

# PRODUCT WARRANTY

NORDIC SEMICONDUCTOR ASA

These terms for product warranty governs Nordic Semiconductor ASA's product series ("Products")  
ordered by customers ("Customer")  
from any Nordic Semiconductor ("Supplier")  
approved distributors ("Distributor").

The terms and conditions governing the sale of the Products between Distributor and Customer are governed by Distributor's terms (the "Sale of Goods Contract")

Distributors are under no obligation to provide Customers with warranty, indemnification, or representations related to the Products that exceed the warranties, indemnifications, and representations given herein, and Distributor shall indemnify and hold Supplier harmless from such extended liability.

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### Article 1: GOVERNING TERMS

This Product Warranty applies to Supplier's Products purchased by Customer from Distributor.

This Product Warranty does not establish any contractual relationship between Supplier and Customer.

The Sale of Goods Contract applies to the exclusion of any other terms that Customer seeks to impose or incorporate, or which are implied by law, statute, trade, custom, practice, or course of dealing, including without limitation (and to the fullest extent permitted by law) the Sale of Goods Act 1979 and Supply of Goods and Services Act 1982 as amended).

Distributor's failure to object to provisions contained in any communication from Customers shall not be deemed a waiver of the provisions in the Sales of Goods Contract nor this Product Warranty. Any additional or different terms or conditions than the ones outlined herein provided by Distributor in any Sales of Goods Contract impose neither additional liability nor additional obligations on Supplier for the Products.

Products purchased are only to be used by Customer for integration and inclusion in Customer's devices and are not to be resold unless expressly agreed in writing by Supplier.

### Article 2: INTELLECTUAL PROPERTY RIGHTS AND LICENSES

Customer does not acquire any intellectual property rights relating to the Products by purchasing the Products. All intellectual property rights relating to the Products are retained by Supplier. All software that is delivered as part of a Product or offered separately through Supplier's website, is licensed, and not sold by Supplier. Customer is hereby granted a non-exclusive, worldwide, irrevocable, license-free use of Supplier's software only in combination with or as part of the Product for which the software has been provided. No rights or licenses with respect to any software source code are granted to Customer. Customer shall reproduce all of Supplier's (or its licensor's) copyright notices and other proprietary legends in its software and on copies thereof. Customer may not use any of Supplier's trademark or trade names without Supplier's prior written consent.

Applicable software may be found on Supplier's website: [www.nordicsemi.com](http://www.nordicsemi.com).

### Article 3: INTELLECTUAL PROPERTY INDEMNIFICATION

Except as stated in Article 4, Supplier will, at its sole option, defend or settle any formal legal proceeding brought against Customer to the extent the proceeding is based on a claim that a Product delivered to Customer infringes a patent, copyright, or mask work right of a third party, subject to the limitations of liability in Article 10, if Customer promptly

1. notifies Supplier of the claim,

2. forwards to Supplier any and all communication relating to the claim,
3. gives Supplier the authority, information, and assistance necessary to defend or settle the proceeding, and
4. agrees to assert, or permits Supplier to assert on Customer's behalf, against such third party any of Customer's intellectual property rights that may assist in connection with Supplier's indemnification obligation.

Supplier and Customer agree to work together in good faith to identify and assert such rights under subsection (iv) above. If the infringement is alleged before Supplier completes delivery of the affected Product pursuant to a purchase order from Distributor, Supplier may decline to make further shipments of the Product without penalty.

#### Article 4: EXCEPTIONS TO INDEMNIFICATION

Supplier shall have no obligation under Article 3 with respect to any claim to the extent it is based upon:

1. Customer's technology or compliance with Customer's specifications (including, without limitation, any portion of a custom product which is based on Customer's specifications),
2. Customer's modifying the Product after delivery,
3. the combination, operation, or use of the Products with any other products, services, or equipment not provided by or on behalf of Supplier, where there would be no infringement claim but for such combination,
4. use of the Product outside the Product's published and inherent use,
5. the Product's implementation of, compliance with, or interoperability with either essential or optional portions of any industry standard or technical specification,
6. the NB-IoT and/or LTE-M technical standards as published by 3GPP, and/or the relevant IEEE 802.11 and Wi-Fi technical standards as published by IEEE or the Wi-Fi Alliance, except where Supplier is able to:
  - (i) obtain a Product level license for relevant standard essential patents applicable for such technical standards, in which case such license cost will be added to the Product price, or where no Product level license is obtainable,
  - (ii) offer access to an end-product license on behalf of Customer, in which case Supplier will indemnify Customer for the cost of obtaining an offer for a license agreement with the relevant standard-essential patent owner.

Where neither (i) nor (ii) is obtainable by Supplier, Supplier will indemnify Customer up to a fair, reasonable, and non-discriminatory rate (FRAND) based on the Product.

7. any intellectual property right of an entity in which Customer or its affiliate or subsidiary has a controlling interest or for which it has license rights,
8. any intellectual property right of a Non-Practicing Entity (Non-Practicing Entity or NPE shall mean a third party that: (i) has no substantial sales of product(s) embodying the asserted patents; or (ii) generates a majority of its annual revenue from intellectual property licensing and/or intellectual property infringement allegation).
9. resulting from any suit or allegation initiated by Customer (by way of example, a charge of infringement brought by Customer, resulting in a counterclaim),
10. Customer's failure to use materials or instructions provided by Supplier which would have rendered the Product non-infringing,
11. Customer's use of the Product in the practice of a patented process or method, or
12. brought by a competitor of Customer.

Subject (1)-(12) above, if a Product delivered to Customer is held to infringe any patent, copyright, or mask work right, and Customer is enjoined from using that Product in a particular national jurisdiction, Supplier will, at its expense, do one of the following:

1. procure for Customer the right to continue to use the Product free from any liability for that infringement,
2. replace the Product with a non-infringing substitute, or
3. if (1) and (2) are not commercially feasible, refund a pro rata portion of the amounts paid by Customer to Distributor with respect to those Products that Customer returns to Distributor based on a five-year straight line depreciation schedule that begins on the date of delivery of the Product to Distributor.

Customer represents and warrants that for any action, suit, or proceeding to which Customer is a party ("Prior Litigation"), Customer shall not

1. assert any claims against Supplier based on or relating to such Prior Litigation,
2. attempt to add Supplier as a party to such Prior Litigation, or
3. seek indemnification from Supplier based on such Prior Litigation.

Articles 3 and 4 constitute the sole and exclusive liability for Supplier and remedies available to Customer with respect to claims relating to intellectual property infringement by third parties.

#### Article 5: WARRANTIES AND DISCLAIMER

Supplier warrants that under normal use, the Products shall conform substantially to the Specifications for a period of twelve (12) months from the date of delivery from Distributor to Customer (the Warranty Period).

Seller shall have no obligations for breach of warranty if the alleged defect is found to have occurred as a result of a misuse (including static discharge, improper installation, improper repair, accident, or use not in accordance with instructions provided by Supplier), neglected, improper transportation, improper storage, improper handling or has been modified, after the risk of loss in the Products has passed to Customer, or which Supplier is not capable of testing under normal test conditions.

Supplier's sole obligation towards Customer for a Product failing to meet this warranty is, at Supplier's option, to replace or repair the Product or to issue Customer a credit for the purchase price of the Product, but only if

1. Distributor has received written notice of the warranty claim within the Warranty Period,
2. Customer has returned the Product to Distributor as approved by the Distributor in a return material authorization form, and
3. Supplier has verified that the Product is defective.

Supplier warrants a replacement or repaired Product only for the unexpired term of the warranty for the defective Product.

Notwithstanding this Article 5, Supplier provides all prototypes, reference designs, and software “as-is” without warranty of any kind.

The express warranty granted above shall extend directly to Customer and not Customer’s customers, agents, or representatives. Supplier disclaims all other warranties, whether express or implied, including without limitation the implied warranties of merchantability, fitness for a particular purpose, non-infringement of intellectual property rights, and Customer’s use of the Product or use of any application or circuits described in the Specifications.

Neither Customer nor any other person or business organization is authorized to give any warranty or assume any obligation or liability on Supplier’s behalf, including any of Supplier’s Distributors, in connection with the sale, installation, and/or use of the Products.

An Epidemic Failure shall be deemed to have occurred in Supplier’s reasonable opinion, if:

1. more than 5% of the aggregate of any Products delivered to Customer during the last three (3) months fails to meet any of the Product’s warranties given in Article 5 due to a single cause (i.e. defects due to a similar or substantially similar cause, as measured in accordance with Supplier’s testing and evaluation processes); and/or
2. overall monthly return rate exceeds 10 % for any consecutive 6 months due to multiple causes, which includes all reported defects of Products.

In the event of an Epidemic Failure, Supplier and Customer shall as soon as possible cooperate to find the root cause and appropriate countermeasures, and Supplier may (1) cancel, reschedule, modify or suspend any outstanding Purchase Order(s) to Distributor for the affected Products without any penalty; and (2) Customer may return all affected Products, and to the extent that Customer has paid the Distributor for the returned Products, the Distributor shall refund the price paid within thirty (30) days after the receipt of the returned Products.

This Product Warranty is intended to benefit only Customer; no third-party beneficiaries are intended or created unless specifically agreed otherwise in writing.

## **Article 6: PRODUCT CHANGES**

Supplier produces standard Products and reserves the right to make changes at any time without notice in order to improve reliability, function, and design of the Products. Supplier represents that such changes to the Products shall not negatively affect form, fit, or function of the Products and their performance characteristics without prior, written notice.

## **Article 7: DISCONTINUATION OF PRODUCT**

Supplier reserves the right to discontinue manufacturing and sale of Products at any time. Supplier will however use its reasonable commercial efforts to give prior written notice of such discontinuance on its website [www.nordicsemi.com](http://www.nordicsemi.com), and will use reasonable commercial efforts to accommodate last-time-buy orders for such discontinued products for its Customers through relevant Distributors.

## **Article 8: EXPORT/IMPORT**

Customer warrants that it shall comply, at its own expense, with the U.S. Foreign Corrupt Practices Act, the U.S. Export Administration Regulations, the U.S. International Traffic in Arms Regulations, economic sanctions administered by the Office of Foreign Assets Control, U.S. Department of the Treasury, and all other export, import, or sanctions laws, restrictions, national security or foreign policy controls, and regulations of any applicable foreign agency or authority (collectively “Laws”). Customer further warrants that it is not designated or otherwise subject to economic sanctions or other restrictions pursuant to the Laws and that no individual or entity designated or otherwise subject to economic sanctions under the Laws either (1) owns a 50% or more interest in Customer or (2) controls Customer, directly or indirectly. Customer shall not export, import, re-export, or otherwise transfer, or authorize the export, import, re-export, or transfer the Products, in violation of the Laws if such an export, import, re-export, or transfer would cause Customer to violate such Laws. Such warranty is continuing in nature, and Customer shall advise Supplier immediately of any change that affects this warranty. Customer agrees to indemnify and hold harmless Supplier from any and all fines, claims, damages, losses, costs, and expenses (including reasonable attorney’s fees) incurred by Supplier as a result of any violation of this Section 6 by Customer, to the maximum extent allowable by law.

## **Article 9: CONFIDENTIALITY**

Except for non-confidential documentation provided to Customer from Distributor in accordance with a purchase, Customer acknowledges that all technical, commercial and financial information and materials that come into Customer’s possession or knowledge in connection with past and future purchases of products from Distributor and which is marked, identified, accepted as confidential or proprietary, or may be deemed confidential or proprietary by its nature or by the circumstances of its disclosure (“Confidential Information”) consists of confidential or proprietary information, the improper disclosure or use of which will be damaging to Supplier. Therefore, Customer agrees to hold all Confidential Information in confidence, to disclose Confidential Information only to those of its employees having a need to know, and not to disclose Confidential Information to any other party. Customer agrees that it will not use any of Supplier’s Confidential Information, and to the fullest extent permissible under applicable law, will not modify, reverse engineer, reverse-compile, reverse assemble, synthesize or in any way use any Supplier’s Product or other Confidential Information to facilitate or aid in the design or debugging of a component, chip, chip set, semiconductor device, integrated circuit, System-in-Package (SiP), development kit or integrated module whether for internal consumption or open market sale, or for any other purpose inconsistent with this Product Warranty.

## **Article 10: LIMITATION OF LIABILITY**

Supplier is not liable to Customer for any indirect, incidental, consequential, or punitive damages, for property damage, equipment re-work, equipment damage, downtime cost, or claims from Customer’s customers such as but not limited to roaming and/or network charges, loss of profits, revenue, or data, whether in an action in contract, tort, strict liability, or otherwise, even if advised of the possibility of those damages.

In no event shall Supplier be liable for any damage, costs, or expenses associated with warranty or intellectual property infringement claims, whether for the replacement or repair of products, including labor, installation, or other costs incurred by Customer related to the removal or replacement of any products soldered or otherwise permanently affixed to any printed circuit board, excess procurement costs, or rework charges.

Supplier's cumulative liability to Customer for Products purchased through Supplier's Distributors will not exceed the lesser of a) twenty percent (20%), or b) one million dollars (USD 1,000,000) of the purchase price received by Distributor from Customer for the specific Products giving rise to such liability, even if a term of an applicable agreement fails in its essential purpose. Subject to the provisions of Article 3, Supplier shall not be liable for any third party's claims to Customer, even if connected with Products delivered subject to this Product Warranty. Customer's remedies as specifically set forth in these terms constitute Customer's exclusive remedies for any breaches by Supplier to which they relate.

#### **Article 11: RESTRICTED USE**

Supplier's Products are not certified by the Food and Drug Association (FDA), hence shall not be used in the essential part of life support appliances.

Supplier's Products are not certified for use in essential, critical performance parts for the automotive industry, hence shall not be used for such purposes.

Supplier's Products shall not be used in devices that may be used by any person with the intent to create a risk of loss of human life or considerable harm to body, property, or the environment unlawfully, in violation of the Norwegian Penal Code and other applicable laws.

Supplier reserves the right to stop Distributor from selling to any Customers who use Products in violation of the restricted use as described above.

This Product Warranty applies to all Products bought by Customer from Distributor, whether the Sale of Goods Contract is effective or not.

#### **Article 12: GOVERNING LAW**

This Product Warranty shall be governed by and subject to the laws of Norway and disputes hereunder shall be subject to the exclusive jurisdiction of the courts of Oslo, Norway. The provisions of the United Nations Convention on the International Sale of Goods shall not apply to this Agreement. Supplier and Customer have no contractual relationship, and any and all claims related to the Products shall be directed to the Distributor in accordance with the Sales of Goods Contract. Only where Customer has a valid claim towards Supplier may Customer direct a claim to Supplier in accordance with the Norwegian Sale of Goods Act of 13<sup>th</sup> May 1988 no 27 Article 84 (1). In such a case, if Supplier and Customer cannot reach an agreement on a dispute, either party may refer the dispute to arbitration.

Each term herein is severable. If a court, agency, or arbitrator having jurisdiction determines that any term is invalid or unenforceable under applicable law, that determination will not affect the rest of the Product Warranty which will continue to be enforced as if the invalid or unenforceable terms were omitted.

#### **Article 13: GENERAL**

A waiver of a breach of any term of any Sale of Goods Contract or this Product Warranty will not be construed as a waiver of any succeeding breach of that term or as a waiver of the term itself. A party's performance after the other's breach will not be construed as a waiver of that breach.

All notices required or permitted and all requests for approvals, consents, and waivers must be in writing and must be delivered to the parties at their respective addresses by a method providing for proof of delivery. Any notice or request will be deemed to have been given on the date of receipt.

Customer and its subsidiaries hereby covenant that they will not assist in or assert any claim (including, without limitation, any intellectual property claims) relating to the use, sale, import, export, offer for sale, or manufacture of the Products, any derivatives thereto, or any related materials.

#### **Article 14: MODIFICATIONS AND CHANGES TO TERMS**

Supplier reserves the right to make any amendments or modifications to this Product Warranty at any time. Such amendments and modifications shall have effect on any existing purchase thirty (30) days from notification of such amendments or modifications by Supplier, unless Customer has notified Supplier within such thirty (30) days period that it objects thereto.