

TERMS AND CONDITIONS OF SALE AND SERVICE

All Purchase Orders are subject to these terms and conditions and all additional terms and conditions presented on or accompanying a Dali Quotation or Dali Order Acknowledgement. Dali specifically rejects and Customer disclaims all printed provisions in Customer's printed Purchase Orders including associated forms and/or documents. These terms and conditions (these "Terms"), together with Dali Quotation and Order Acknowledgement shall constitute the entire agreement between Dali and Customer with respect to any Customer Purchase Order and the Materials and/or Services provided hereunder. These supersede any prior or contemporaneous agreements or representations written or oral. Any amendment of these Terms must be in writing and signed by Dali to be binding on Dali.

1. Definitions.

1.1 "Customer" means the person or entity however constituted to whom the Material or Services are provided by or through Dali.

1.2 "Dali" means Dali Wireless, Inc. and its affiliates.

1.3 "Delivery" means the Shipment Date for Material or the date of substantial completion of the Services or any stage thereof.

1.4 "Material(s)" means the Products and/or Standard Software offered for sale or licensed to Customer by Dali in fulfillment of a Purchase Order.

1.5 "Order Acknowledgement" means a document delivered to Customer by Dali or acknowledging the receipt of Customer's Purchase Order and Dali's agreement to supply the Material and/or Services stated on such Purchase Order under these Terms.

1.6 "Product" means hardware of Dali's design and manufacture, or other manufacturer's equipment offered for sale by Dali to Customer. Product does not include Standard Software or Services.

1.7 "Purchase Order" means Customer's document for the acquisition of Materials and/or Services, exclusive of all printed terms and conditions contained thereon.

1.8 "Quotation" means either Dali's offer to sell Services and/or Material or Dali's document that provides a summary of the Statement of Work and pricing corresponding to the Statement of Work.

1.9 "Services" means various types of services provided by Dali to Customer covering items such as training, maintenance services, on-site support, applications engineering, site engineering and installation. Services are not Material.

1.10 "Shipment" means shipment of Material to Customer at the agreed destination. Shipments within the continental United States and all international destinations are made EXW (Incoterms 2010).

1.11 "Shipment Date" means the date on which Dali has scheduled Shipment.

1.12 "Software License Agreement" means the Dali Software License Agreement.

1.13 "Standard Software" means a set of instructions which allows hardware/non-intelligent Products to store, manipulate and/or process information. Standard Software is licensed by Dali separately or as part of a Product sale. Standard Software is not a Product.

1.14 "Statement of Work" means Dali's document which describes in detail the work or Services to be performed and any Material to be supplied.

2. Acceptance Of Purchase Orders. As used herein, "Acceptance of Customer's Purchase Order" shall mean Dali's agreement, as evidenced by the issuance of an Order Acknowledgement, to supply the Material and/or Services identified in Customer's Purchase Order under these Terms. All Customer Purchase Orders are subject to written acceptance by Dali, at its sole discretion, even if received elsewhere by a salesperson, selling agent or representative. No Customer Purchase Order will be binding upon Dali until Dali issues its written Order Acknowledgement.

3. Price Of Material and/or Services. The price for Material and Services are based on Dali's published list prices in effect at time of Dali's receipt of Customer's Purchase Order unless otherwise set forth in the Order Acknowledgement, or a valid issued Quotation, Statement of Work or proposal. A Quotation, Statement of Work or proposal is valid for a period of thirty (30) days from date of issue. Errors or omissions in price are subject to correction by Dali. All published list prices are subject to change by Dali without notice. Dali retains all rights to change the Material and/or Services or may discontinue any Material and/or Services at Dali's sole discretion.

3.1 Prices; Adjustments. The price of Services may subsequently be adjusted to reasonably reflect the adverse cost impact to Dali of: (i) Customer changes or delays which are outside of the scope of Services; (ii) legal/regulatory changes which occur after the issuance of the Quotation and/or Statement of Work for the particular Services in question; and/or (iii) the failure of Customer to perform its obligations under Section 6, 7, and 8. In the event Customer objects to an adjustment to the price, Dali shall have the right to terminate the Purchase Order, in whole or in part and in addition to any other remedy available to Dali, Customer shall make immediate payment to Dali on account of all Materials delivered and/or Services rendered prior to the termination.

4. Purchase Order Changes. Customer may not change its Purchase Order without Dali's written consent. Any revision in drawings, designs, specifications, shipment completion dates or Purchase Order termination requested by Customer may result in additional cost to Customer. Any additional cost to Customer will be at Dali's standard rates in effect at the time of Customer's request. Dali's performance of Customer's request shall commence only upon the issuance of a new Purchase Order or written amendment to an existing Purchase Order authorizing the applicable charge. Customer's oral requests for Services shall be binding on Customer and deemed by Dali as valid Customer Purchase Orders, governed by these Terms. Customer further agrees, as a result of any request made hereunder to pay any and all charges associated with such Service request. Customer requested changes in performance of Services shall be reviewed upon Dali's receipt of Customer's request to determine if additional charges are applicable.

5. Schedule for Performance of Services. Dali will perform the Services in accordance with the schedule stated in the Quotation and/or Statement of Work. Both parties agree to use reasonable efforts to adhere to the schedule, however, each party will give due consideration to any reasonable proposal by the other party regarding changes in the schedule which, if agreed upon, will be recorded in a written modification to the applicable Purchase Order. Dates for performance of Services are estimated by Dali in good faith but not guaranteed. Dali will have unrestricted access to Customer's site and any other locations at which Services are to be performed at all times (including overtime hours, Saturday, Sundays and holidays) for the purpose of performing the Services.

6. Site Preparation and Condition for Services. Customer will be responsible for preparation of the site, at which Dali will perform the Services to the specifications and in accordance with the time schedule stated in the Quotation and/or Statement of Work. Customer warrants to Dali that each such site is in compliance with all applicable health and safety regulations and is free from all friable asbestos and hazardous contamination or pollutants, as further provided in Section 8.

7. Hazardous Materials. Prior to the date specified in the Quotation and/or Statement of Work for the performance of Services, Customer will take any and all steps needed to assure that each site is free from all asbestos and hazardous contamination or pollutants. If contamination is found to be present at a site, Dali will have no further obligations under any Quotation and/or Statement of Work (other than with respect to any software licenses or confidentiality obligations), until such contamination is removed.

8. Packaging, Shipment Dates for Materials. All Material shall be suitably packed for shipment. Dali may charge for packing and/or packaging including special documentation to comply with Customer requests. The Shipment Date for Material is estimated by Dali but is not guaranteed by Dali. Customer, regardless of the circumstances, will not hold Dali liable for any liabilities, penalties, or charges of any nature due to the late performance of any Shipment Date. Dali assumes no liability for any direct or liquidated damages during Shipment or Delivery of Material. Material may be tendered in partial Shipments at Dali's discretion. In the event of Shipment delay requested by Customer or a delay caused by lack of shipping instructions, Dali will store the subject Material at Customer's risk and expense. Dali will invoice the Customer at the full price for the Material including any additional storage fee.

9. Title, Risk Of Loss And Insurance. Risk of loss, damage and insurance responsibilities for the Products pass from Dali to Customer upon acceptance of Material by the shipping agent or carrier. Title to Materials shall pass to Customer upon full payment. Title to all Software shall remain with Dali or its licensors, but risk of loss, damage and insurance responsibilities shall pass to Customer at Dali's shipping location. In the event title passes to Customer on Shipment under applicable law, for all Materials shipped, Dali shall retain a security interest in the Materials until payment, in full, has been received by Dali for such Materials delivered and Services performed. Customer shall execute any instrument reasonably required for Dali's protection of such security interest. All Materials and Services are deemed accepted upon Delivery subject to the warranties provided in Section 12.

10. Payment Terms. Customer's payment obligations are stated on Dali's invoices. Invoices for Services will be rendered in accordance with an established milestone schedule or upon completion of any Services. Delinquent payments shall bear interest at the rate of one and one-half percent (1½%) or the maximum permitted by law, whichever is less, per month on outstanding balances may be charged. All amounts due shall be payable in United States dollars unless otherwise specifically agreed upon in Dali's Order Acknowledgement. If, in Dali's judgment, Customer's financial condition does not justify continuation of the existing payment terms, Dali may: (i) require full or partial payment of Customer's account; (ii) require payment in advance of Material shipment; (iii) require payment in advance for performance of any Services; (iv) change Customer's credit terms; or (v) any combination of the above.

11. Warranties. Dali warrants from the Shipment Date that Product bearing Dali name will substantially conform to Dali specifications in effect as of the Shipment Date and will be free from substantial defects in material and workmanship under normal use, given proper installation and maintenance, for a period of 12 months from the Shipment Date for the respective Product(s), and under the terms and conditions set forth in Dali's current published warranty handbook in effect on the Shipment Date. Dali further warrants to Customer that all Services performed by Dali for Customer will be provided in a workmanlike manner for a period of ninety (90) days after Delivery. The warranties for Standard Software are set forth in the Software License Agreement.

12. Warranty Limitations. Dali's entire liability and Customer's exclusive remedy whether in contract, tort or otherwise, for any claim related to or arising out of breach of the warranty covering Product shall be correction of defects by repair, replacement, re-performance of service or credit, at Dali's discretion. Refurbished Product may be used to repair or replace the Product. Customer shall have no claim to Product which was replaced or the components therein which were replaced. Dali has no liability with respect to claims relating to or arising from the use of equipment not bearing Dali name. Dali does not warrant that the operation of the Product will be uninterrupted or error-free. Similarly, Dali does not warrant that the functions of the Product will meet Customer's requirements or that the Product will operate in combination with other products selected by Customer for its use. Dali assumes no liability with respect to (i) defects caused by modification, repair, installation, operation or maintenance except as described in Dali's documentation; or, (ii) negligent or other improper use of the Product. All equipment and software not bearing Dali name, is supplied "AS IS" and Customer will look solely to the warranties and remedies, if any, provided by the equipment manufacturer thereof. In addition, Dali assumes no liability for equipment or services furnished by Customer nor does this warranty cover any copy of or update to any user manual for the Product. No agent, distributor, or representative is authorized to make any warranties on behalf of Dali or to assume for Dali any other liability in connection with any Product or Services. With respect to all purchases of Materials and/or Services from Dali by Customer, the above warranty replaces all other warranties, express or implied, and all other obligations of Dali, including any warranties of merchantability and fitness for a particular purpose. All other warranties are disclaimed and excluded by Dali.

13. Returns. Material may not be returned to Dali without prior authorization. Customer must contact Dali to obtain an authorization number and return the Material to the location designated by Dali with all transportation charges paid by Customer. Dali may charge Customer certain fees for Material returned to Dali. Any Material returned to Dali without proper authorization will be returned to Customer at Customer expense.

14. Disclaimer of Liability. DALI WILL NOT BE LIABLE TO CUSTOMER OR ANY THIRD PARTY CLAIMING THROUGH CUSTOMER FOR INJURIES OR DAMAGES TO PERSONS OR PROPERTY RESULTING FROM ANY CAUSE WHATSOEVER, WITH THE EXCEPTION OF BODILY INJURIES OR DEATH CAUSED BY THE WILLFUL MISCONDUCT OR INTENTIONAL ACTS OF DALI. THIS LIMITATION APPLIES TO ALL MATERIAL PROVIDED AND SERVICES PERFORMED DURING AND AFTER THE WARRANTY PERIOD SET FORTH IN SECTION 11. IN NO EVENT SHALL DALI BE LIABLE TO CUSTOMER FOR ANY DAMAGES RESULTING FROM LOSS OF DATA, LOSS OF USE OR LOSS OF REVENUE OR PROFIT AND DALI FURTHER DISCLAIMS ANY AND ALL LIABILITY FOR INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, OR OTHER SIMILAR DAMAGES. IF ANY REMEDY HEREUNDER FAILS OF ITS ESSENTIAL PURPOSE, OR IN ANY OTHER EVENT, DALI'S AGGREGATE LIABILITY HEREUNDER SHALL NOT EXCEED (I) THE PURCHASE PRICE OF THE AFFECTED MATERIALS DEPRECIATED OVER A THREE YEAR PERIOD; OR (II) THE ACTUAL AMOUNT PAID TO DALI FOR THE AFFECTED SERVICES.

15. Assignment. Dali may assign or pledge the payments due (and the documentation supporting such payment obligations) from Customer under this Purchase Order. Dali may assign all of its other rights and obligations by giving Customer written notice thereof but without being obligated to obtain Customer's consent prior thereto. In the event of an assignment, Dali shall be discharged of any liability pursuant to those Purchase Orders which have been assigned or delegated. Customer may not assign its rights nor delegate its obligations under any or all of its Purchase Orders unless Dali's written consent is obtained prior thereto and any such assignment or delegation without such consent shall be void.

16. Compliance with Applicable Laws. Each party will comply with all applicable laws affecting the purchase and use of Material. Each party agrees to maintain all registrations with governmental agencies, commercial registries, chambers of commerce, or other offices which may be required under law in order to properly conduct commercial business. Prior to the date specified in the Quotation and/or Statement of Work for the performance of Service, Customer will (i) obtain and pay for all governmental or third party consents, permits, approvals, licenses and public and private easements necessary for Dali's unrestricted access to any site or location needed for performance of the Services and delivery of the Material, and (ii) will notify Dali in advance of any requirements including all local laws, regulations, ordinances and the like to which Dali is or will be required to comply in the rendering of Services and in the supplying of Materials hereunder. When required, Customer will comply with United States laws applicable to the use, sale or license of Material,

including but not limited to the Foreign Corrupt Practices Act and the Export Administration Act.

17. Confidential Information. Customer will not disclose to any person or entity any information or data of Dali which is either marked as the confidential information or which should reasonably be understood as confidential in nature ("Confidential Information"). Notwithstanding the provisions herein, if Customer receives Confidential Information Customer shall treat such Confidential Information as confidential, prohibit recopying and use such Confidential Information only in connection with fulfilling its obligations under Customer's Purchase Order. Customer will return all Confidential Information to Dali upon completion of such obligations for its use, or upon the request of Dali. Customer recognizes and agrees that the unauthorized use or disclosure of the Confidential Information would cause irreparable injury to Dali for which it would have no adequate remedy at law, and that any actual or contemplated breach of this clause will entitle Dali to obtain immediate injunctive relief prohibiting such breach, in addition to any other rights and remedies available to it. The obligations herein contained will expressly survive the final payment of any/or all Customer Purchase Orders.

18. Severability. If any provision of these Terms is held by a court, government agency or other legal authority of competent jurisdiction to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not invalidate, void or render unenforceable any other portion of these Terms but rather these Terms shall be construed as if it did not contain the particular invalid, illegal or unenforceable provision or provisions, and the rights and obligations of the parties shall be construed and enforced accordingly.

19. Force Majeure. Dali is not liable for failure or delay in fulfilling its obligations due to any causes beyond its reasonable control. In the event of any such delay, the Shipment Date or date for performance of Services will be extended. Dali retains the right to determine the allocation of its inventory of Materials among itself, its present and future customers and Customer. In the event Dali partially fills Customer's Purchase Order, Customer shall make payments on Dali's invoices during the period in which the delay is in effect for those Materials and/or Services delivered. If an event of force majeure prevents or delays Dali's performance by more than six (6) months, Dali may terminate the applicable Purchase Order, with immediate effect.

20. Governing Language. The parties hereby agree that all written documents between them be prepared in the English language only and such language shall be the governing language.

21. Governing Law/Venue. The contract created by the issuance of an Order Acknowledgement shall be construed, interpreted and applied in accordance with the internal laws (but not the law of conflicts) of the jurisdiction in which is located the main office of Dali affiliate which is authorized to issue the Order Acknowledgement and any applicable law of that jurisdiction and the United States of America. The parties agree that the United Nations Convention on Contracts for the International Sale of Goods shall not apply to the sale of Materials hereunder. Each party hereby irrevocably consents to the exclusive personal jurisdiction of any state court of general jurisdiction of the jurisdiction in which is located the main office of Dali affiliate which is authorized to issue the Order Acknowledgment. If

Customer institutes any legal proceeding in any other court, it shall assume all of Dali's costs in connection therewith, including reasonable attorney's fees. Registered or certified mail of any legal process shall constitute lawful and valid service of process in any such proceeding, suit or controversy.

22. Intellectual Property Rights. All drawings, data, designs, tooling, equipment, procedures, engineering changes, inventions, trade secrets, copyrights, mask works, source code, object code, patents, patent applications, know-how, computer and/or Product software and all parts thereof, trademarks and all other information, technical or otherwise which was developed, made or supplied by or for Dali in the production of any Materials or the performance of any Services sold, rendered or licensed hereunder will be and remain the sole property of Dali (or its licensors, if any). Customer agrees not to reverse engineer or exceed the scope of any license for the Materials.

23. Proprietary Rights Indemnification. If any Product bearing Dali name, becomes the subject of a third party claim of infringement of any valid United States copyright, trade secret or patent, Dali shall defend Customer against such claim, Dali will pay for any damages actually awarded to the claimant by a court of final jurisdiction, provided Customer gives Dali prompt written notice of all facts and circumstances necessary or desirable for a proper defense of same, and Customer cooperates fully with Dali in the defense of such claim. Dali shall not be responsible for any settlement made without Dali's written consent. In the event of any infringement claim, Dali may discontinue the sale of the Product. If Dali elects to discontinue the sale of the Product, Customer may (i) continue using the same at its sole risk until an injunction or other court order terminating the continued use thereof has been issued; it being understood that Dali may participate at its expense in the defence of any such action if such claim names Dali as a defendant; or (ii) return the Product to Dali, including any associated media, any printed material, and any "online" or electronic documentation to Dali and receive a prorated refund of the Product purchase cost based on an established prorated period of three (3) years from the original Shipment Date. Dali shall have no liability for any claim of infringement based upon: (i) use of the Product in a manner other than for which it was intended; (ii) any infringement, or alleged infringement, of any patent or copyright issued by any country other than the United States; (iii) modifications or changes made to the Product which are not authorized by Dali; (iv) operation of the Product in combination with other products selected by Customer for its use; or (v) Dali's compliance with Customer's designated designs, material usage or specification furnished by Customer, in which case Customer shall defend, indemnify and hold Dali harmless against any chain of infringement of any copyright or patent. The foregoing states the full liability of Dali arising out of infringement.

24. Software License. Dali licenses to Customer, Standard Software, when included with a Product sale or when purchased separately, in accordance with the terms of Software License Agreement.

25. Survival of Terms. The termination or cancellation of any Customer Purchase Order or any relationship created hereunder between the parties or the delivery of Material or performance of

Services under Customer's Purchase Order shall not affect each party's obligations and rights under these Terms, which by their nature, survive, notwithstanding such termination, cancellation, delivery or performance.

26. Taxes. In addition to the Price for Material or Services paid by Customer, Customer will pay Dali the amount of all taxes, excises, or other governmental charges that Dali may be required to pay with respect to the production, sale, license, or transportation of any Material delivered hereunder, including the performance of any Services, except taxes on or measured by Dali's net income. If Customer claims exemption from any taxes, Customer will provide Dali with documentation required by the taxing authority to support the exemption.

27. Cancellation For Default. Dali may, upon written notice to Customer, cancel any and/or all Customer Purchase Orders effective immediately if:

27.1 Customer makes an assignment for the benefit of creditors, is unable to pay its debts as they become due; files a voluntary petition in bankruptcy; is adjudicated to be a bankrupt or an insolvent debtor, files a petition seeking for itself any reorganization; or consents to or acquiesces in the appointment of a trustee, receiver or liquidator;

27.2 any proceeding seeking involuntary reorganization, or similar relief is filed against Customer which is not dismissed within one (1) month after filing, or if any trustee, receiver or liquidator of Customer or any substantial part of its business assets, or properties is appointed without Dali's consent or acquiescence and such appointment is not vacated within one (1) month after such appointment; (i) Customer ceases doing business as a going concern or it or its shareholders take any action looking to its dissolution or liquidation; or (ii) fails to perform any material obligations and such failure is not remedied within fifteen (15) calendar days after notice has been given Customer; or (iii) Customer fails to pay for any Purchase Order in accordance with the invoice payment terms. Any cancellation pursuant to this clause will be in addition to and will not be exclusive of or prejudicial to any other rights or remedies at law or in equity available to Dali.

28. Interpretation. These Terms shall be interpreted as follows: (i) headings are for convenience only and do not affect interpretation; (ii) the singular includes the plural and conversely; (iii) the word "including" shall be read as "including without limitation"; (iv) reference to a party means Dali and Customer exclusively; and (v) in the event of a conflict between Customer's Purchase Order or associated documents and these Terms, these Terms including the Order Acknowledgement shall govern.

29. Precedence. Except for Sections 8, 10, 14, 16, 18, 19, 24, and 25 of these Terms, which may not be altered or amended and shall control if in conflict with a Quotation, in the event of a conflict between a Quotation and these Terms, the terms of the Quotation shall control.

30. Waiver. No waiver will be valid unless in writing signed by an authorized representative of Dali and no waiver granted will release Customer from subsequent strict compliance herewith.