards Buyer.

6. SUBSTITUTIONS AND MODIFICATIONS OF GOODS: DSPG may modify the specifications of the Ordered Goods, provided such modified goods substantially conform to these Terms and Conditions. DSPG reserves the right to discontinue production of any of its products (including the Ordered Goods) at any time upon a 12 (twelve) month prior notice, allowing Buyer to continue purchase of Ordered Goods during such period of time in accordance with these Terms and Conditions, as well as an additional purchase order reasonably acceptable to DSPG.

7. WARRANTIES: Except as otherwise hereinafter provided, DSPG warrants that, for a period of one (1) year from date of shipment, the Ordered Goods (a) will be free from material defects in workmanship and materials and (b) will materially conform to DSPG's published functional specifications for the Ordered Goods. DSPG MAKES NO OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NONINFRINGEMENT OF THIRD PARTY RIGHTS. CONTINUED USE OR POSSESSION OF THE GOODS AFTER EXPIRATION OF THE APPLICABLE WARRANTY PERIOD STATED ABOVE SHALL BE CONCLUSIVE EVIDENCE THAT THE WARRANTY IS FULFILLED TO THE FULL SATISFACTION OF BUYER. Notwithstanding the foregoing, DSPG makes NO WARRANTY as to Ordered Goods to the extent they consist of or contain software, experimental or developmental goods, or goods that are licensed under Open License Terms, or goods not manufactured by DSPG, all of which are supplied "AS-IS", provided that as to goods not manufactured by DSPG, DSPG shall, to the extent permitted by DSPG's contract with its vendors and, assign to Buyer any rights DSPG may have under any warranty made by such vendor. THE WARRANTIES SET FORTH HEREIN SHALL NOT BE ENLARGED OR OTHERWISE AFFECTED BY, AND NO OBLIGATION OR LIABILITY OF DSPG SHALL ARISE OR GROW OUT OF, DSPG'S RENDERING OF TECHNICAL ADVICE OR SERVICE TO BUYER. The express warranty granted above shall extend directly to Buyer and not to Buyer's customers, agents or representatives.

ORDERED GOODS ARE NOT DESIGNED, AUTHORIZED OR WARRANTED TO BE SUITABLE FOR USE IN MEDICAL, MILITARY, AIR CRAFT, SPACE OR LIFE SUPPORT EQUIPMENT NOR IN APPLICATION WHERE FAILURE OR MALFUNCTION OF ORDERED GOODS CAN REASONABLY BE EXPECTED TO RESULT IN A PERSONAL INJURY, DEATH OR SEVERE PROPERTY OR ENVIRONMENTAL DAMAGE. INCLUSION AND /OR USE OF ORDERED GOODS IN SUCH EQUIPMENT OR APPLICATIONS, WITHOUT PRIOR AUTHORIZATION IN WRITING OF DSPG, IS NOT PERMITTED AND FOR BUYER'S OWN RISK. BUYER AGREES TO FULLY INDEMNIFY DSPG FOR ANY DAMAGES RESULTING FROM SUCH INCLUSION OR USE.

8. REMEDIES: DSPG's sole and exclusive liability, and Buyer's sole and exclusive remedy, for any breach of the warranties set forth in Section 12 or any other provision herein regarding the Ordered Goods and/or representations or warranties in connection therewith shall be (at DSPG's option) to repair or replace the Ordered Goods causing such breach, or to credit Buyer's account the amounts actually paid by Buyer for any such goods which are returned by Buyer during the one-year warranty period set forth in Section 12, provided that (i) DSPG is promptly notified in writing upon discovery by Buyer that such goods failed to conform to such warranties, and such notice contains a detailed explanation of any alleged deficiencies, (ii) such goods are returned to DSPG EX-WORKS DSPG's plant from which goods were shipped, and (iii) DSPG's examination of such goods discloses that such alleged breach or deficiencies actually exist and were not caused by accident, misuse, neglect, alteration, improper installation, unauthorized repair or improper testing. If DSPG elects to repair or replace such goods, DSPG shall have a reasonable time to make such repairs or replace such goods. Such repair, replacement, or credit shall constitute fulfillment of all liability of DSPG to Buyer whether based in contract, tort, indemnity, statutory provision or otherwise.

9. LEGAL COMPLIANCE: Buyer at all times shall comply with all applicable federal, state and local laws and regulations, specifically with any applicable export or import control laws and regulations regarding the Ordered Goods and/or documentation related thereto, and Buyer will hold DSPG harmless from all damages arising out of or in connection with any violation thereof. The products covered by these Terms and Conditions may fall within the group of "strategic" electronic products that are wholly or partly of U.S. origin or technology, the export of which is subject to export license control by the U.S. government. Therefore, prior to exportation, Buyer is required to obtain any licenses which may be required under the applicable laws of the U.S., including the export administration act and regulations.

10. PATENT INDEMNITY: DSPG shall defend Buyer in any suit or proceeding brought against Buyer by a third party insofar as such suit or proceeding is based on a claim that any Ordered Goods manufactured by DSPG and supplied to Buyer by DSPG under these Terms and Conditions directly infringe of any duly issued United States patent of such third party, and DSPG shall pay all damages and costs finally awarded against Buyer by a court of competent jurisdiction in such suit or proceeding as a result of such claim. The foregoing obligation shall apply only if Buyer promptly informs DSPG of such suit or proceeding, Buyer promptly furnishes to DSPG a copy of each communication, notice or other action relating to the alleged infringement, and Buyer gives DSPG full authority, information, and assistance to defend and settle such suit or proceeding. DSPG shall have no obligation or liability hereunder if the infringement arises out of or is caused by (a) compliance with Buyer's specifications, (b) combination of the Ordered Goods with any hardware, software or other products not supplied by DSPG, (c) any addition to or modification of the Ordered Goods after delivery by DSPG, (d) use of the Ordered Goods, or any part thereof, in the practice of a process, (e) unauthorized use or distribution of the Ordered Good or use beyond the specifications of the Ordered Good, (f) infringement of any third

party's intellectual property rights with respect to which DSPG has informed Buyer or has published (in a datasheet or other specifications concerning the Ordered Good or elsewhere) a statement that a separate license has to be obtained and/or that no implied license is granted. DSPG's obligations hereunder shall not apply to any infringement occurring after Buyer has received notice of said suit or proceeding or other communication alleging the infringement unless DSPG has given prior written permission for such continuing infringement. If any Ordered Goods are held, or in DSPG's opinion are likely to be held, to infringe any United States Patent, DSPG shall have the right, at its option and expense, to (i) procure for Buyer the right to use such goods, (ii) replace such goods with non-infringing substitute goods, or (iii) accept return of such goods in exchange for a refund of the amounts actually paid by Buyer for such goods. If the infringement is alleged prior to completion of delivery of the Ordered Goods under these Terms and Conditions, DSPG may decline to make further shipments without being in breach of these Terms and Conditions, or DSPG may agree to make such shipments if Buyer agrees in writing to defend, indemnify and hold DSPG harmless against any claims, liability, losses, damages and costs in connection with the infringement relating to such shipments. THE FOREGOING STATES THE SOLE AND EXCLUSIVE LIABILITY OF DSPG IN CONNECTION WITH ANY CLAIM OF PATENT OR OTHER INTELLECTUAL PROPERTY INFRINGEMENT RELATING TO THE ORDERED GOODS.

11. **DISCLAIMER OF DAMAGES:** DSPG'S AND ITS AFFILIATES' AGGREGATE AND COMMULATIVE LIABILITY IN CONNECTION WITH THE ORDERED GOODS AND THESE TERMS AND CONDITIONS SHALL NOT IN ANY EVENT EXCEED THE LESSER OF: (A) THE TOTAL OF THE AMOUNTS ACTUALLY PAID BY BUYER TO DSPG HEREUNDER FOR THE ORDERED GOODS DURING THE SIX (6) MONTHS PRECEDING THE EVENT, OR SERIES OF EVENTS, AS THE CASE MAY BE, GIVING RISE TO ANY LIABILITY FOR THE ORDERED GOODS CAUSING ANY LIABILITY, AND (B) AN AMOUNT OF US\$500,000, BUT IN CASE OF LIABILITY FOR DELAY OR NON-DELIVERY OF ORDERED GOODS, ALSO NEVER MORE THAN THE PURCHASE PRICE OF THE DELAYED OR NON DELIVERED ORDERED GOODS CONCERNED. IN NO EVENT SHALL DSPG BE LIABLE TO ANYONE FOR SPECIAL, COLLATERAL, INDIRECT, PUNITIVE, EXEMPLARY, INCIDENTAL, OR CONSEQUENTIAL DAMAGES OR DAMAGES FOR LOST PROFITS, LOST REVENUES OR LOST DATA, IN CONNECTION WITH THE ORDERED GOODS OR THESE TERMS AND CONDITIONS. IN NO EVENT SHALL DSPG BE LIABLE FOR ANY DAMAGE, COSTS OR EXPENSES ASSOCIATED THE ACTUAL REPLACEMENT OR REPAIR OF PRODUCTS, INCLUDING LABOR, INSTALLATION OR OTHER COSTS INCURRED BY BUYER AND, IN PARTICULAR, ANY COSTS RELATED TO THE REMOVAL OR REPLACEMENT OF ANY ORDERED GOODS SOLDERED OR OTHERWISE PERMANENTLY AFFIXED TO ANY PRINTED CIRCUIT BOARD, EXCESS PROCUREMENT COSTS, OR REWORK CHARGES. ANY BUYER'S CLAIM FOR DAMAGES MUST BE BROUGHT BY BUYER WITHIN NINETY (90) DAYS OF THE DATE OF THE EVENT GIVING RISE TO ANY SUCH CLAIM, AND ANY LAWSUIT RELATIVE TO ANY SUCH CLAIM MUST BE FILED WITHIN ONE (1) YEAR OF THE DATE OF THE CLAIM. ANY CLAIMS THAT HAVE BEEN BROUGHT OR FILED IN CONFLICT WITH THE PRECEDING SENTENCE ARE NULL AND VOID. The limitations and exclusions set forth above in this Section shall only apply to the extent permitted by applicable mandatory law.

12. **USE OF DSPG PREMISES:** In the event that Buyer (including for purposes hereof, any of its employees, agents or subcontractors) enters premises occupied by, or under the control of, DSPG, or of any of its Affiliates, sub-contractors or other third parties, Buyer shall indemnify and hold DSPG, its officers, directors, employees, Affiliates and other parties harmless from any loss, cost, damage, expense or liability by reason of loss, property damage, or personal injury arising from any acts or omission of Buyer.

13. **BREACH AND TERMINATION:** Without prejudice to any rights or remedies DSPG may have under these Terms and Conditions or at law, DSPG may, by written notice to Buyer, terminate with immediate effect these Terms and Conditions, or any part thereof, without any liability whatsoever, if: (i) Buyer fails to make payment for any Ordered Goods to DSPG when due; (ii) Buyer fails to accept conforming Ordered Goods supplied hereunder; (iii) any proceedings in insolvency, bankruptcy (including reorganization) liquidation or winding up are instituted against Buyer, whether filed or instituted by Buyer, voluntary or involuntary, a trustee or receiver is appointed over Buyer, or any assignment is made for the benefit of creditors of Buyer; or (iv) Buyer violates or breaches any of the provisions of these Terms and Conditions. Upon occurrence of any of the events referred to hereinabove, all payments to be made by Buyer under these Terms and Conditions shall become immediately due and payable. In the event of cancellation, termination or expiration of these Terms and Conditions, Sections 6, 7, 9, 10, 12-16, 20-28, and 31 shall survive.

14. **DELIVERY DATES MODIFICATIONS; CANCELLATION:** No order, Agreement or any part thereof may be rescheduled or cancelled without DSPG's prior written consent.

15. **CONFIDENTIALITY:** Buyer acknowledges that all technical, commercial and financial data ("Confidential Information") disclosed to Buyer by DSPG and/or DSPG's Affiliates is the confidential information of DSPG and/or its Affiliates. Buyer shall not disclose Confidential Information to any third party and shall not use Confidential Information for any purpose other than as agreed by the parties and in conformance with the transaction contemplated hereunder. Buyer shall restrict disclosure and use of the Confidential Information to its employees on need to know basis only. Without limiting the foregoing, Buyer shall use at least the same degree of care which it uses to prevent disclosure of its own Confidential Information of like importance, but in no event with less than a high degree of care, to prevent the disclosure of the Confidential Information. Upon DSPG's request, Buyer shall promptly return all Confidential Information to DSPG or make such other disposition thereof as directed by DSPG. Buyer shall, only with the prior approval in writing from DSPG, be permitted to disclose Confidential Information under the same obligations as are contained in this Section, and Buyer shall be responsible for full compliance by the other parties to whom Confidential Information is disclosed. Buyer shall be liable to DSPG for any and all damages, for any loss, disclosure, misuse, and/or misappropriation of the Confidential Information. DSPG shall have no obligation to hold any information received from Buyer hereunder in confidence unless such information is covered by a separately negotiated non-disclosure agreement, which is reduced to writing and signed by both parties.

16. **NON-WAIVER OF DEFAULT:** In the event of any default by Buyer, DSPG may decline to make further shipments. If DSPG elects to continue to make shipments or in any case of failure on its part to exercise any right or remedy arising from these Terms and Conditions, DSPG's action shall not constitute a waiver of any default by Buyer and shall not in any way affect DSPG's legal remedies for any such default.

17. **APPLICABLE LAW:** The validity, performance and construction of these Terms and Conditions shall be governed by the laws of the State of California. All actions and proceedings relating to or arising out of these Terms and Conditions shall be brought only in the U.S. District Court for the Northern District of California, San Jose Division, or the Superior Court of California for the County of Santa Clara, and the parties hereby acknowledge and submit to exclusive jurisdiction of and venue in such courts, except that DSPG may apply to any court in any other venue or jurisdiction for interim remedies. The

U.N. Convention on the International Sale of Goods shall not apply to the Ordered Goods or these Terms and Conditions.

18. U.S. GOVERNMENT CONTRACTS: If the goods to be furnished under these Terms and Conditions are to be used in the performance of a U.S. Government contract or subcontract and a U.S. Government contract number shall appear on Buyer's purchase order, those clauses of the applicable U.S. Government procurement regulation which are mandatorily required by Federal Statute to be included in the U.S. Government subcontracts shall be incorporated herein by reference.

19. ASSIGNMENT; SUB-CONTRACTING: Buyer may not assign (voluntarily, by operation of law or otherwise) these Terms and Conditions, or any of its rights or obligations thereunder, without the prior written approval of DSPG. In performance of its obligations hereunder, DSPG may assign or subcontract these Terms and Conditions, or any of its rights or obligations thereunder to third parties.

20. SETOFF: Buyer hereby waives any and all rights to offset existing and future claims against any payments due for Ordered Goods sold under these Terms and Conditions or under any other agreement, and all such payments will be made regardless of any claimed which may be asserted by Buyer or on its behalf.

21. ATTORNEYS' FEES: Should a dispute arise from the subject matter of these Terms and Conditions, the prevailing party in any resulting litigation shall be reimbursed by the other party for any and all reasonable attorneys' fees and expenses incurred.

22. RELATIONSHIP OF PARTIES: The parties hereto intend to establish a relationship of buyer and seller, and as such are independent contractors with neither party having authority as an agent or legal representative of the other to create any obligation, express or implied, on behalf of the other.

23. RELEASE OF INFORMATION: Neither DSPG nor Buyer shall publicly announce or disclose the existence of these Terms and Conditions or its terms and conditions, or advertise or make public announcements regarding these Terms and Conditions, without the prior written consent of the other party.

24. WHOLE AGREEMENTL MODIFICATION: These Terms and Conditions constitute the entire agreement between the parties relating to the sale of the Ordered Goods and supersede all previous communications, representations or agreements either oral or written, with respect to the subject matter hereof. Any representations or statements of any kind made by any representative of DSPG which are not stated herein shall not be binding on DSPG. DSPG reserves the right to make any amendments or changes to these Terms and Conditions at any time. Such amendments, modifications and changes shall have effect (1) to all offers, confirmations and agreements referring to such amended or modified Terms and Conditions as from the date of such offer, confirmation or agreement, and (2) to any existing agreement thirty (30) days from notification of such amendments or modifications by DSPG to Buyer, unless Buyer has notified DSPG within such thirty (30) days period that it objects thereto. Except for the above and specifically with respect to any and all transactions, no addition to or modification of any provisions of these Terms and Conditions shall be binding upon DSPG unless made in writing and signed by a duly authorized representative of DSPG. No course of dealing or usage of trade or course of performance shall be relevant to explain or supplement any term expressed in these Terms and Conditions.

25. SEVERABILITY: If any provision of these Terms and Conditions shall be determined to be illegal or unenforceable, all other provisions shall remain in full force and effect.

26. NOTICE: All notices provided pursuant to these Terms and Conditions shall be in writing and shall be deemed delivered on the date of personal delivery if addressed to the recipient at the addresses on the applicable purchase order or confirmation form.

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January 10, 2008