

GENERAL TERMS AND CONDITIONS UNIVERSAL  
ELECTRONICS B.V.

1. These terms and conditions (the “**Terms**”) shall apply to all offers made by us and every agreement (the “**Agreement**”) concluded with us. Modifications, amendments and supplements to the Terms and/or an Agreement, shall only be binding, if agreed upon in writing by authorized representatives of the parties to the Agreement.
2. Payment for the products supplied by us (“**Products**”) shall be made in the currency, in the manner and within the time period(s) specified in our offer. The purchase price shall be due with immediate effect if you:
  - i. become insolvent or are unable to pay your debts as they fall due; or
  - ii. seek to be declared bankrupt; or
  - iii. are granted suspension of payments or similar relief under a legal procedure;
  - iv. are subject to such a procedure;
  - v. are unable to pay your debts as they fall due for any reason; or the Agreement is terminated for any reason.
3. Title of the Products shall first pass upon delivery.
4. The Products shall be purchased by orders in a format agreed between you and us from time to time (e.g. registered mail, fax, e-mail and EDI).

We shall have the right to accept or reject orders and, where accepted, we shall specify to you a provisional delivery date.
5. No order placed by you shall be deemed to be accepted by us until a written acknowledgement of order is issued by us or (if earlier) we deliver the Products to you. We shall use commercially reasonable efforts to fill all orders on the delivery dates specified by us.
6. You may allow your affiliates, set-top box manufacturers or contract manufacturers (the “**Representatives**”) to place purchase orders for the Products under the Agreement, provided that (i) you shall procure that such Representatives shall comply with these Terms and (ii) you shall be liable for the full, timely and proper fulfillment by such Representatives of their obligations.
7. We warrant to you that the Products shall substantially conform to the specifications set out in our offer (“**Specifications**”) and shall be free from defects in materials and workmanship under normal and correct use for a period of two (2) years from the date of manufacture.
8. The purchase price includes a fair and reasonable compensation for warranty claims with respect to Product failures within the acceptable fault rate. If there has been a failure in excess of the acceptable fault rate for a particular batch, we shall at our own cost and at our own discretion either (i) replace all faulty Products in excess of the acceptable fault rate discovered in the particular batch or (ii) refund the purchase price of all faulty Products in excess of the acceptable fault rate discovered in the particular batch. The acceptable fault rate shall, in respect of any batch, be equal to 0% to 1.0 % of the Products in that batch.
9. The obligations set forth in Article 8 above are our entire liability and your exclusive remedy in respect of the warranties that the Product will conform to the Specifications and operate free from errors and defects in materials and workmanship. Any other liability is explicitly excluded.
10. If any claim is brought against you alleging that the sale of the Products or use of

associated software and/or documentation, infringes intellectual property rights of any third party, you shall provide us with full details of such claim as soon as reasonably practicable. We shall defend, or at our option, settle the dispute and pay any and all damages awarded to the claimant by a court of law, or agreed with the claimant under a settlement agreement, provided in all cases that you provide us with such reasonable assistance as we require in doing the same and provide us with full control and conduct of such claim.

11. Notwithstanding any of the above, at any time after notice to us of any such claim, we may: (i) procure for you the right to continue selling the Products on terms reasonably acceptable to you; or (ii) modify the Products so that they become non-infringing; or (iii) replace that part of the Products or the Products itself at no additional charge with non-infringing products acceptable to you. If none of the remedies under (i) to (iii) would be reasonably available to us, we shall refund that part of the purchase price that has been paid by you in respect of the Product(s) or part(s) thereof that is held to constitute an infringement of another party's intellectual property rights.
12. The remedies provided under Article 10 and Article 11 constitute your exclusive remedies in the event that the supply of the Products or any part thereof is held or alleged to constitute an infringement of another person's intellectual property rights. Any other liability is explicitly excluded.
13. Anything herein to the contrary notwithstanding, in no event shall we be liable to you or to any other party for any indirect, incidental or consequential damages or expense or lost profits or loss of business or depletion of goodwill in any case arising directly or indirectly from the sale, inability to sell, use, loss of use of or otherwise in connection with any Product, these Terms and/or the Agreement.
14. In no event shall our total liability arising in connection with any Agreement (whether arising from a claim based on contract, warranty, tort (including negligence or breach of statutory duty) or otherwise) exceed the actual amount that you have paid to us in a period of six (6) months preceding the event from which our liability arose or, if this is less, an amount of US\$ 100,000.
15. These Terms shall be governed by the laws of the Netherlands, without recourse to its conflict of law principles. The application of the United Nations Convention on Contracts for the International Sale of Goods of April 11, 1980, shall be excluded.
16. Any dispute resulting from these Terms shall exclusively be brought before the competent court in Overijssel, location Almelo, the Netherlands. However, in the event you have your statutory seat in a country in which a decision of a Dutch court is not enforceable, all disputes will be exclusively settled by means of arbitration by one (1) arbitrator in accordance with the Arbitration Rules of the Netherlands Arbitration Institute (NAI). The place of arbitration in that event shall be

Amsterdam, the Netherlands. The language of arbitration shall be English.

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